

Opinion of the European Economic and Social Committee on 'Civil society involvement in implementing the ENP Action Plans in the countries of the Southern Caucasus: Armenia, Azerbaijan and Georgia'

(2009/C 277/07)

Rapporteur: **Andrzej ADAMCZYK**

At its plenary session on 15-16 February 2007, the European Economic and Social Committee, acting under Rule 29 (2) of its Rules of Procedure, decided to draw up an own-initiative opinion on:

Civil society involvement in implementing the ENP Action Plans in the countries of the Southern Caucasus: Armenia, Azerbaijan and Georgia.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 16 April 2009. The rapporteur was Mr Andrzej ADAMCZYK.

At its 453rd plenary session on 13-14 May 2009 (meeting of 14 May), the European Economic and Social Committee adopted the following opinion by 151 votes to 2, with 1 abstention:

1. Conclusions

1.1. The Southern Caucasus is extremely diverse in terms of ethnicity, language, history, religion and politics. This, together with the ongoing territorial conflicts and centuries of foreign domination mean that the question of constructing an independent State, a national identity and defending independence absorb a lot of energy, not least for civil society organisations.

1.2. Neither the social partners nor other civil society organisations have so far played an adequate role in drawing up or implementing the Partnership and Cooperation Agreements, which came into force in 1999, or the 2007-2011 action plans linked to the European Neighbourhood Policy, since the start of the negotiations on these matters.

1.3. Both the implementation of the action plans and the foreseen negotiations of Association Agreements as bilateral instruments, and the multilateral Eastern Partnership initiative represent an opportunity to involve organised civil society in related activities. However, in order to achieve this, the involvement of both the European institutions and Member States is necessary.

1.4. The European Commission should encourage the governments of countries in the Southern Caucasus to cooperate actively with the social partners and civil society organisations in implementing the action plans and Partnership and Cooperation Agreements.

1.5. At the same time, the European institutions should stress that human rights and democratic standards, as well as principles of social dialogue and those of civil dialogue be respected in the action plan negotiations. Annual reports on implementation of action plans should include an assessment of these issues. This could enhance both the importance of civil society and the independence of its organisations as well as have a positive impact on safeguarding basic labour rights and equal rights for women.

1.6. Setting up the civil society forum provided for in the Eastern Partnership initiative may facilitate dialogue between organisations from the countries included in the partnership and dialogue between them and the authorities. However, an effort should be made to ensure that the organisations participating in the forum are genuinely representative and independent. The EESC could play a prominent role in ensuring that these criteria are respected and in the functioning of the forum.

1.7. Comprehensive contacts should be promoted between people and between organisations from countries in the region and EU Member States, not least on a bilateral basis. To this end, obtaining visas should be made easier for people from the countries of the Southern Caucasus.

1.8. The EU institutions, which could play a role in attempts to resolve conflicts between countries in the Southern Caucasus region, should seek to involve civil society organisations in the peace process, as they could have a positive impact on the reconciliation process.

2. Introduction

2.1. The region of the Southern Caucasus comprises the three countries of Armenia, Azerbaijan and Georgia. Despite the fact that this region does not cover a large area, it is nonetheless extremely diverse in terms of ethnicity, language, history, religion and politics.

2.2. The situation is further complicated by the fact that two countries in the region, Armenia and Azerbaijan, have for the past 20 years been in a state of conflict over Nagorno-Karabakh, and Georgia has for a long time not been in control of two of its own provinces, Abkhazia and South Ossetia. The situation has been further complicated there by the recent war with Russia.

2.3. Despite different traditions, histories, and paths towards development, the countries of the Southern Caucasus are linked by a common past of membership of the Soviet Union, which left a distinct mark in many areas of life, primarily the economic and social spheres.

2.4. As a result of the multi-ethnic make-up of the Southern Caucasus, as well as the ongoing armed conflicts, the issue of strengthening national identity, building a state and institutions, and defending independence remain a priority issue in all three countries, not least for civil society organisations.

2.5. The political situation in the region is characterised by a serious democratic deficit. During the recent period of independence, which has lasted barely two decades, there have been *coups d'état*, civil wars and revolutions which on the whole have been successful. Successive governments have tried to restrict the activities of the political opposition, control the media and influence civil society organisations, especially the social partners. It was only after the rose revolution in Georgia that a democratic transformation took place in that country, although both independent organisations and external observers point to many shortcomings in the way in which Georgia's democracy functions.

2.6. The economic situation remains difficult. The lack of modern infrastructure, outdated technology, the shortage of home-grown investment capital, financing of arms and military installations and the collapse of the market in the former Soviet Republics are the main causes of the poor economic circumstances. Given its deposits of oil and gas, Azerbaijan finds itself in a different position. However, the dependence of the economy on one sector and the loss of Nagorno-Karabakh and surrounding regions of Azerbaijan mean that the country's economic problems remain considerable.

2.7. The social situation is also extremely difficult. A significant part of the population continues to live below the poverty line, differences in income between rich and poor are growing dramatically, and there are huge social problems, particularly among older people and the sick. The situation is not made any better by the high level of unemployment and the large number of war refugees, especially in Georgia and Azerbaijan. Furthermore, according to several estimates, up to 60 % of income in the Southern Caucasus is generated in the informal sector, which creates serious social problems. This very gloomy situation is aggravated by the ongoing global economic crisis. On top of that there is a problem of widespread corruption.

2.8. The geopolitical situation of the countries of the Southern Caucasus is extremely complex in terms of their difficult relations with each other and with neighbouring countries. It is clear that their geographical isolation from the rest of the world will be difficult to overcome without the active involvement of large neighbours, such as Turkey or Russia. Normalising and optimising relations with those countries is therefore in their interest. The fact that all three South Caucasus countries along with Russia and Turkey take part in the Black Sea Synergy, which is a new multi-lateral regional cooperation initiative could be helpful in this respect.

2.9. Agriculture is one of the potential assets of the countries of the Southern Caucasus. However, it is backward, ruined by the irrational policies of the past and current underinvestment. Therefore, fully opening up trade relations between these three countries and their traditional market Russia could provide a significant stimulus for agricultural development.

3. The European Neighbourhood Policy (ENP) in the Southern Caucasus

3.1. The Southern Caucasus were not originally included in the European Neighbourhood Policy (ENP). It was not until the region signalled that it was interested in closer contact with Europe and above all following the rose revolution in Georgia that there was a new prospect of cooperation.

3.2. The action plans for the three countries were adopted in November 2006 following two years of negotiations and form the basis of cooperation for the 2007-2011 period. The action plan priorities are similar for Armenia, Azerbaijan and Georgia and cover the following issues, inter alia:

- strengthening the rule of law, especially by reforming the judicial system in accordance with Council of Europe standards,
- strengthening democracy and ensuring that human rights are respected, among other things, by promoting local government,
- creating the conditions for independent media,
- improving the economic situation by creating better conditions for business and enterprise, reform of the tax system and combating corruption,
- achieving greater stability through support for sustainable economic development and social cohesion, reducing areas of poverty and environmental protection measures,
- strengthening regional cooperation in the Southern Caucasus area,
- measures to find a peaceful solution to territorial conflicts.

3.3. The ENP is in no way linked to potential EU membership for the countries of the Southern Caucasus. However, it does identify areas for closer cooperation, which could bring these countries more into line with *acquis communautaire* standards. Potentially it may also lead to their accession to the European Economic Area, if they wish so.

3.4. Neither the social partners nor other civil society organisations have so far played a significant role in negotiating the principles of the Partnership and Cooperation Agreements and the Action Plans, or in implementing them, although the situation varies depending on the country and how dynamic individual organisations are. Those organisations which have tried to become involved in the process, have sometimes done so on their own initiative, and against the wishes of the authorities rather than at their request.

3.5. Both the implementation of the Action Plans as a key tool in the bilateral approach and, in addition, the new multilateral Eastern Partnership initiative provide an opportunity for civil society organisations to become more involved in the work that is taking place and in related measures. However, in order for these organisations to really be permitted to cooperate, there needs to be some initiative and monitoring on the part of the European institutions and assistance from partner organisations in EU Member States.

4. Employers

4.1. Employer organisations in the three countries of the Southern Caucasus appear to be under the strong influence of the authorities, not least because a significant share of economic activity is carried out in the state sector. However, the reasons for this influence and the way it is wielded are not the same in all countries.

4.2. A common feature of business organisations is the crucial importance of chambers of trade and industry. Although these are not employer organisations in the strict sense and although their tasks and fields of activity are broader than just representing business as a social partner, their strong ties to the government and often quasi-governmental status mean that these organisations are very authoritative but not particularly independent.

4.3. Owing to their weakness, the fact that they are not particularly representative and their ties to the state authorities, which usually assume the form of dependence, employer organisations are not in a position to play a role of full fledged social partner in negotiations with trade unions, which are forced to discuss numerous matters directly with the government whether they like it or not. However, the specific features of employer organisations vary from country to country.

4.3.1. Despite significant pressure to privatise from the market-oriented government in Georgia, a considerable section of industry is controlled by the state, and the majority of privatised businesses belong to investors from Russia or Kazakhstan. This makes the government even keener to interfere in employer issues and increases its scope for doing so.

4.3.2. The main sectors of Armenia's economy remain in the hands of Nagorno-Karabakh war veterans, who have created a privileged group of entrepreneurs. At the same time, the mutual financial, business, and political relationship of businesspeople and parliamentarians and government politicians is maintained. Now that the Nagorno-Karabakh generation of fighters are leaving the scene and as a result of cooperation with sister employer organisations from Europe, business organisations in Armenia might begin to fulfil the more traditional role of social partner.

4.3.3. The energy sector makes up 90 % of the Azerbaijani economy and remains under the direct supervision of the president. This, together with the fact that the business elite in other sectors of the economy is made up of mostly young managers who are loyal to the State Authorities, many of them well-educated and trained in Western Europe and United States, means that employer's organisations start more and more playing a role of a social partner.

5. Trade unions

5.1. Trade unions in the three countries of the Southern Caucasus are very different from one another, which to a large extent stems from the fact that they operate in different economic, social and political conditions. Their common features include a significant decline in membership over the years, and more or less successful attempts to reform outdated structures and organisational methods. Despite several attempts, it has not been possible to establish a real trade union alternative, which in practice leaves organisations which existed at the time of independence with an exclusivity on worker representation.

5.2. However, these organisations differ in how independent they are of the state authorities and in the closeness of the relationship they have with partner employer organisations.

5.2.1. Georgia's trade unions are relatively independent of the government and the presidential administration, with which they are at loggerheads. This is a difficult situation given the accusations of unpatriotic behaviour and even sabotage in a war situation. Yet it is also unavoidable considering the arrogance of the authorities and their failure to take account of the views of the social partners. Trade union and workers' rights have been infringed in many cases and a new labour code was introduced without consultation.

5.2.2. Armenia's trade unions, which were the last of the three countries' trade unions to start reform, very rarely take a critical or independent stance towards the state authorities, and have not undertaken any major reforms for a long time since becoming independent of the pan-Soviet structure. This was because of the war situation and the country's principle of political correctness, which required support for the authorities as a patriotic obligation. The change in leadership at the trade union confederation, which took place in 2007, will enable it to become more dynamic in its activities and more independent.

5.2.3. State Authorities in Azerbaijan, from the moment that the current team came to power, has devoted considerable attention to social dialogue and to ensuring social harmony. The trade unions, which support this policy, wish to achieve as much as possible for workers, while not entering into severe conflicts and avoiding any risk to national unity. This has given rise to a specific corporate model for trade unions, particularly in the wealthiest industrial sector (energy) and in the state-owned services sector. The trade unions, which enjoy relatively considerable level of independence, actively stand up for the social rights and well-being of their members, while avoiding direct confrontation with the government, which appears to be the only possible strategy at the present time.

6. Non-governmental organisations representing other interests

6.1. NGOs in the Southern Caucasus can be divided into three groups on the basis of how they fund their activities:

- independent NGOs, which finance their activities through member contributions, services provided externally or on the basis of accumulated or inherited wealth,
- NGOs which are set up, financed and controlled by the government,
- NGOs which are dependent on external, usually foreign, donors.

6.2. A characteristic feature of NGOs in the Southern Caucasus region is their wide variety of goals and tasks as well as their often transitory nature. NGOs are frequently set up and later disappear after having carried out one specific task or after their funding ceases.

6.3. The lack of a tradition of civil society organisations, armed conflicts and difficulties in funding activities mean that creating truly independent organisations is problematic.

6.4. Following the economic ruin and social catastrophe which occurred in the initial period after the collapse of the Soviet Union, a significant proportion of civil society organisations focussed their efforts on combating poverty and improving living standards.

6.4.1. Civil society seems to be developing most dynamically in Georgia. There are around 100 NGOs, which have received recognition from independent observers and are active in areas such as combating corruption and promoting the rule of law, human and minority rights, media freedom, environmental protection and energy security.

6.4.2. In Armenia, the main groups of NGOs are those commissioned directly by government or international organisations to carry out political analysis or draw up strategy documents, and those which carry out projects in areas such as education, health care or social protection. An interesting phenomenon is the transformation of NGOs into small commercial service businesses following the completion of a project.

6.4.3. In Azerbaijan the national NGO Forum founded in 1999 with support of UNDP represents a mixture of more than 400 NGOs which are partly dependent on the government, foreign sponsors or opposition parties and the few remaining organisations support themselves by charging for their services. Despite of this, they are also a small number of organisations who maintain political neutrality and might in the future play a bigger role in shaping opinion.

7. Perspectives and recommendations

7.1. The implementation of the European Neighbourhood Policy Action Plans represents a hitherto unused opportunity to strengthen social and civil dialogue in terms of European cooperation with the countries of the Southern Caucasus.

7.1.1. The European Commission should encourage governments of countries in the Southern Caucasus to consult with the social partners and other civil society organisations on the action plans and include them in joint efforts to implement, monitor and evaluate the plans. Not even the best practices of direct contacts between EU representatives and selected organisations can replace this. This would be significant both for the implementation of the action plans and for increasing the importance and role of civil society.

7.1.2. During the negotiations on the action plans and the Partnership and Cooperation Agreements, the European Commission should place greater emphasis on respect for human rights and democratic standards and principles of social dialogue and those of civil dialogue, including the freedom of association and the right to carry out collective negotiations. It would be desirable for the annual reports on implementation of the action plans to include an in-depth assessment of these issues.

7.1.3. The governments of individual countries should, while working together with the European institutions and cooperating closely with civil society organisations, carry out a broad information campaign on the EU, its institutions and the *acquis communautaire* as well as the neighbourhood policy and the implementation of the action plans. Appropriate tools and funding instruments should be created with this in mind. One such tool could be the possibility of European small grants for civil society organisations, designed especially for this purpose.

7.2. The new Eastern Partnership initiative will provide a fresh opportunity to strengthen contacts between civil society organisations of the Southern Caucasus and the European Union and, above all, to boost civil dialogue locally.

7.3. The proposal in the Eastern Partnership initiative to set up a civil society forum aimed at promoting cooperation between organisations and facilitating dialogue between them and the authorities is a valuable initiative, but should be accompanied by monitoring from the European institutions to ensure that this dialogue is genuine.

7.3.1. There needs to be an effort here to ensure that representatives are appointed to the forum democratically and that the forum should include the most representative, democratic and independent organisations. The EESC could play a prominent role in this process by assuring that these criteria are respected and in the functioning of the forum.

7.3.2. Furthermore, if the forum, as a body, were also to include members from other countries covered by the Eastern Partnership, this would enable civil society to extend the principle of multilateral cooperation to encompass countries from outside the Southern Caucasus.

7.4. The Eastern Partnership should promote effective contacts between peoples and organisations in the areas of education, science, culture, combating discrimination and intolerance and mutual respect of peoples. In order to achieve this, obtaining visas should be made easier for citizens of the countries of the Southern Caucasus..

7.5. Both the European neighbourhood policy and the Eastern Partnership enable civil society in the countries of Southern Caucasus not only to establish contact with the EU institutions but also to engage in bilateral cooperation with its own partner organisations. It would also be very useful to set up a mechanism to support the establishment of cooperation with EU counterparts.

7.6. One of the problems afflicting the countries of the Southern Caucasus is ongoing armed conflict. Apart from the obvious role for the EU institutions in attempts to resolve these conflicts, it would appear that civil society organisations could play a supporting role in the peace process, especially in promoting it among their own people. Joint regional initiatives could be particularly important here, with contacts between partner organisations of the countries in conflict as the starting point for the difficult process of reconciliation.

Brussels, 14 May 2009.

The President
of the European Economic and Social Committee
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