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Navigating Geopolitical Realities: The EU's Strategic Positioning in the South Caucasus and Central Asia

By Tengiz Pkhaladze, Senior Fellow at ECIPE

ECTPE EUROPEAN CENTRE FOR INTERNATIONAL POLITICAL ECONOM

Brussels, 12 May 2025 - A new <u>Policy Brief</u> explores the South Caucasus' strategic relevance to the European Union and its growing importance in the EU's engagement with Central Asia. As the region faces heightened instability, the EU must navigate complex challenges to advance both its geopolitical interests and core values.

Russia's war on Ukraine has had profound ripple effects, with Moscow doubling down on its influence in the South Caucasus through military presence, propaganda, and political interference. Twenty percent of Georgia's territory remains under illegal Russian occupation, and tensions between Armenia and Azerbaijan persist after the Second Karabakh War.

While the EU has ramped up its political engagement – including through missions like EUMM in Georgia and EUMA in Armenia – these efforts remain limited in scope. "Strategic opportunities, such as energy partnerships with Azerbaijan and Georgia's role as a key transit hub, are increasingly tempered by concerns over democratic backsliding, governance issues, and human rights," says Tengiz Pkhaladze, author of the study.

Armenia, meanwhile, is cautiously rebalancing its foreign policy away from Russia. However, its future path remains uncertain, influenced by regional dynamics and its fragile peace process with Azerbaijan.

This policy brief assesses how the EU is managing the tensions between its strategic objectives and its normative commitments in a region increasingly

shaped by Great Power rivalry. It concludes with policy recommendations aimed at strengthening the EU's credibility and effectiveness in both the South Caucasus and Central Asia – advocating for a more coherent, proactive, and principled approach that aligns short-term geopolitical interests with long-term goals for regional stability and integration.

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Contact the corresponding author: Tengiz Pkhaladze, tengiz.pkhaladze@ecipe.org

Media inquiries: info@ecipe.org or +32 2 289 13 50