

CHALLENGES AND OPPORTUNITIES FOR REGIONAL DIPLOMACY IN THE SOUTH CAUCASUS

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Abstract. After the collapse of the Soviet Union and the restoration of the independence of the South Caucasus countries, the winning side in the Cold War, the USA, and then the European Union, began to form their own policies. Despite the withdrawal of small entities from the unified political space, Moscow's interests did not go anywhere. After the collapse of the Soviet Empire, the large countries directly neighboring the region, Turkey and Iran, were given the opportunity to pursue their interests and act in the South Caucasus. In the last decade, the world's largest economy, China, has begun to form a multi-vector foreign policy, one of whose lines passes through the South Caucasus. India is beginning to form a new geoeconomic policy in the South Caucasus region.

The concentration of interests of medium and large powers in a relatively small region on this scale poses significant challenges for the countries of the South Caucasus, but also presents an opportunity for cooperation. Observation of the processes confirms that cooperation between small countries in the region is necessary. After the collapse of the Soviet Union, a kind of geopolitical order was formed in the South Caucasus, which implied an alliance grouping of political forces between small countries in the region and neighboring and non-neighboring countries. The geopolitical vertical of the region was formed as follows: Turkey-Azerbaijan; Russia-Armenia-Iran; partnership, although non-alliance relations between Georgia and Western countries. In the modern period, signs of changes in traditional geopolitical verticals have been identified, which may become a turning point for the future of the subjects of the region. Based on comparative examples of regional cooperation and integration, the paper highlights specific areas where Georgia, Armenia, and Azerbaijan can develop pragmatic cooperation, despite existing political obstacles.

In this regard, the paper focuses on important areas and directions for strengthening cooperation between the countries of the South Caucasus, on the importance of deepening segmental cooperation, which will create a solid foundation for regional security and geopolitical stability in the South Caucasus. Against this background, it becomes possible to form a new agenda for cooperation between the countries of the South Caucasus.

Keywords: Georgia; Azerbaijan; Armenia; South Caucasus; Geopolitics.

Introduction. After the collapse of the Soviet Union, the South Caucasus region experienced instability in many areas, driven by a combination of internal and external factors. Despite the problems, the South Caucasus region, like in the past, has once again assumed geopolitical significance. The region is rich in natural resources, its geographical location makes it a crossroads, and the dividing line between Christian and Islamic civilizations runs through the region.

The South Caucasus, which includes Georgia, Armenia, and Azerbaijan, is a region of particular geopolitical and economic importance. Located at the crossroads of Europe, Asia, and the Middle East, the region serves as a strategic bridge between major markets and civilizations. However, despite its potential, the South Caucasus remains one of the least integrated regions in Eurasia, which poses a number of challenges.

ges for the countries of the region. Historical disagreements, unresolved conflicts, and divergent foreign policy orientations have hindered the creation of a unified regional framework. Regional integration can contribute to stability, enhance economic development, and increase the region's resilience to external shocks.

The aim of the study is to attempt to create a new framework for deepening cooperation between the countries of the South Caucasus, which will give a new shape to the often separate and fragmented policies of the countries of the region and present them in a more integrative manner.

Despite its strategic importance, the region has historically been plagued by conflict, fragmented political orientations, and external rivalries. Strengthening cooperation among the South Caucasus countries in the economic, infrastructure, environmental, educational, health, and technological spheres could make the region a more sustainable, interconnected, and prosperous region. For example, unlike the European Union and ASEAN (Association of Southeast Asian Nations), the South Caucasus lacks domestic integration tools, leaving regional dynamics often shaped by external actors.

Observation of current processes and past experience in various regions of the world shows that deepening integration processes can have more positive consequences for the dynamics of relations between countries than negative ones. Deepening cooperation with individual segments will be important for ensuring regional peace and long-term stability.

Method. The research is based on methods well-known in historiography and the field of international relations. The research uses the method of critical analysis, the qualitative research method, which implies in-depth analysis, and the comparative research method, which includes a contextual description of interests and a classification of threats related to interests.

As for the qualitative research method and its associated in-depth analysis, it involves a thorough and detailed examination of qualitative data, such as observations or textual content, to uncover deeper meanings and insights. The goal is not just to summarize the data, but to interpret and understand the underlying context, themes, and dynamics. In-depth analysis emphasizes understanding the data in the context in which it was generated. It also involves identifying relationships to highlight commonalities and differences between the experiences of participants. The process involves a continuous process of data analysis and interpretation.

The comparative research method is used to compare and analyze the similarities and differences between two or more entities, which creates a good basis for seeing the full picture of the research topic. One of the main features of the comparative research methodology is the focus on comparison. It tries to reveal the similarities and differences between the cases under study. In a difficult geopolitical situation, when major players and large neighboring countries of the region demonstrate their own interests and use significant political, economic and other resources to implement them, it is vital for the countries of the South Caucasus region to explore in what directions they can deepen cooperation with each other, to reveal the similarities and differences between their interests, to identify, as far as possible, the causes and contextual factors that cause different interests.

Since an important characteristic of the comparative research method is an international perspective and examines cases from different regions and countries, the use of this method was appropriate for the study. In this way, the focus was on the countries of the South Caucasus region, comparing their interests and studying international examples.

Discussion. After Russia's invasion of Ukraine in 2022, Georgia's relations with the West have become significantly more complicated due to political disagreements. After the Karabakh war, Yerevan is trying to reshape relations between Armenia and its traditional ally Russia, which is accompanied by an increase in

the influence of the US and European countries in Armenia. In resolving the remaining problematic issues after the Karabakh war, Iran is acting as a guarantor of Armenia's territorial integrity. US interests in Armenia are gaining a new dimension, mainly in terms of economic engagement. The strengthening of the alliance between Azerbaijan and Turkey continues, and a new entity in the region is being added to this vertical in the form of Pakistan. The possible disruption of traditional geopolitical verticals, amid major changes, may have a significant impact on the region. Against this background, deepening cooperation in the South Caucasus is gaining particular importance, which should lead primarily to regional security, and in the long term, to increased prosperity.

According to the concept of regionalism, "regional agreements act to ensure peace and security in the region" (Kurian, 2020: 397), therefore, the main task of strengthening cooperation in the South Caucasus should be to ensure long-term peace. According to regionalism, integration can arise both from top-down political agreements, such as the European Union, and from bottom-up functional cooperation in limited sectors, as is the case with ASEAN. A good example of such cooperation is also the "North American Free Trade Agreement", which operates between the United States, Mexico and Canada. Given the political realities of the South Caucasus, sectoral cooperation and a focus on common interests may be the most realistic path.

This approach is consistent with neofunctionalism, which argues that cooperation in one sector (e.g., trade) can have spillover effects that, over time, lead to deeper integration in other areas. Ernst Haas, the founder of the theory of neofunctionalism, explains that "sectoral integration generates its own impulse towards the expansion of the entire economy, even in the absence of specific group demands and their accompanying ideologies" (Haas, 1958: 297). This means that enhanced economic cooperation is entirely possible in a region like the South Caucasus.

Along with the challenges, the countries of the South Caucasus region have good prospects for cooperation, which is associated with the new geopolitical order that emerged as a result of the Karabakh war. The regulation of Armenian-Azerbaijani relations will create a solid foundation for multi-vector cooperation between the three countries. Along with the formation of geopolitical verticals, a strategy of sectoral and pragmatic integration between the countries can touch upon such areas as the economy, transport, and trade. From a sectoral point of view, there are good opportunities for strengthening cooperation in the economic direction, since the economic exchange regime established between the countries of the region after gaining independence is not burdened and in the future creates a good basis for all three countries to strengthen sectoral cooperation. The main trading partners of Georgia, Azerbaijan and Armenia are outside the region, which may be natural, since the economies of the small countries of the region cannot meet local demands, although greater use of existing opportunities will change this imbalance.

After simplifying customs procedures, economic cooperation can be strengthened by creating preferential trade zones and developing infrastructure. The creation of a regional trade facilitation framework, modeled on the World Trade Organization's Trade Facilitation Agreement, would reduce transaction costs and facilitate intra-regional trade. Georgia's Deep and Comprehensive Free Trade Area (DCFTA) with the EU could be used as a platform for harmonizing standards in the region, which would give a greater impetus to economic activity. Energy could be an important sector for deepening trade and economic ties between the countries of the South Caucasus. A coordinated energy strategy, including electricity exchanges and joint renewable energy projects, would reduce dependence on external suppliers and ensure greater connectivity between the countries of the region. When discussing the importance of strengthening regional cooperation, it is important to draw on similar cases that better illustrate the overall picture. In this case, a good comparative example is the Visegrad Group (Poland, the Czech Republic, Slovakia, Hungary). This group began its

activities in Central Europe in the early 1990s with modest economic cooperation and later developed into a platform for broader regional cooperation within the framework of the European Union.

Transport connectivity and strengthening regional diplomacy among neighboring countries are of fundamental importance, not only for the countries of the region, but also for Euro-Asian trade relations, as the South Caucasus is an important East-West link. The region occupies a central position in the direction of the “Middle Corridor” (China-Europe via Central Asia and the South Caucasus) and the North-South Transport Corridor (Russia-Iran-India). Reopening blocked transport links with international guarantees and stable agreements could increase regional interdependence.

The South Caucasus is likely to play an increasingly important role in international connectivity, which also presents a good opportunity for local actors to develop infrastructure on the ground. The creation of logistics hubs in Tbilisi, Baku and Yerevan could position the region as a critical hub for Eurasia. Joint investments in transport networks will be important in this regard, facilitating the more flexible movement of people, goods and services, with wider benefits. In the modern world, the change in traditional trade routes has given the South Caucasus a new significance and provides opportunities to function as a crossroads. The roads for economic ties between the world's great powers pass through the South Caucasus. In this regard, the use of projects such as the “Middle Corridor” and the “North-South Transport Corridor”, as well as the potential connection of these corridors, can become an important factor in stabilizing the region. In this regard, flexible relations between the countries of the South Caucasus will be of crucial importance.

Regional cooperation can be given special emphasis on the development of joint networks. The favorable geography of the countries of the region opens up the possibility of developing integrated maritime-road-rail logistics centers. For a comparative example, the example of the Baltic countries can be cited. The three Baltic states, once economically isolated, are hoping for significant integration through joint transport projects such as Rail Baltica. With this project, European countries plan to “halve passenger and freight travel times” (European Commission: 2026), which will be a significant boost to local economies.

After the collapse of the Soviet Union, the South Caucasus was left with a difficult legacy, which was manifested in economic fragmentation, political instability, military conflicts, and more. The countries of the region have not yet fully overcome this difficult legacy, and this continues to affect relations. Political disagreements, economic disruptions, and constant tensions have created a serious trust deficit in the region. It is precisely because of this factor that the countries of the region have placed their bets on establishing political and economic ties with countries outside the region. Strengthening non-military cooperation between the three countries, such as joint anti-smuggling operations or joint environmental monitoring, would be beneficial to restore trust in the region. Although there is also military cooperation between two countries in the region, Georgia and Azerbaijan, this process does not include all three countries.

In terms of confidence-building, the activation of second-level diplomacy could be important. This process should be led by academics, NGOs, and youth groups, which will gradually build trust at the public level. Finally, to emphasize the desire for long-term stability in the South Caucasus, an important application would be the establishment of a local peace forum that would bring together both the region and its neighbors, major powers, and international organizations. This would send a message to the region that lasting peace is a priority. The creation of a South Caucasus Peace Forum could provide a platform for inclusive dialogue without external domination. For a comparative example, the Organization for Security and Cooperation in Europe (OSCE) Helsinki Process has shown how sustainable dialogue platforms can gradually reduce tensions.

After the collapse of the Soviet Union and Yugoslavia, the new geopolitical reality emerging on the European continent required the formation of modern approaches from sovereign states. The emergence of

new subjects put the issue of regulating relations on the agenda, which was often accompanied by conflicts. A relevant example for the deepening of regional cooperation can be called the “South-Eastern European Cooperation Process”, which was launched in 1996 by the initiative of Bulgaria. This format of cooperation aims to deepen good-neighborly relations, promote dialogue and political, security and economic cooperation.

To strengthen regional diplomacy among the countries of the South Caucasus, attention should be paid to joint cultural and educational programs. In this regard, deepening cooperation between universities and sectoral organizations of the countries of the region will be of great importance. For example, the South Caucasus Educational Program can encourage academic exchanges and strengthen ties between peoples. The creation of such a program marks a completely new stage of cooperation in sectoral areas. To deepen relations between the countries of the South Caucasus, special attention could be paid to the intensification of cultural relations. For example, joint cultural festivals and heritage preservation projects could highlight similar or shared traditions that transcend political boundaries.

In modern times, special attention is paid to the development of the tourism sector. Georgia is making significant investments in the development of tourism, which contributes to attracting tourist flows. The tourism sector is receiving increasing attention in Armenia and Azerbaijan. An integrated approach, which involves the creation of regional tourist packages, may be of interest to many countries around the world. Such an innovation could present the South Caucasus as a single destination, similar to the model of the “Northern Tourist Collective”. This initiative connects the Scandinavian and Baltic tourism industries and “aims to promote sustainable tourism development in the Nordic and Baltic regions” (THE NORDIC). The initiative is also interesting in that it promotes environmentally friendly travel, promotes local cultures, and develops domestic tourism.

In the modern world, along with wars, conflicts and disputes, health issues demand great attention. Joint fight against diseases and epidemics is important for ensuring public health and developing stable relations between countries. The Covid-19 pandemic has shown the world how important joint efforts are for the sustainability of both health and economic and social ties. Such a joint vision can be practically implemented in the South Caucasus region, where a stable environment is of paramount importance for relations between peoples. The fact that Azerbaijan’s land border is still closed to prevent COVID-19 underscores the importance of the issue. A useful initiative in this regard could be the establishment of a regional disease control center, which would improve disease control efforts and preparedness for a potential pandemic. In this regard, joint medical training programs could create incentives to stay in the region and facilitate closer cooperation between professionals. A comparative example is the African Union’s initiative, the Africa Centre for Disease Control, which demonstrates how regional health bodies can be established even in politically fragmented contexts. The African initiative operates in 55 countries on the continent, with the aim of ensuring that countries are “always prepared to respond effectively to health threats and epidemics” (AfricaCDC).

The South Caucasus is a mountainous region, which creates a special environment for public life. The relief features are accompanied by natural disasters, which are increasingly problematic in the face of increasing trends in climate change. Natural disasters often take on a scale that a single country cannot cope with with its own resources. This puts the need for assistance on the agenda, since the consequences of a natural disaster affect more than one country. The establishment of coordinated disaster response mechanisms would be critically important in a region prone to these earthquakes and other natural disasters. This mechanism would also be effective for time-effective action, since to solve a problem in a neighboring country, help can come most quickly from the nearest neighbor. Numerous individual examples of neighborhood assistance are proof of this.

In the modern world, increased economic activity, globalized trade relations, industrial production, climate change and many other factors cause significant damage to the human environment. In many cases, individual states cannot manage ecological problems independently. Clean water is increasingly important for environmental protection. According to the United Nations, about half of the world's population suffers from acute water shortages and "these numbers are expected to increase further" (United Nations). According to the UN, over the past twenty years, the water supply on land has decreased by 1 cm per year, which confirms that the problem of fresh water is growing. In the South Caucasus, such common rivers as the Mtkvari and Araks basins require joint management to prevent water shortages and pollution. In this regard, the creation of joint mechanisms for cooperation will help mitigate the negative consequences.

Regional cooperation on climate change adaptation, including reforestation, flood control, and desertification mitigation, could help to deepen resource-based cooperation and strengthen linkages. The establishment of transboundary protected areas, which would contribute to both biodiversity conservation and ecotourism, could be a good way to strengthen regional cooperation. The Mekong River Commission is a good example. This commission facilitates cooperation between countries on the Indochina Peninsula and provides an example of how resource-sharing agreements can work even among states with different political systems. "Areas of cooperation between the countries include sustainable development, use, management and conservation of water and related resources" (Asia Regional Integration Center).

In the modern world, the main axis of economic development is technological innovations. It is the pace of technological development that determines the scale of global competition. Technological development, in turn, is based on innovative approaches. In this regard, the South Caucasus has the opportunity to become a center of technological development, which implies both the introduction of local technological innovations and their use on an international scale. The development of a "Digital Silk Road Corridor" in the South Caucasus would connect Europe and Asia more effectively. The "Digital Silk Road" could include cables for the Internet, regional data centers, digital payments, e-commerce, digital customs and transit systems. To achieve this goal, regional startup incubators would attract international investors and talent, while harmonizing cybersecurity regulations would strengthen resilience to external threats. By harmonizing systems and introducing innovations, the South Caucasus region could become a neutral digital platform between Europe and Asia.

The development of cooperation between the countries of the South Caucasus should begin with small steps and gradually, with priority given to second-tier policy sectors to build trust and strengthen ties. The process will be facilitated by a permanent dialogue platform. Advancing regional cooperation also includes receiving international support, although over-reliance on one particular power for long-term stability is not a desirable scenario.

Conclusions. The development trajectory of the South Caucasus countries, the geopolitical interests concentrated in the region, and the growing trade and economic activity between the Eastern and Western poles of the world confirm that the development of cooperation in various sectors is an urgent necessity for the South Caucasus countries. The need to strengthen regional relations is caused by the geographical factor that neighboring countries are "doomed" to cooperate with each other, which requires an appropriate approach from all countries. The second factor is geopolitical, as the region, located at an important crossroads of the world, must serve not only its own interests, but also the interests of the world. The countries of the South Caucasus have some type of cooperation, but individual examples show that there is still a lot of space for strengthening cooperation.

A more interconnected South Caucasus will not only benefit its people, but also enhance the region's strategic value as a stable and reliable corridor between Europe and Asia. Pragmatic integration is thus not

only a path to prosperity, but also a step towards lasting peace and stability at this critical crossroads of Eurasia.

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