

CONFLICT RESOLUTION

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**The Opportunities for International Integration of the South
Caucasian Non-Recognized States**

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The article examines the opportunities for integration of non-recognized states and the key factors influencing this process. An attempt is made to present the possibilities of integration of Nagorno-Karabakh, South Ossetia and Abkhazia or the prospects of their cooperation with integration unions. The role and effectiveness of integration unions in conflict prevention and settlement are still ambiguous and, in some instances, largely ineffective. However, an active and close cooperation with integration unions may be effective in overcoming the post-conflict challenges. At the same time, it is highlighted that this is not a decisive factor for international recognition of non-recognized states. The article presents the features of the EU-Kosovo close cooperation and possible integration process, its impact on the recognition, as well as opportunities for applying the existing experience to de facto states of the South Caucasus.

Keywords

Integration, non-recognized state, post-conflict phase, EU, Kosovo, Nagorno-Karabakh, South Ossetia, Abkhazia.

Introduction

The aim of the article is to analyze the possibilities and peculiarities of the integration of non-recognized states, drawing on the cases of Kosovo, Nagorno-Karabakh, South Ossetia and Abkhazia. For some time, non-recognized states have not been much referred to in the field of international relations or only the issues related to conflict settlement have been considered. Nevertheless, in the last decade and a half, the references to the process of their formation, consolidation and recognition have increased within the scientific and political circles. The same is true for the issues related to their final status, as these states greatly influence political developments. Some of the non-recognized states have managed to create relatively effective institutions of government. In some cases, they even

turned to be much more democratic than those of the metropolis. These states have proved their viability by registering quite good results in state-building process. Nevertheless, issues related to economic development and stability are still on the agenda in non-recognized states. These problems are difficult to address in the face of blockades, non-cessation of hostilities, problems with refugees and internally displaced persons, etc. Meanwhile, the formation of a cooperative atmosphere and a stable financial and economic perspective can create realistic opportunities for conflict resolution. Integration or cooperation with international and regional unions can contribute to overcoming the complex and long-term post-conflict challenges, ensure economic stability and development. Moreover, it may have a unique impact on the process of international recognition. In this regard, it is interesting to study the EU integration process of Kosovo and the experience of cooperation, as a unique "precedent" in the effective interaction between non-recognized state and international organization. Therefore, the article attempts to analyze the main guidelines and features of Kosovo's EU integration process, its probable links and impacts on the process of recognition, as well as the applicability of Kosovo's integration experience to non-recognized states of the South Caucasus.

Peculiarities of non-recognized states

There are more than twenty political entities worldwide that are not internationally recognized, are not members of the United Nations, and have appeared on the political map since the end of the Cold War. These non-recognized states are also known as "quasi-states" or *de facto* states¹. Among many examples are Kosovo, Abkhazia, South Ossetia, Northern Cyprus, Nagorno-Karabakh, Somalia, Transnistria, etc.

De facto states have both similarities and peculiarities in terms of their origin, support of external actors (more often, superpowers), domestic efforts of state-building, a high-level of hostility not only by the metropolis, but also, in part, by the international community and several other factors². The existence of non-recognized states and the conflicts related to them affect not only the development of these and other states, but also the

¹ O'Loughlin J., Kolossov V., Toal G., Inside Abkhazia: Survey of Attitudes in a De Facto State, *Post-Soviet Affairs*, 2011, 27, 1, 1-36.

² Berg E., Examining Power-Sharing in Persistent Conflicts: De Facto Pseudo-Statehood versus *de Jure* Quasi-Federalism, *Global Society*, 2007, 21, 2, 199-217.

international (interstate) relations and, in general, international political system. The declaration of independence of these states is often followed by ethno-political conflicts. After military clashes, the conflicts are being frozen, leaving many issues unresolved. In different cases, the issue of the final political status of these states varies. In one case, the independence of these states is internationally recognized through the membership to the UN (East Timor, South Sudan, Eritrea, etc.); in other cases they join the metropolis, such as Chechnya (Russia), Serbian Krajina (Croatia 1991-1995), Tamil Eelam (Sri Lanka 1986-2009), etc. However, regardless of the outcome, these countries have faced many challenges related to their development over a long period of time. It seems that the international community should pay special attention to these issues, as the population of these countries suffers from various forms of military aggression. Moreover, other states generally avoid establishing and developing relations with such states until their political status is determined. The problems accumulated during that period add to the suffering of these states, even in the post-conflict period. In the last decade, there has been some progress in the actions of the international community and individual states, aimed at improving the situation.

Many researchers have been engaged in the study of non-recognized states, but it is important to clarify the criteria on which these studies are based. Among these criteria are:

- The history of the formation of non-recognized state, the peculiarities of ethnic conflict and the main stages of development
- Peculiarities of the negotiation process, mediation, peaceful conflict settlement plans
- The formation of statehood and economic environment
- Peculiarities of political system, the level of democracy
- Presence or the lack of the opportunity to rejoin the metropolis
- The possibilities of existence as an independent state
- The ability and interest of external actors to change the status of non-recognized state³

Kolsto⁴ defines *de facto* states as entities having the following characteristics:

³ **Добронравин Н.**, Непризнанные государства в «серой зоне» мировой политики: основы выживания и правила суверенизации. Издательство Европейского университета в Санкт-Петербурге, 2011, 56 с.

- The leaders of non-recognized states have established control over most of state's territory
- The lack of international recognition
- These entities must be non-recognized for at least two years.

Despite the lack of international recognition, some non-recognized states have managed to establish relatively effective institutions of public administration. In some cases, quite effective democratic regimes have also been formed. De facto states often voice that effective state-building can be achieved without international recognition, or, in other words, internal sovereignty does not exclude the absence of external sovereignty. This argument has become a central element of the strategy to gain recognition; de facto states more often claim that they have "earned" their recognition and have proved that they are viable states. The two major goals of non-recognized states are to achieve de facto independence and international recognition⁵.

Integration or cooperation?

International and internal conflicts often produce irreversible effects, immediately addressed by the international community. Nevertheless, political issues and especially economic losses rarely become a subject of discussions⁶. Economic issues are discussed in some circles, but most of them neither appear on the political agenda nor discussed during official negotiations. The scope of the discussions is mostly limited to the protection of human rights, democracy, formation or change of political institutions, but never to economic modernization. Meanwhile, the latter may be crucial in terms of overcoming all the other issues.

In this respect, a progress could be achieved through internationalization, the current stage of which differs from all previous stages, first of all, in its diversity and popularity. In recent decades, the process of regional integration has become a key element of internationalization. The European Union is no longer a unique case of

⁴ **Kolstø P.**, The Sustainability and Future of Unrecognized Quasi-States, *Journal of Peace and Research*, 2006, **43**, 6, 723-740.

⁵ **Caspersen N.**, Playing the Recognition Game: External Actors and De Facto States, *The International Spectator*, 2009, **44**, 4, 47-60.

⁶ **Kang S., Meernik J.**, Determinants of Post-Conflict Economic Assistance, *Journal of Peace Research*, 2004, **41**, 2, 149-166.

regional integration. The diversity of regional processes explains the ambiguity existing between those who are for and those against internationalization. This process combines the impact of regional integration processes on the old and new global institutions. In general, in the modern stage of globalization, which is a non-homogeneous, dual process, various integration structures play important role.

Regionalization implies active interaction between regional states in political, economic, military and many other spheres. Regional integration is the cooperation of geographically close states in political and economic spheres. It often becomes a subject of discussions, as, like globalization, it also exerts external influences on national policy, increasing the mobility of labor and capital⁷. The associations of regional economic integration can be of enormous importance in terms of managing and preventing regional conflicts. The positive impact of economic integration on the socio-economic development of post-conflict states can also be decisive in terms of international recognition.

The studies on regionalization in East Asia and Europe show that integration alliances are formed both between countries with the same level of economic development and between those with significant differences in the level of their development. The financial, economic or political integration unions to which states may be members differ from each other and from the "perfect" forms of integration unions. These unions are not identical, as all steps and actions must be clearly perceived by both governments and populations of member states, and, of course, meet their interests⁸.

In general, regional organizations can play a preventive role in resolving acute political conflicts⁹. One of the most well-known examples is the European Coal and Steel Community (ECSC). It was established in the aftermath of World War II with the aim of reconciling controversies between Germany and France, as well as preventing further conflicts in Europe. Among other examples are the Association of Southeast Asian Nations

⁷ **Madeira M.**, Regional integration and national social policies, *Research and Politics*, 2014, October-December, 1–9.

⁸ **Petit P.**, Globalisation and Regional Integration: A Comparative Analysis of Europe and East Asia, *Competition and Change*, 2006, **10**, 2, 113–140.

⁹ **Bisworo J.**, The Role of Regional Integration in Conflict Prevention, Management, and Resolution in Africa. The Case of African Union, 2013, p. 31.

(ASEAN), the Andean Community¹⁰, the Asia-Pacific Economic Cooperation (APEC), the North American Free Trade Agreement (NAFTA), etc. These organizations were able to prevent and settle disputes over economic issues. The Eurasian Economic Union, formed in the post-Soviet space, is one of the youngest economic integration unions (May 29, 2014).

Three different approaches can be distinguished as to why the citizens of this or that state are for or against regional integration¹¹. The first approach is utilitarianism which implies that people calculate losses and benefits when considering membership to this or that union¹². The second approach, based on social utilitarianism, focuses on the benefits the state will have, whereas "ego-centric" utilitarianism - on individual benefits. Utilitarianism is often used when considering the economic aspects of integration, due to the fact that trade liberalization can have different effects. In particular, people who belong to a higher socio-economic class are more likely to support economic integration as they are more prepared to compete in global markets.

The second group of studies focuses on the compatibility of the "identity" of the population and a particular integration union. First of all, it is about language, ethnicity, religion or other cultural values. The lack of such commonalities can cause controversy and even failure of the integration process. Moreover, citizens with a high level of national identity are often skeptical about supranational structures in general¹³.

Finally, the third group of studies focuses on the security component of integration, that is, how national security issues arising under different conditions and at different times can influence the "preference" of integration¹⁴. It is noteworthy that in the presence of threats to national security, preference is given to security rather than economic integration. In the event of territorial conflict or an external enemy, citizens are more

¹⁰ **Swanström N.**, Regional Cooperation and Conflict Management: Lessons from the Pacific Rim (Uppsala: Department of Peace and Conflict Research), Uppsala University, 2002.

¹¹ **Spina N.**, Threats to National Security and Public Support for Integration: the Case of Armenia and Nagorno-Karabakh, *Caucasus Survey*, 2018, 1-23.

¹² **Hooghe L., Marks G.**, Calculation, Community and Cues: Public Opinion on European Integration, *European Union Politics*, 2005, **6**, 4, 419-443; **McLaren L.**, Identity, Interests and Attitudes to European Integration, 2005, New York, Palgrave Macmillan.

¹³ **Hooghe L., Marks G.**, Op. Cit.

¹⁴ **Spina N.**, Op. Cit.

inclined to social utilitarianism based on security; they are in favor of becoming part of those integration unions which will improve the level of security. Thus, membership to supranational unions can fundamentally change the national security by preventing enemy's aggression. Consequently, the number of supporters of integration in the field of security will be higher in case of real or probable crisis, when the state security becomes an urgent issue. In such cases, economic integration becomes less important. The case of Georgia can be considered as an example. Studies show that the Georgians consider NATO membership more important than the EU membership due to the issues of South Ossetia and Abkhazia¹⁵.

The above-mentioned problems are more obvious with respect to non-recognized states (Nagorno-Karabakh, Kosovo, Abkhazia, Transnistria, South Ossetia, etc.). In such states, the insurance of economic development and stability is accompanied by a number of problems, such as complex financial and military situation, instability of political system, problems of post-conflict refugees and internally displaced persons, etc. As Ferrero-Waldner notes, in non-recognized states of the South Caucasus, in parallel with the promotion of democracy and regional cooperation, it is necessary to improve the socio-economic prospects of the region, which, in turn, can contribute to a positive cooperation and create realistic opportunities for conflict resolution¹⁶.

The experience of Kosovo's integration

While speaking about the process of integration or cooperation between non-recognized states and integration unions, the case of Kosovo should be first considered, in which the EU has played a unique role. In general, the role of the European Union and European integration processes in the conflict settlement process is undeniable. The EU was originally created as a "peace" project in the mid-20th century. It played an enormous role in ensuring peace, stability and development in Europe. As a global player, the EU promotes integration processes to ensure peace and development, as well as to resolve conflicts worldwide. The provisions on conflict prevention, conflict settlement, protection of values, prosperity, and

¹⁵ Spina N., Op. Cit.

¹⁶ Ferrero-Waldner B., The European Neighbourhood Policy: The EU's Newest Foreign Policy Instrument, *European Foreign Affairs Review*, 2006, **11**, 2, 139-142.

international peace are enshrined in the Lisbon Treaty, which entered into force on 1 December 2009¹⁷. The EU has an active role in the settlement of a number of conflicts: Kosovo, Cyprus, the Kurdish issue, the Israeli-Palestinian conflict, Serbia-Montenegro.

The Western Balkans is quite a complex region for the EU. In the last two decades, since the collapse of Yugoslavia, the EU has been actively involved in the settlement and management of regional conflicts¹⁸. Despite the lack of an agreement between Serbia and Kosovo on the final status of the territory, the EU has been a major player in Kosovo since 2008, seeking to resolve the conflict by alternative means and step by step. The EU's long-term strategy included a state-building program, which was essentially a legacy from the UN Interim Administration: rule of law, human rights, strong financial and economic assistance in the decentralization process, and the expansion of Kosovo's policy¹⁹.

Since 1999, the EU has played a key role in resolving the Kosovo conflict by providing assistance to the United Nations Interim Administration (UNMIK). The EU was responsible for economic assistance and upgrading in the post-conflict phase, with funding from the European Commission.

The European Union Rule of Law Mission in Kosovo (EULEX), approved by the Council of the European Union on February 4, 2008, fostered the EU-Kosovo cooperation. The legal basis for the formation and involvement of the mission was the UN Security Council Resolution 1244 (1999)²⁰. The resolution provided for the international civilian and security presence for the initial period of 12 months (paragraph 12), defined the main powers and responsibilities of the international civilian presence, as well as the powers of the international police personnel to maintain civil order (paragraphs 10, 11, 17)²¹. EULEX has a mandate to operate in Kosovo until June 20, 2020. It is the largest and most expensive mission within the EU's

¹⁷ The Treaty of Lisbon, <http://www.europarl.europa.eu/factsheets/en/sheet/5/the-treaty-of-lisbon>, (29.01.2019)

¹⁸ **Yabanci B.**, *Reframing Legitimacy Problematique: EU Conflict Resolution in Kosovo and North Cyprus*, University of Bath, 2012, p. 14.

¹⁹ **Yabanci B.**, *Op. Cit.*

²⁰ Security Council Resolution 1244 (1999) on the situation relating Kosovo, <https://peacemaker.un.org/kosovo-resolution1244>, (05.12.2019).

²¹ Council Joint Action 2008/124/CFSP of 4 February 2008 on the European Union Rule of Law Mission in Kosovo, EULEX, https://www.eulex-kosovo.eu/eul/repository/docs/WEJointActionEULEX_EN.pdf, (05.12.2019).

Common Foreign and Security Policy, and the only one with an executive mandate²². EULEX operates within the framework of the European Security and Defense Policy, assists the Kosovo authorities, the judiciary and law enforcement agencies in ensuring sustainability and accountability. The mission's tasks are to develop and strengthen a multi-ethnic justice system, including the sustainable operation of multi-ethnic police and customs service in line with internationally recognized standards and European best practices²³.

Following Kosovo's unilateral declaration of independence on 17 February 2008, the European Commission issued a statement on 18 February. The latter stated, in particular, that Kosovo's declaration of independence underscores Commission's belief that Kosovo is a special (*sui generis*) case²⁴. This again reaffirmed the EU's special attitude towards Kosovo.

The EU's 2009 report on the progress of Kosovo stated that Kosovo needs to make progress in the area of rule of law, the judiciary, as well as in the areas of corruption, money laundering and organized crime. Special attention was paid to the problems in the public administration system, and the main guidelines for changes were pointed out²⁵.

The Kosovo-Serbia dialogue was launched in 2011. It is regarded as a direct effect of the EU's active work. The meetings before 2013 were followed by the signing of the Brussels Agreement²⁶, which was, in fact, the first legal basis of the dialogue between Serbia and Kosovo. Due to the

²² **Osland K., Peter M.**, The double proximity paradox in peacebuilding: implementation and perception of the EU rule of law mission in Kosovo, *European Security*, 2019, pp. 493-512.

²³ Kosovo: Council establishes an EU Rule of Law Mission, appoints an EU Special Representative, https://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/gena/98768.pdf, (05.12.2019)

²⁴ European Commission-Kosovo, https://ec.europa.eu/neighbourhood-enlargement/countries/detailed-country-information/kosovo_en, (05.12.2019).

²⁵ Kosovo under UNSCR 1244/99 2009 Progress Report, https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2009/ks_rapport_2009_en.pdf, (06.12.2019).

²⁶ JOINT REPORT TO THE EUROPEAN PARLIAMENT AND THE COUNCIL, https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2013/ks_spring_report_2013_en.pdf, (06.12.2019).

signing of the Agreement and the subsequent agreements reached, the EU-Kosovo relations moved to a qualitatively new level.

Negotiations between the EU and Kosovo on a "Stabilization and Association Agreement" started in 2013. The agreement was signed on October 27, 2015 and entered into force on April 1, 2016. The document²⁷ consists of 10 main parts:

1. General principles: Kosovo commits to respect democratic principles and human rights, the fundamental principles of international law, the rule of law and the principles of market economy, to pursue a constructive dialogue with Serbia, and to foster co-operation and good neighborly relations in the region.
2. Political dialogue, which, first of all, implies the process of normalization of relations between Serbia and Kosovo, advancement of Kosovo's European perspective and a gradual rapprochement with the EU.
3. Regional cooperation: Kosovo is committed to join the Central European Free Trade Agreement and make consistent efforts to make progress in this area.
4. Free movement of goods, including the establishment of a bilateral free trade area over a period of maximum 10 years, as well as a guaranteed process of reduction or abolition of customs tariffs.
5. Establishment, supply of services and capital: Both parties to the agreement were to take steps that would gradually allow companies or citizens to provide services in the other party's territory.
6. Approximation of Kosovo's law to the EU *acquis*, law enforcement and competition rules.
7. Freedom, security and justice: parties should attach particular importance to the consolidation of the rule of law, the independence and impartiality of the judiciary and improving its efficiency.
8. Cooperation policies: Establishment of close EU-Kosovo cooperation.
9. Financial cooperation in the form of loans (including the European Investment Bank) and grants. At the same time, the purpose of the financial assistance was to make progress in satisfying the Copenhagen criteria.

²⁷ Stabilisation and Association Agreement, [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:22016A0316\(01\), \(06.12.2019\).](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:22016A0316(01), (06.12.2019).)

10. Control: The Stabilization and Association Agreement provided for the establishment of a Stabilization and Association Council to oversee the implementation of the obligations under the Agreement.

The EU Office in Kosovo²⁸ has a great role in the implementation of Kosovo's EU agenda. Its mission is to present, explain, implement the EU policy, and analyze political developments in Kosovo. The Office plays a key role in providing financial assistance, protecting human rights and fundamental freedoms, and strengthening the EU efforts in this area. In terms of financial assistance, the EU has provided a total of € 2.3 billion in assistance since 1999²⁹. Through a support mechanism, called Instrument for Pre-Accession Assistance (established in 2007), it was planned to provide €602 million in assistance to Kosovo in 2014-2020³⁰, to be used in the following areas: democracy, governance, rule of law, fundamental freedoms, energy, education, agriculture, rural development, regional cooperation, etc.

Following the establishment of the EU's Common Foreign and Security Policy, the Western Balkans has been high on the EU's foreign policy agenda. Moreover, the region was declared as a priority during the 2018 Bulgarian presidency of the EU. In 2018, the European Commission adopted a new policy strategy for the region, entitled "A credible enlargement perspective for and enhanced EU engagement with the Western Balkans"³¹. Kosovo has also played a significant role in the context of the EU's Common Security and Defense Policy (CSDP), as it has acted as a "catalyst" in the formation of CSDP³².

The next important starting point for the development of the EU-Kosovo relations was the launch of the visa liberalization process initiated by the European Commission in January 2012. Nevertheless, negotiations on

²⁸ EU Office in Kosovo /EUSR, https://eeas.europa.eu/delegations/kosovo/1386/about-eu-office-kosovo-eusr_en, (06.12.2019).

²⁹ European Union Office in Kosovo, European Union Special Representative in Kosovo, https://eeas.europa.eu/delegations/kosovo/1387/kosovo-and-eu_en, (06.12.2019).

³⁰ Kosovo - financial assistance under IPA II, https://ec.europa.eu/neighbourhood-enlargement/instruments/funding-by-country/kosovo_en, (06.12.2019).

³¹ **Mutluer D., Tsarouhas D.**, EU foreign policy and 'perceived coherence: the case of Kosovo, *Southeast European and Black Sea Studies*, 2018, **18**, 3, 419-438.

³² **Shepherd A.**, A milestone in the history of the EU: Kosovo and the EU's international role. *International Affairs*, 2009, **85**, 3, 513-530; **Tzifakis N.**, The European Union in Kosovo, *Problems of Post-Communism*, 2013, 60, 1, 43-54.

visa liberalization are still ongoing, and the factors influencing the process range from security to incomplete implementation of Kosovo's commitments.

The issue of Kosovo's recognition by the EU (i.e., by all EU member states) cannot be postponed if the EU wants to make progress in Kosovo's development. In 2018 report³³, the European institutions highlighted all the areas where Kosovo has been able to make progress and those that are still considered problematic. There has been some progress in the areas of public administration, justice, corruption, organized crime, human rights, and freedom of speech as opposed to the post-independence period, but they are not enough to enter the next stage of integration. Considerable progress has been made in the development of a market economy. According to the World Bank³⁴, Kosovo's GDP per capita is \$ 4,312, which is about 3.9 times more than that of the same period in 2011. However, the problems related to the shadow economy and the level of unemployment are still on the agenda. As of 2018, the unemployment rate was 29.57%³⁵.

The EU-Kosovo relations may have a major impact on rapprochement. Nevertheless, they cannot be the only decisive factor ensuring the success of that process. The expression of political will and awareness of the existing problems are of key importance. The current distance between Kosovo and the EU member states and trade costs have a direct impact on the current dynamics of trade and the reduction of exports. It is noteworthy that the Diaspora of Kosovo, which has undertaken the task of publicizing in the EU member states the goods produced in Kosovo, has a great role in maintaining the existing volumes of exports³⁶.

In parallel with this process, the issue of Serbia's EU membership is also being discussed. Kosovo's independence and Serbia's EU membership were predominant in Serbia's domestic and foreign policy agenda after the ouster of Slobadan Milosevic in 2000. Formally the recognition of Kosovo's independence has never been a precondition for Serbia's membership.

³³ Kosovo 2018 Report, <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-kosovo-report.pdf>, (06.12.2019).

³⁴ The World Bank in Kosovo, <https://www.worldbank.org/en/country/kosovo/overview>, (06.12.2019)

³⁵ Kosovo Labour Force Survey 2018, <https://kosovodata.com/labour-force-survey-q3-2018/>, (05.12.2019)

³⁶ **Gashi P., Hisarciklilar M., Pugh G.**, Kosovo-EU trade relations: a dynamic panel poisson approach, *Applied Economics*, 2016, November, 1-14.

Meanwhile, the country's denial to recognize Kosovo's independence significantly undermined the process of accession. Serbia's application for membership was approved on December 9, 2011, but it was initially postponed until March 2012³⁷. Despite the fact that high-ranking EU officials have repeatedly stated that Serbia has made progress in terms of the Copenhagen criteria, the issue of establishing a dialogue with Pristina has been pushed to the forefront. At this stage, Serbia's integration is planned only in 2025.

Despite the fact that Kosovo's independence has been recognized by most EU member states, 5 countries (Spain, Slovakia, Greece, Romania and Cyprus) refuse to accept the unilateral declaration of independence. Accordingly, Kosovo's "European integration prospects" are still vague due to its disputed status. The controversies over status are further complicating the EU-Kosovo relations, yet an active dialogue continues. Moreover, Kosovo is still far from meeting the Copenhagen criteria - a precondition for the EU integration process. Therefore, the EU efforts are focused on the assistance in state building. The lack of a common EU position can not be presented as an ultimatum for closer relations with Kosovo. Even in the short run, the issue of status (the fact that it is not a UN member and the fact that some EU member states have not recognized Kosovo's independence) cannot be a real obstacle to integration in a number of areas. However, when Kosovo is fully prepared for the EU membership, the status will become decisive and will have a unique impact on Kosovo's "European perspective"³⁸.

The Opportunities for integration processes in non-recognized states of the South Caucasus

The issue of the three conflict zones in the South Caucasus is also in the center of the EU's attention, as they affect not only the security of the region, but also of Europe and the entire international community. This is why the EU is interested not only in resolving these conflicts, but also in ensuring economic stability. In addition, the launch of new military

³⁷ European Commission, Key Findings of the 2019 Report on Serbia, https://europa.eu/rapid/press-release_COUNTRY-19-2780_en.htm, (25.03.2019).

³⁸ **Ker-Lindsay J.**, Economides S., Standards before Status before Accession: Kosovo's EU Perspective, *Journal of Balkan and Near Eastern Studies*, 2012, **14**, 1, 77-92.

operations in the region could undermine the EU's energy interests and ongoing programs, given that the region is also a strategic transit point for energy to Europe³⁹. Regarding the conflicts in Nagorno-Karabakh, South Ossetia and Abkhazia, the EU cooperates with organizations directly involved in the settlement process. Sometimes, it comes up with its own initiatives, such as after the 2008 Russian-Georgian war. The EU included the South Caucasus (Armenia, Georgia, Azerbaijan) in the Eastern Partnership program to launch economic and political reforms and to neutralize destabilizing factors in the region. Meanwhile, it is clear that the efforts are still very limited.

The prospects for the integration of Nagorno-Karabakh are directly related to the integration process of the Republic of Armenia. In this regard, these opportunities should be considered in the context of the already implemented integration processes, and the EU-EAEU alternative should be discussed. Back in 2010, the most ambitious project in terms of the EU-Armenia cooperation was launched, i.e. the negotiations on the Association Agreement and the Deep and Comprehensive Free Trade Area. Prior to that, the Partnership and Cooperation Agreement was signed in April 1996 and entered into force in July 1999. Following the agreements reached at the Prague Summit in May 2009, the Eastern Partnership program has been launched. The EU-Armenia relations reached a "deadlock" on September 3, 2013, after President Serzh Sargsyan's announcement on Armenia's membership to the EEU. This was followed by statements of high-ranking EU officials and the leaders of EU member states, that Armenia's joining the EEU can not hinder active cooperation with the EU. The Comprehensive and Enhanced Partnership Agreement, signed on November 24, 2017 in Brussels, can be considered as a continuation of this process. It is noteworthy that the document also contains a reference to Artsakh. In particular, it is mentioned that the EU recognizes the exceptional importance and significance of Armenia's commitment to the peaceful settlement of the Nagorno-Karabakh conflict through negotiations, and there is also a reference to the right of Nagorno-Karabakh people to self-determination. It is noted that the conflict settlement process should be continued within the framework of the negotiations led by the OSCE Minsk Group. The urgency to reach a settlement as soon as possible is also emphasized. Nevertheless,

³⁹ **German T.**, Visibly Invisible: EU Engagement in Conflict Resolution in the South Caucasus, *European Security*, 2007, **16**, 3-4, 357-374.

the need to establish closer relations or constructive cooperation with Artsakh is not fixed by any of the above-mentioned documents.

One of the most difficult issues in terms of integration into the Eurasian Economic Union is the ambiguous attitude of the leaders of the EEU member states to the Nagorno-Karabakh conflict and the issue of final status. It is quite clear that each member state is guided by its own interests. At the same time, it is not logical when some member states try to raise issues of bilateral relations with non-member states when discussing issues of collective interest within international organization (EEU), which are not rejected by other member states. In particular, the obvious negative attitude of presidents of Kazakhstan and Belarus, the issue of the OSCE presidency in connection with the arrest of Yuri Khachaturov, the arrest of blogger Alexander Lapshin in Belarus and the issue of extradition to Azerbaijan⁴⁰.

In terms of the issues under present study, it is noteworthy that the Nagorno-Karabakh border was not considered an external border of the EEU, which was enshrined in the draft agreement on Armenia's membership in the EEU. Amid its absence, customs posts had to be set up in Kashatagh and Lachin, as well as on other roads leading to Artsakh. This would greatly complicate the Armenia-Artsakh trade, given that it is the only way to connect Artsakh to the outside world, etc., in the absence of air trade.

Since the recognition of the independence of South Ossetia and Abkhazia in 2008, Russia has provided not only diplomatic and political assistance, but also economic aid. A number of documents have been signed during this period to formalize economic and other assistance. On September 17, 2008, immediately after the recognition of independence, agreements on "Friendship, Cooperation and Mutual Assistance" were signed between Russia, Abkhazia and South Ossetia⁴¹. The documents, in particular, include active cooperation in several key areas, including foreign policy, sovereignty, defense, peace and stability, territorial integrity, etc. In addition, Article 9 of the Agreement stipulates that the parties will not join unions or alliances that may harm the other party.

⁴⁰ **Баласанян Г.**, Армения и евразийская интеграция: уроки, проблемы и перспективы, *Сборник материалов РИСИ*, 2017, сс. 7-16.

⁴¹ Договор о дружбе, сотрудничестве и взаимной помощи между Российской Федерацией и Республикой Южная Осетия, <http://kremlin.ru/supplement/199>, (20.11.2019); Договор о дружбе, сотрудничестве и взаимной помощи между Российской Федерацией и Республикой Абхазия, <http://kremlin.ru/supplement/200>, (20.11.2019).

On March 18, 2015, the "Cooperation and Integration Agreement"⁴² was signed between Russia and South Ossetia, which was the next important step in economic integration. The agreement provided for the transfer of relations to a new, interstate level, as well as for allied-strategic cooperation. Moreover, it was mentioned that raising the interstate relations to a qualitatively new stage corresponds to the national interests of the two countries. It is noteworthy that according to Article 12 of the agreement, Russia will support South Ossetia through investment programs for socio-economic development.

In general, polls show that the majority of the South Ossetians live in tough conditions, due to economic transformations that are a direct result of hostilities⁴³. As a result of socio-economic problems, at least 24% of the population want to emigrate from the country, and most of those who express such a desire cite Russia as the main destination for emigration⁴⁴.

The situation in Abkhazia is partly different from South Ossetia, where the EU, in addition to assisting in negotiation process, also provides financial assistance to resolve post-conflict issues. This happens in case, when Abkhazia pursues a strictly pro-Russian policy. The EU is also implementing a number of programs in Abkhazia aimed at ensuring food security, health care reform and job creation.

Following the end of the Russian-Georgian war in 2008 and the recognition of Abkhazia's independence by Russia, the Partnership, Cooperation and Mutual Assistance Agreement⁴⁵ was signed on September 17, 2008 with the aim to create appropriate preconditions for economic integration, which included active trade and economic cooperation, preparation of projects for the integration of energy and transport systems, etc. Moreover, the agreement stated that in terms of increasing the efficiency of economic integration, the issue of introducing favorable regimes in trade and economic relations is also important. It should not be less favorable than

⁴² Договор между Республикой Южная Осетия и Российской Федерацией о союзнничестве и интеграции, <https://presidentruo.org/dogovor-mezhdu-respublikoj-yuzhnaya-osetiya-i-rossijskoj-federaciej/>, (20.11.2019).

⁴³ **Toal G., O'Loughlin J.**, Inside South Ossetia: a survey of attitudes in a de facto state, *Post-Soviet Affairs*, 2013, **29**, 2, 136-172.

⁴⁴ **O'Loughlin J., Kolossov V., Toal G.**, Inside Abkhazia: Survey of Attitudes in a De Facto State, *Post-Soviet Affairs*, 2013, **27**, 1, 1-36.

⁴⁵ Договор о дружбе, сотрудничестве и взаимной помощи между Российской Федерацией и Республикой Абхазия, <http://www.kremlin.ru/supplement/200>, (10.11.2019).

for any other third country. The next important stage of economic integration is the "Strategic Partnership Agreement" signed between Abkhazia and Russia on November 24, 2014⁴⁶. The agreement included ensuring regional security, pursuing a mutually agreed foreign policy, developing a common defense, security, socio-economic area, as well as implementing tools and policies that would contribute to the socio-economic development of Abkhazia. It also provides for the creation of conditions that will allow Abkhazia to fully participate in the integration process of the post-Soviet space, as well as membership in other international organizations or associations established on the initiative or with the support of Russia. The above-mentioned indicates that Russia does not rule out Abkhazia's membership in the EEU. Moreover, it is ready to assist in that process.

As South Ossetia and Abkhazia, it should be noted that no concrete steps have been taken to join the EEU, despite the fact that the two non-recognized states expressed a desire to join the Customs Union before the establishment of the EEU.

Thus, in case of non-recognized states in the South Caucasus, probable integration projects are not discussed. Meanwhile, it should be noted that even discussions on such projects can have a rather constructive impact on the conflict settlement process. Active and close cooperation with integration alliances can have a positive impact on preventing further conflicts and hostilities, and overcoming post-conflict challenges. Nevertheless, it cannot be decisive in the process of international recognition.

Conclusion

1. There are many examples of non-recognized states in current international relations that share a number of features: similar conditions for establishment, support from external actors, internal state-building efforts, a high level of hostility not only by the metropolis, but also, in part, by the international community. In post-conflict phase, non-recognized states face not only political problems (obstacles in the process of international recognition), but

⁴⁶ Договор между Российской Федерацией и Республикой Абхазия о союзнничестве и стратегическом партнерстве, <http://kremlin.ru/supplement/4783>, (10.11.2019).

also the lack of resources and support. In such circumstances, it is important for the international community to pay due attention and to assist these states through the creation or involvement of various formats of cooperation with integration unions.

2. On the path of ensuring economic development and stability, non-recognized states face additional difficulties: complex financial and military situation, instability of the political system, problems of refugees and internally displaced persons, etc. Improving the socio-economic prospects of the region and creating an atmosphere of cooperation can be crucial in this regard.
3. Despite some difficulties in the process of determining Kosovo's status, the EU has been a major player in Kosovo since 2008, seeking to resolve the conflict through alternative means and in gradual steps. The EU's long-term strategy included a state-building program, which is essentially a legacy of the UN Interim Administration. It covered a number of key areas: the rule of law, human rights, financial and economic support, etc.
4. Though Kosovo's "European integration prospects" remain murky due to its disputed status, and Kosovo is still far from meeting the Copenhagen criteria, an active EU-Kosovo dialogue continues. Even in the short run, the issue of status (the fact that it is not a UN member state and the fact that some EU member states have not recognized Kosovo's independence) cannot be a real obstacle to integration in a number of areas. Nevertheless, the close EU-Kosovo cooperation and the signing of the Association Agreement had a unique impact not only on Kosovo's "European perspective", but also on the process of international recognition.
5. Probable integration projects are not discussed with respect to non-recognized states of the South Caucasus. Meanwhile, even the discussions of such projects can have a rather constructive effect on the conflict settlement process. Active and close cooperation with integration unions can have a positive impact on preventing further conflicts and hostilities and overcoming post-conflict challenges. It can also be crucial in the process of international recognition.