

## GUAM: OLD PROBLEMS AND NEW CHALLENGES

Vladimir IVANOV

*Fellow at the Institute of Political Studies  
(Erevan, Armenia)*

### *Introduction*

The post-Soviet states, which deemed it necessary to set up regional structures, have done and are doing their best to identify foreign policy priorities geared toward their national interests.

In fact, until the mid-1990s, when at least some of the states remained vague about their foreign policy orientations, no regional alliances were possible. For many reasons the Common Caucasian Home idea can be dismissed as still-born.

By the mid-1990s, most of the new independent states had formulated more or less clear foreign policy ideas and were prepared to ally with fellow thinkers. As a result several regional structures were set up.

In 1997, several countries intent on pursuing foreign and domestic policies independent of the Russian Federation set up GUAM.<sup>1</sup> While the situation remained stable, with Moscow retreating under Western pressure, the contradictions inside the organization remained dormant; after the war in South Ossetia, however, some mem-

bers deemed it necessary to readjust their regional priorities. The conflict laid bare the contradictions present in this structure (in fact no post-Soviet organization is free from them). Vladimir Papava has offered the following comment: "The fact that this structure has existed for many years shows that each country individually, as well as the organization they represent as a whole still have many unresolved problems."<sup>2</sup>

The war in South Ossetia bred pessimism about the future of GUAM in the expert community. At least some of its members, Modest Kolerov<sup>3</sup> being one of them, doubted its chances for survival because of Russia's greater role. Those who asserted this proceeded from the fate of similar organizations.

Indeed, GUAM, like the Single Economic Expanse, the CIS, and certain other structures, has not avoided a great share of skepticism.<sup>4</sup> Indeed, the diverging foreign policy interests of the Russian Federation and GUAM occasionally developed into open confrontation. On top of this, GUAM has enough inner ulcers of its own which have finally brought it face to face with the threat of de facto disappearance.

<sup>1</sup> It was set up on 10 October, 1997 at the Strasbourg Summit of the Council of Europe by the communique issued by the four members of the new structure (Georgia, Ukraine, Azerbaijan and Moldova.) It was a result of discussions on the flank agreements on conventional forces in Europe at the OSCE Permanent Council. The Strasbourg declaration was adopted as a final document.

Uzbekistan joined GUAM on 24 April 1999 at the Washington NATO summit which transformed the GUAM into GUUAM.

On 5 May, 2005, Uzbekistan left GUUAM, which forced the Kiev Summit of 22-23 May, 2006 to supply the structure with a new name, Organization for Democratic and Economic Development—GUAM (ODEC-GUAM).

<sup>2</sup> V. Papava, "On the Role of the 'Caucasian Tandem' in GUAM," *Central Asia and the Caucasus*, No. 3-4 (51-52), 2008, p. 47.

<sup>3</sup> See: M. Kolerov, "Novyi Bolshoi Kavkaz: vzaimnoe sderzhivanie bez chuzhikh. Chego uzhe net i chto mozhet byt," available at [http: www.regnum.ru], 21 August, 2008.

<sup>4</sup> See, for example: L.M. Grigoriev, M.R. Salikhov, *GUAM: piatnadsat let spustia. Sdvigi v ekonomike Azerbaidzhana, Gruzii, Moldavii i Ukrainy. 1991-2006*, REGNUM, Moscow, 2007; R.S. Grinberg, L.Z. Zevin et al., *10 let Soderuzhestva Nezavisimykh Gosudarstv: illiuzii, razocharovaniia, nadezhdy*, IMEPI RAN, Moscow, 2001.

## GUAM: What Keeps It Together

Experts point to two major factors—regional and extra-regional—which created GUAM and keep it afloat.

D. Voronkova, for example, has pointed out: “Those who analyze international relations are convinced that the United States contributed to the emergence of GU(U)AM (Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova) as a regional international organization. It was the U.S. that initiated GU(U)AM ‘to graft geopolitical pluralism to the post-Soviet expanse’ and ‘to contribute to stronger democracy and security in these countries’ (quoted from Steven Mann, Senior Advisor for Caspian Basin Energy Diplomacy, U.S. Department of State.”<sup>5</sup>

Another group of experts associated GUAM with the Union Treaty between Russia and Belarus signed in 1997 and the tension caused by the Black Sea Fleet issue and the Transnistria conflict.<sup>6</sup>

Whatever the case, the interest America, the European Union, and others showed in consolidating the future GUAM members was a determining factor—the states themselves wanted the same. Indeed, at first glance they were dealing with *similar problems*, namely, protecting their interests in ethnopolitical conflicts and pursuing a *mono-vector foreign policy* caused by their ardent desire to shake off Russia’s influence by setting up alternative energy and communication corridors, TRACECA being one of the relevant projects. The desire to join the Euroatlantic security system was another unifying factor of no mean importance.

This means that GUAM owes its existence to the identical geopolitical and geo-economic interests of the regional and extra-regional actors and shared approaches to their domestic problems. V. Mitiaev has offered the following comment: “The organization was built up as a political superstructure over the TRACECA transport project.”<sup>7</sup>

GU(U)AM’s fundamental documents registered the main development trends and goals that fitted the interests of its members.<sup>8</sup>

GUAM’s priorities survived, even if the accents were shifted to follow the political ups and downs that pushed different member states to the dominant positions.

In any case, the above factors coupled with the extra-regional actors’ interests are keeping the organization together.

<sup>5</sup> D. Voronkova, “Etapy razvitiia GUUAM,” Part 1, available at [www.ia-centr.ru], 19 June, 2007.

<sup>6</sup> Ibidem.

<sup>7</sup> V. Mitiaev, “Gruziia na Velikom Shelkovom puti,” *Gruziia: problemy i perspektivy razvitiia*, Vol. 1, RISI, Moscow, 2001, p. 310.

<sup>8</sup> The GUUAM presidents announced in Washington that the bloc had arrived at the following decisions:

“1. To strengthen and improve the mechanism of consolidation and coordination of actions within the framework of international organizations and to promote actively the practice of joint statements at various levels.

“2. To develop interaction within the framework of the Euro-Atlantic Partnership Council and NATO’s Partnership for Peace.

“3. To reaffirm the intention to intensify efforts to bring about peace on the basis of respect for the sovereignty and territorial integrity of the states concerned.

“...7. Pledge of cooperation in developing a Europe-Caucasus-Asia transport corridor on the basis of the results of the International Conference on the Restoration of the Historic Silk Road held in Baku in September 1998...”

GUUAM (GUAM) followed the above reconfirmed by all later documents (see: *The Washington Statement of the Presidents of the Azerbaijan Republic, Georgia, the Republic of Moldova, Ukraine and the Republic of Uzbekistan*, available at GUAM’s official sites [www.guam.org.ua] and [www.guuam.org]).

## The Roles and Interests of GUAM's Member States Outlined

I have already written that extra-regional factors coupled with shared approaches to the ethnopolitical conflicts in Nagorno-Karabakh, Transnistria, Abkhazia, and South Ossetia, as well as the desire to free themselves from their energy and energy-transportation dependence on the Russian Federation are the reasons the countries in question decided to set up GUAM. Periodically, the members closely scrutinized the reasons for their continued membership; from time to time their leaders deemed it necessary to revise the priorities to fit them to the national goals and tasks.

On 7 June, 2001 at the Yalta summit, President of Ukraine Kuchma suggested that the heads of state should discuss, on a priority basis, the development, efficiency, and security of the transportation issue on the territories of the GUUAM members, including TRACECA. The Ukrainian president explained to the media that economic cooperation should be treated as a priority.

President Voronin of Moldova came forward with a statement that he expected political dividends from his country's GUUAM membership.<sup>9</sup>

Azerbaijan and Georgia looked at their membership as a way to boost their foreign policy influence through alternative power transportation corridors; they also hoped to resolve the still unsettled conflicts and join the Euroatlantic security system.

Later, as cooperation went ahead the priorities changed to the extent that Uzbekistan left the structure.

In February-March 2005, the Orange Revolution in Ukraine jolted GUAM into greater activity.

The Kiev summit of 22-23 May, 2006 created the Organization for Democratic and Economic Cooperation—GUAM (ODEC-GUAM). Simultaneously, the relations of at least three members (Georgia, Moldova, and Ukraine) with the Russian Federation deteriorated. While in the past Ukraine served as the driving force behind GUAM, in 2005-2006, Azerbaijan, after avoiding a domestic crisis and preserving balanced relations with Moscow, gradually moved to the fore. Its new role was underpinned by its hydrocarbon wealth.

Much attention was attached to the Baku-Tbilisi-Ceyhan (BTC) oil pipeline that crossed the territories of Azerbaijan, Georgia, and Turkey. The post-Orange coolness between Ukraine and Azerbaijan disappeared—more evidence of Baku's new role.

On 7-8 September, 2006, President Yushchenko of Ukraine arrived in Baku on an official visit; the sides discussed wider cooperation in the energy sphere and the Odessa-Brody pipeline as a new power transportation route designed to bring Azeri and probably Kazakh oil to the West European markets.

Its key role in all sorts of projects made Baku one of the most significant GUAM members and pushed forward the issues of the unsettled conflicts.

*The members' shared desire to unify their approaches* to ethnopolitical problems pushed the conflict issue to the fore. When formulating the common approaches Azerbaijan relied on specific events and facts, such as Georgia's worsening relations with Russia; Ukraine's gas-related misunderstanding with the RF; dissatisfaction with Russia's peacekeeping mission expressed by Moldova and Georgia, etc.

From this time on the organization became more actively involved in the discussions of the unregulated conflicts. In fact, it was during the Kiev summit that some of the experts commented on the main reason Azerbaijan had joined GUAM and remained its member.<sup>10</sup>

<sup>9</sup> See: D. Voronkova, op. cit., Part 2, available at [www.ia-centr.ru], 20 June, 2007.

<sup>10</sup> See: "Expert: 'Tolko Karabakh derzhit Azerbaidzhan v sostave GUAM-a,'" available at [www.regnum.ru], 24 May, 2006.

Ukraine was more interested in cooperation in the energy sphere; it offered a conception of the Danubian Power Transportation Bridge that envisaged, among other things, transit of Caspian oil to the EU countries through the Odessa-Brody pipeline to be extended for this purpose to Gdansk in Poland.

Ukraine enjoyed the wholehearted support of Poland and the Baltic states; their far from simple relations with the Russian Federation forced them to look for alternative sources of power and transportation routes (the Black Sea-Caspian expanse was to be transformed into the Baltic-Black Sea-Caspian area). There was a lot of talk about extending the Odessa-Brody pipeline to Gdansk. Azerbaijan (and later probably Kazakhstan) was expected to be the main exporter; to reciprocate these countries were prepared to support Baku on vitally important issues.

On 19 June, 2007 President Yushchenko, speaking in Baku at the regular GUAM summit, pointed out that international transportation corridors were badly needed: "The Great Silk Road can be revived."

He also expressed his conviction that the governments and corresponding departments of the member states "will do their best" to ensure that the Ilyichevsk-Klaipeda railway and Ilyichevsk-Poti ferry would function smoothly and that cooperation in the energy sphere would be extended.

He went on to say that at the Krakow summit on 11 May, 2007, Azerbaijan, Georgia, and Ukraine, together with their partners (Poland and Lithuania), had suggested that a single fuel production and transit area should be set up. A workgroup had been created and began functioning. Simultaneously, an agreement on the Caspian pipeline was signed in Turkmenbashi.

The Ukrainian president said that his suggestion was based on the Eurasian Oil and Gas Transportation Corridor project with the already commissioned Odessa-Brody oil pipeline being its key stretch (to be extended to Poland). President Yushchenko described a free trade zone "without exemptions and limitations and in full accordance with the WTO norms" as another promising priority.

At the Vilnius jubilee GUAM summit, which also functioned as an energy conference, the Odessa-Brody-Plock-Gdansk pipeline was discussed in greater detail as part of the policy of drawing closer to the Baltic and EU countries. For the first time at the state level "the GUAM countries will join forces with Lithuania and Poland to realize this project," said Victor Yushchenko.

At the reception that marked the 10th GUAM jubilee, Lithuanian President Adamkus announced that his country was initiating Friends of GUAM in the EU Group and invited those EU members that supported the ODEC-GUAM to join it.

Azerbaijan, Georgia, and Moldova treat the unsettled conflicts as their priorities and used GUAM to double their initiatives. Starting in 2006 they jointly lobbied the related issues: one of the countries came forward with a resolution at a U.N. General Assembly while GUAM seconded it as a collective structure.

Different countries (all of them seeking membership in a security system unrelated to the Russian Federation) demonstrated their intention to integrate with the North Atlantic system differently: Georgia demonstrated this by its confrontation with Russia.

A peacekeeping contingent within GUAM was another important issue that has been discussed from the very first days. Its functions remained unclear: should the peacekeepers guard the pipeline or should they be involved in peacekeeping operations in the conflict zones? So far, the statements offered by the GUAM countries have not yet clarified the issue.

On 19 June, 2007, the Baku summit reached a preliminary agreement on setting up a peacekeeping battalion of about 500. Moldova's skepticism about the peacekeeping projects within GUAM deprives these decisions of any meaning.

The GUAM countries frequently discuss the possibility of inviting NATO to replace the peacekeepers in the zones of the Abkhazian, South Ossetian, Transnistrian and Nagorno-Karabakh conflicts. The North Atlantic Alliance has so far shown no interest in peacekeeping activities in the region in which Armenia, a CSTO member, is involved in many projects. Neither Azerbaijan, nor Georgia, nor Ukraine, nor Moldova managed to set up a common security system.

The GUAM countries are using the peacekeeping contingents issue to put pressure on Moscow. Tomas Valasek, senior European analyst at the Center for Defense Information in Washington, has pointed out: “Moreover, GUUAM members whose troops fought in conflict in Nagorno-Karabakh, Abkhazia and Transnistria are not in a position to provide truly neutral troops for peacekeeping in the same conflict area.”<sup>11</sup> In any case, the issue of alternative peacekeeping forces has been and remains debatable.

On 1 July, 2008, the GUAM members met in Batumi for the third summit; on 8 August, the war in South Ossetia began. This forced them to readjust their policies in view of the fact that their common structure largely depends on what was going on elsewhere (independence for Kosovo) and on the bilateral relations among the members.

## GUAM: From Integration to Possible Disintegration, or Old Problems and New Challenges

GUAM’s internal problems are as old as the structure itself—the war in South Ossetia has merely added urgency to them. Indeed, at no time of its existence was its viability questioned as seriously as in August 2008. Today, the organization will feel more acutely than ever the burden of the unresolved problems. I have divided them, for the sake of discussion, into internal and external problems.

### *1. Problems in bilateral relations.*

They are born by the still unresolved interstate problems and diverging national interests. The relations inside the bloc are far from ideal.

In August 2008, an oil terminal in Giurgiulești (Moldova) was commissioned—an event which did nothing to help Ukraine’s geopolitical status. In fact, the new structure competes with Reni in Ukraine and Galați in Rumania as far as materials handling and the free economic zone are concerned.

Simultaneously, the 50-km long Cahul-Giurgiulești railway connected the port on the Danube with the Moldovan railway network. The republic acquired access to the European Union via Galați, which excluded Ukraine. After building a refinery of its own, Moldova fortified its position still further. Such are a few of the many more numerous examples of Ukrainian-Moldovan relations.

Georgia and Azerbaijan have their share of problems unrelated to their GUAM membership: there is the land issue in Kvemo Kartli and Baku’s much more pronounced pragmatism in the energy transportation sphere. The list is much longer.

The KATB project is part of the Europe-the Caucasus-Asia corridor, but the United States and the European Union refused to fund the railway because Armenia was excluded from it. The future railway, geared at Ceyhan in Turkey, will decrease the role of Georgia’s Black Sea ports. Tbilisi was forced to accept the project; this is shown by its economic indices and confirmed by what Georgian politicians and experts have to say (S. Zurabishvili, N. Oravelashvili, and others).

R. Ismailov has written the following: “For a long time Georgia remained undecided about the railway project. First it wanted compensation for the possible economic losses its two Black Sea ports (Batumi and Poti) might sustain because of the new railway. Turkey and Azerbaijan refused to pay. Under the pressure of the transportation blockade Russia instituted in 2006 Georgia had to retreat.”<sup>12</sup>

<sup>11</sup> T. Valasek, “Military Cooperation between Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova in the GUUAM Framework,” *Policy Brief*, No. 2, Caspian Studies Program, Cambridge, Mass., December 2000.

<sup>12</sup> R. Ismailov, “Azerbaidzhan, Gruzii i Turtsiia: sozdanie transportnogo triumvirata?” available at [www.eurasianet.org], 8 February, 2007.

2. *Problems related to domestic policies and the socioeconomic context in the GUAM member states.*

Recently it has become obvious that politicians are acting and issuing statements under domestic rather than foreign political pressure. This is amply testified by the fact that President of Moldova Vladimir Voronin is drawing closer to Moscow. The republic can be described as GUAM's "weak link" for several reasons: its social and economic situation crippled by the ban on wine export to Russia (an important budget item); the conflict in Transnistria; problems with Rumania, etc. On top of this its territory has not been included in the GUAM's energy projects.

On 11 March, 2008, President Voronin gave an interview to *Kommersant* newspaper of Russia that caused quite a stir: there were rumors that Russia was prepared to guarantee the republic's restored territorial integrity in exchange for it remaining outside NATO.

In his interview Vladimir Voronin said: "At first GUAM posed itself different aims; much was said about the Odessa-Brody pipeline. A glance at the map convinced me that my country was left out of it."

When talking about the Russian peacekeepers, he said: "We do not want to replace these peacekeepers with anyone else."

About the future of GUAM: "The future is fairly dim. In the absence of economic interests we will not remain within it to serve as a counterweight to anyone."<sup>13</sup>

The republic's foreign ministry announced that it did not plan to leave GUAM, however the president's absence at three summits, the republic's lowered representation in it, and its refusal to discuss the military conflicts issue have convinced many in the expert community that Moldova is following in Uzbekistan's footsteps.

So far it is kept within the structure by conflicts that look similar to any outside observer and a unified approach to them rather than by any geopolitical considerations. Moldova, for example, abstained from voting on the refugees from Abkhazia issue.

The events of 7 April, 2009 in Chisinau laid bare the government's weakness and showed one and all that the danger of Rumania's interference in Moldova's domestic policies was very real. The Gagauz problem remains pending.

After the events of 9 April, Georgia, in turn, can no longer boost its prestige in GUAM.

The situation in Ukraine is very complicated, it seems that the country may split into the east and west; the parliamentary and government crises likewise do nothing to help the domestic policies.

**The foreign policy problems** are associated with Russia which, in turn, is pursuing its foreign policy in the following formats: the RF-U.S and the RF-Europe; there is also the U.S.-Europe aspect. Relations with Russia, the central actor in the CIS expanse, determine the attitude toward the unsettled problems among the GUAM members. In the fall of 2006 in Chisinau, GUAM's third parliamentary assembly refused to support Georgia and declined a special resolution on Georgian-Russian relations. V. Iovv, who represented Moldova and who was deputy of the republic's parliament, said that for different, including ethical, reasons other members of the same structure should not interfere in bilateral relations between states in or outside GUAM.<sup>14</sup>

The Moldovan deputy was obviously referring to Russian-Georgian relations.

Geopolitics and geo-economics have their share of problems and contradictions; in fact they stretch to the closest East European partners. Relations between Rumania and Moldova and between Rumania and Ukraine are brimming with mutual mistrust and mutual claims caused, among other things, by the recently commissioned navigable canal between Chernovoda and Constanța, which provided the

<sup>13</sup> V. Voronin, "My s Vladimirom Putinyim davno poteriali vkus k sobstvennym khotelkam," available at [<http://www.kommersant.ru>], 11 March, 2008.

<sup>14</sup> See: "Strany GUAM ne podderzhali Gruziiu," available at [<http://www.regnum.ru>], 16 October, 2006.

European countries along the Danube with a Black Sea outlet and deprived, by the same token, the Ukrainian ports of Reni, Izmail and Ust-Dunaisk of part of their business.

This casts doubts on President Yushchenko's statement made at the Baku summit to the effect that he would like to see Poland, Rumania, and Lithuania as potential GUAM members. Neither Poland nor Rumania want to add to the GUAM's geopolitical weight—they regard it as a handy anti-Russian forum. Poland needs the Odessa-Brody project as long as it is related to its interests; the planned oil pipeline from Azerbaijan to Europe via Ukraine will leave Lithuania out in the cold.

Russian diplomacy responded to the efforts of the GUAM members to draw closer to Poland and the Baltic countries with moving the contracts on oil and gas to the sphere of pure business, which badly hit some of the GUAM members. The pipelines under construction will leave some of the transit countries aside.

The alliance among Turkey, Georgia, and Azerbaijan is not free from geopolitical and geo-economic problems that should be resolved through bilateral agreements in various spheres of interstate cooperation. Pragmatism and the divergent interests of the countries involved breed contradictions related to the Eurasian corridor and to some of the joint projects. Turkey's desire to become the center of all the energy transportation routes is arousing concern in Georgia and in the West.

The Ukrainian Bely potok (White Stream) initiative is supported by Georgia while being totally ignored by Turkey.

On the whole, all GUAM-bred and promoted oil and gas projects look very fishy. The Odessa-Brody-Płock-Gdansk routes, as well as the GUEU (White Stream), compete with Turkey's policies and as such undermine its interests. The oil and gas projects of this structure are viewed as a rival to Nabucco, the BTC, the BTE, and the already functioning routes.

These plans raise numerous questions: Can they be realized at all? Will they repay themselves? How much will the fuel moved along them cost at the end? There are also objective geographical factors.

It should be said that the oil and gas projects put forward by GUAM contradict the interests of some of the member states at least.

The regular energy summits have done nothing to alleviate the contradictions; this means that GUAM can function as a full-blooded community of states based on an energy transportation corridor (alternative to the Russian one) only on the basis of Central Asian energy resources. For political reasons, this is hardly feasible.

The members have preserved their shared approaches to the ethnopolitical conflicts, but GUAM as a whole responds to them inadequately.

Unfortunately, their involvement in GUAM negatively affects the members' relations with their closest neighbors (Russia and Armenia).

In this way, the very much promoted regional integration has no firm foundation; some of the countries are dead set against new members with whom they have disagreements.

The situation in the Caucasus presupposes that Armenia should be actively involved; Georgia was prepared to invite it to participate in regional projects, but Azerbaijan cut short its intentions.

The unsettled conflicts issue is brimming with contradictions. At the bilateral level (Armenia-Georgia, Armenia-Ukraine, Armenia-Moldova), cooperation is going ahead while contradictions with certain other countries interferes with the process.

Kosovo's independence (a process that started on 17 February, 2008 on the initiative of GUAM closest allies) and the war in South Ossetia slowed down consolidation within GUAM.

This created the possibility of new geopolitical configurations and bred certain questions, one of them being Armenia's greater involvement in the regional processes. At first glance, Armenia alone profited from the open Armenian-Turkish border: for many years Armenia remained squeezed between Azerbaijan, Turkey, and unstable Georgia, Iran being its only outlet. Reality is not that simple.

The war in South Ossetia created numerous problems for all the countries, Turkey included. Security of the energy transportation corridors that connect it with the Caucasus and Central Asia was

threatened; this might have transformed it into another unstable partner of the West on a par with many post-Soviet countries.

The above suggests the following conclusion: disintegrating factors inside GUAM prevail over the integrating elements. Neither American aid, nor the EU Eastern Partnership project, nor the Black Sea Synergy can guarantee continued integration of the GUAM members and make the structure attractive for other countries.

### *Conclusion*

Today the future of GUAM, a product of political maneuvers of its members and outside forces, looks dim mainly because of the members' divergent interests, which is partly explained by their association with outside actors.

The smoldering conflicts are one of the main factors that keep Azerbaijan, Georgia, and Moldova in GUAM; Ukraine and Azerbaijan are joining forces in the hope of laying an alternative energy route to Europe. So far, the GUAM members agree on the conflict issue: recently they have promoted several resolutions of the U.N. General Assembly, yet mounting contradictions should not be ignored either.

We wonder how long their solidarity on the conflict issue will cement GUAM and its position? As long as they continue discussing joint fuel transportation projects (which involve Poland, the Baltic countries, and others), this organization will retain its importance.

When it becomes clear that the projects are unviable, the agreement on the conflict problem will disappear. In fact, Azerbaijan's greater role as a potentially main supplier of energy resources will hardly keep the structure together. In fact, throughout its lifetime it has not produced any more or less feasible conflict settlement project.