GEORGIA

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Georgia

From Autocracy to Democracy

EDITED BY STEPHEN F. JONES
AND NEIL MACFARLANE

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To Alexandre Rondeli (1942–2015)

Friend, Colleague, Diplomat, Mentor

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Contents

List of Figures and Tables ix

Foreword: Networks, Mentors, as Agents of Change? xi
GIORGI KHELASHVILI

Preface: Reflections on the Georgian State xvii
DAVID USUPASHVILI

Acknowledgments xxxi

Notes on Transliteration and Terminology xxxiii

Introduction 3
STEPHEN F. JONES

Part One: Historical and Geographical Context 11

1 Recurring Patterns in Georgian Politics 15
STEPHEN F. JONES

2 New Shifts in Georgian Geography 38
JOSEPH SALUKVADZE AND ZURAB DAVITASHVILI

3 Economic and Regional Factors in Georgia's Political Transformation 62
MIKHEIL TOKMAZISHVILI

Part Two: Georgia's Institutional Transformations 85

4 Higher Education and State Building in Georgia 89
MARINE CHITASHVILI

5 Taming the Courts: Judicial Reform in Georgia, 1991–2018 117
VAKHTANG MENABDE

6 Elections, Political Parties, and Social Change in Georgia, 2003–2018 145
DAVID SICHINAVA

Part Three: Georgia and the International System 169

7 Georgia's European Dilemma 173
NATALIE SABANADZE

8 Russian Policy towards Georgia 192
NEIL MACFARLANE

9 Georgia in the International Political Economy 209
MAMUKA TSERETELI

Afterword 229
NEIL MACFARLANE

Contributors 237

Index 243

Figures and Tables

Figures

2.1 The Baku-Tbilisi-Kars Railway 40
2.2 Land Use Structure, Georgia 42
2.3 Changing Shares of Economic Sectors in Georgia's Gross Domestic Product (GDP), 1990–2015 45
2.4 Growth of the Tourism Sector, Georgia, 2005–18 47
2.5 The Administrative-Territorial Arrangement of Georgia, as of January 2017 49
2.6 Rates of Birth, Death, and Natural Increase, Georgia, 1990–2017 51
2.7 Top Ten Countries of Emigration of Georgian Citizens, by Share, 2014 54
2.8 Top Ten Countries of Immigration to Georgia, by Share, 2014 55
2.9 Dynamics of Urban Population Change, Georgia, 1897–2019 56
3.1 Georgia's Trade with the European Union and Russia, 1995–2018 67
3.2 Georgia's Trade with Russia as a Percentage of Total Georgian Trade, 1995–2018 69
4.1 Average Government Expenditure on Education as a Percentage of Gross Domestic Product, Former Soviet Republics, 1992–2014 92
4.2 Government Expenditure on Tertiary Education as a Percentage of Gross Domestic Product, Former Soviet Republics, Selected Years 93
4.3 Gross Domestic Product, Georgia, 1975–2000 96
6.1 Raw Votes Received by Current Parliamentary Parties, Georgia, 2008–18 152

9.1 Georgia's Top Trading Partners by Turnover, 2017 214
9.2 Pipelines Transiting Georgia 216

Tables

2.1 Net Migration, Georgia, 1990–2015 52
2.2 Changes in the Ethnic Composition of the Population, Georgia, 1989–2014 53
4.1 World Competitiveness Rankings of Higher Education Institutions, Georgia, 2009–10 and 2017–18 102
4.2 State Funding for Higher Education and Research, Georgia, 2005–11 104
6.1 Distribution of Seats in the Georgian Parliament Elected through Party Lists (PLs) and Single-Member Districts (SMDs), 2003–16 150

Foreword: Networks, Mentors, as Agents of Change?

The purpose of this collection is to reflect on the deep and complex changes in Georgian politics over the past quarter of a century. We look at the *longue durée* and seek to understand both the reasons behind Georgia's dramatic struggle with issues of sovereignty, democracy, and the market, as well as the outcomes. After more than twenty-five years of development, it is surely time for reflection and some conclusions as to why Georgia, despite the immense challenges it faced, has become the strongest and most stable democracy in the former USSR (leaving aside the Baltic republics). Looking over the chapters, I cannot avoid reflecting on the impact Professor Alexandre Rondeli, to whom we have dedicated this collection, had on many of the ideas and opinions expressed by the authors. Rondeli, who died in June 2015, was deeply involved in Georgia's foreign policy evolution as a consultant and advisor to Georgia's political leaders over three decades. He had a profound impact on students, both in the country's universities and in the most prominent policy think tank in Georgia – the Georgian Foundation for Strategic and International Studies (GFSIS) – which he founded in 1998. I will discuss Rondeli's impact as part of the broader context of the role of teachers and mentors, and the influence they exert in Georgia's informal political networks.

Donald J. Trump's election as president of the United States in November 2016 came as a surprise to many Georgians. Georgian security and foreign policy elites were alarmed by the bleak prospect of retreating American power. At this historic juncture for Georgia, the absence of Rondeli from Georgia's political and intellectual scene was felt keenly by many scholars and politicians. A dominant and articulate figure in Georgian politics, to whom policy makers and analysts would turn for advice and guidance, was gone. But his legacy, his way of thinking, and his moral compass, which helped his colleagues make

sense of the new world, was still there. For nearly two decades, through his mentoring and teaching, Rondeli was an indispensable figure for impatient and energetic young people, like myself, thinking about the sort of independent state Georgia should be. Many of his students are now engaged in governing the country. His personal story is inextricably intertwined with Georgia's history from the Soviet era, through the most painful and violent transition, to the emergence of a competent, stable, and democratic state, broadly supported by both the EU and the United States.

Despite the rosy expectations of young Georgians like myself, the beginning of the story was not encouraging. The pace at which Tbilisi and Georgia lost their liberal cosmopolitan credentials in the early 1990s was disheartening. One of the most cheerful, colourful, and polite societies in the Soviet space quickly changed into a sombre and violent community. Newly acquired liberty became freedom from the rules, rather than freedom from oppression and *diktat*. Despite its fierce nationalism, Georgia remained under Russia's cultural and intellectual influence. The legacy of the communist straitjacket was combined with nationalist ideals. In the 1990s, there was no alternative to nationalism for reordering Georgian society. Many practical matters in politics and the economy were discussed and analysed in an irrational and even metaphysical manner. The ideas of Rudolf Steiner, Mahatma Gandhi, Giuseppe Mazzini, and Lev Gumilev floated freely and somehow managed to find their way into common discourse. This ragtag bag of ideas and ideals contributed, in the end, to a populist nationalism with a narrow and threatening character.

The West, as an all-encompassing and inclusive concept embodying the Georgian majority's aspirations, came with the ascendance of Eduard Shevardnadze in the mid-1990s. European powers and the United States, along with Russia, Turkey, and Iran, were the major yet disparate players on the South Caucasian stage, imagined and reimagined by Georgia's political elites as friends, enemies, patrons, and allies. The United States and NATO were the two lighthouses that shone in the distance as sources of security and aid in the aftermath of the Soviet implosion. They fed Georgian optimism. But most Georgians soon realized that "Western" or NATO engagement with Georgia was a distant project at best.

Our clouded vision of the future in Georgia was hardly surprising. The Soviet system had sabotaged the development of independent social and political thinking in Georgia, and had placed political ideas on the Procrustean bed of communist ideology. The traditional Soviet academic institutions in the humanities and social sciences in Georgia had very little idea about how contemporary societies and economies worked.

Political division and the polarization of Georgian society made any vision of the country's future development even murkier. Rapid political and economic decline, civil wars, and violently complicated relations with Russia left little hope for Georgia's survival as a genuinely free and sovereign country. Much of the nation's educated and creative talent quickly found its way to the United States and Europe, draining much of the hope for a future in which Georgians would be able to develop their own ideas for political change and democratic growth in their own state. For the remainder who stayed behind, holding the country together was a nightmarish task.

Rondeli knew his country and his hometown of Tbilisi well, but its drastic and ugly degradation caught even him by surprise. Immediately after the Soviet Union's demise, there were very few people in Georgia who could gauge the scale of the challenges the newly independent country faced. Rondeli had some of the best answers at this time, which was why he became a focus for domestic politicians and foreign visitors and experts. Rondeli's early years were spent in the vicinity of Vera district and Tbilisi State University, which contributed to his cerebral and mischievous approach to politics. His descriptions to his students, including myself, of his childhood in Vera – of music, cinema, and football in the Soviet 1950s and 1960s – were a unique social and historical portrait of Georgian society at the time. Whether it was Georgian football fans' loud gatherings in Vera Park, or bizarre outings of hundreds of Georgian fans to the distant Pantiani Valley to catch Turkish TV signals and watch European football, Rondeli was always telling the story of Georgians' attempts at self-expression against Soviet oppression and enforced uniformity.

Rondeli's career spanned four decades, three professions, and three academic disciplines. After his high school years, Rondeli was a student of Persian language and history at Tbilisi State University. Iranians praised his Tehrani accent. These skills were essential for his work at the Soviet Embassy in Tehran in the mid-1960s as an interpreter who assisted in the implementation of Soviet infrastructure projects in Iran. Oriental studies was the cornerstone on which Rondeli built his knowledge of world politics. A newly established Department of Social and Economic Geography at Tbilisi State University sought gifted doctoral students. Rondeli was an obvious candidate. As Rondeli himself told the story, the founders of the department predicted their students would in the future serve as independent Georgia's ambassadors. This was a surprising insight, as many of Georgia's diplomats in the 1990s were geographers from the Human Geography Department.

Somewhere between Rondeli's research in urban geography and the breakup of the Soviet Union, his interest in international affairs emerged. His research fellowship at the London School of Economics and Political Science in the mid-1970s was an opportunity to observe in practice how Western societies worked. Britain left a noticeable mark on Rondeli's pragmatic worldview. His interest in foreign affairs grew, and as the Soviet Union started to unravel, he became a frequent traveller to American universities, lecturing on the social and political changes in the Soviet Union. By 1996, he finished the only book we had on International Relations theory in the Georgian language, introducing generations of Georgian students to the field. Rondeli's research trips to the United States had more far-reaching consequences than the writing of the first manual of IR theory in Georgian. Rondeli paved the way for the first cohort of Georgian students who received scholarships to the colleges and universities he had visited. British, German, and French scholarships followed, and more and more Georgian students reached Western universities. Most of them in the early years went as a result of Rondeli's personal mentoring, encouragement, and contacts, including Natalie Sabanadze, a contributor to this book and the current Georgian ambassador to the EU.

In 1991, Rondeli succeeded in establishing Georgia's first Chair of International Relations at Tbilisi State University. Within a year, the newly established department became the most competitive program in the university, producing students who became leading figures in Georgian politics in the decades to come. Rondeli's lectures in the midst of the economic misery in the 1990s were mesmerizing. He could animate even the most mundane subject. A friend once remarked that students pouring out of Rondeli's lecture had dazzled faces, as if in a universe he had just created for them in the unheated and dilapidated classroom of the main auditorium of Tbilisi State University. Rondeli spent most of his career at the university, an institution that had kept the idea of Georgian independence alive for seven decades. In the 1990s, however, it quickly descended into corruption and nepotism – in this sense, no different from Georgia's other state institutions at the time. Few progressive scholars stayed. Rondeli left the university for the Ministry of Foreign Affairs, where in 1997 he established the Foreign Policy Research and Analysis Centre, attended by graduate students from the departments where he had taught. The centre was a training ground in policy analysis for the next generation of Georgian diplomats. Rondeli ensured foreign published literature was translated into Georgian and distributed among ministry personnel and embassies abroad. Foreign academics and diplomats, journalists, writers, and parliamentarians were regular guests at the centre.

The infrastructure of the centre was representative of Georgia in the 1990s. It occupied several rooms in a former hotel next to the Foreign Ministry on Chitadze Street. The other rooms were occupied by internally displaced families from Abkhazia. In anticipation of foreign dignitaries, the staff had to alert the neighbouring families to remove their laundry from corridors and to abstain from frying fish. The centre was the precursor to the ministry's Political Department and the Georgian Foundation for Strategic and International Studies, which has since played such an important role in developing security and foreign policy analysis in Georgia as an independent think tank. The second half of the 1990s in Georgia – the first post-Soviet constitution was passed into law in 1995 – was in many ways devoted to an extrication from the Soviet legacy. This was when the first indecisive steps towards membership of NATO and the European Union were taken. Membership of these organizations was embraced as the country's main foreign policy objective. This sea change between 1995 and 2003 was slow, but was probably the most consequential period in Georgia's history of independence – although it has since been overshadowed by the Saakashvili era. Rondeli played a major role in this transformation. He was a pivotal figure in developing Georgia's relations with the West.

Georgia's last extended period of a united independent state ended in 1488 as a result of internal strife among Georgian mini-kingdoms and principalities. It has now been independent for twenty-nine years. In the six-hundred-year interim of Ottoman, Persian, and then Russian rule, Georgians maintained their national identity around shared memory, language, and religious faith. The country returned to sovereign statehood in 1918 for a brief period before being reabsorbed into Soviet Russia in 1921. It regained its sovereignty in 1991, but emerged in a chaotic post-imperial and international environment with no living memory of sovereign statehood. Its post-independence history has been one of building the state from scratch in the most demanding and intimidating economic and social circumstances, facing deep political cleavages as well as chronic civil conflict. Despite these challenges, Georgia is now recognized as a democratic state and a leader in political and economic reform in its region.

This extraordinary evolution, depicted in the chapters in this volume, is in part a result of external engagement. The steady influx of Western humanitarian aid, financial assistance, and know-how had a vital sustaining effect on many Georgians, who, suffering from poverty, insecurity, and the intellectual and cultural barrenness of the post-Soviet era, were ready to emigrate or bury themselves in deep cynicism and passivity. Intensified institutional engagement and personal contacts with

Europeans and Americans played a powerful role in Georgia's cultural, political, and emotional rapprochement with the West. But people make a difference, too, in their efforts to build human capital and to bring Georgia to the attention of the world. In these respects, Rondeli made a profound difference. His nurturing of intelligent and frustrated youth resulted in a network of skilled and deeply educated practitioners in the new state. His cultivation of international networks opened doors for Georgian students and colleagues that would otherwise have been closed. His careful analysis of Georgia's international situation provided an important roadmap and a source of alternative ideas for successive Georgian governments. Without Rondeli's presence in the 1990s and 2000s, Georgia would have survived, but Rondeli focused on the most important piece of democracy building: the development of human capital. Rondeli, in many ways, represented within himself the successful transition from *Homo Sovieticus* to *Homo Democraticus.* He reminded everyone who listened to him, including presidents Shevardnadze and Saakashvili, that the state's support and strength was in its internal institutional and social infrastructure, in its education, and in its openness to foreign ideas. It is hard for me and other students of Rondeli's to imagine how we could have reached our understanding of Georgia and its place in the world without the influence of Alexandre Rondeli, our mentor and an agent of change.

Giorgi Khelashvili

Preface: Reflections on the Georgian State

[Based on a public lecture given at Ivane Javakhishvili Tbilisi State University, 12 February 2015]

I must confess I have never been quite so anxious as I am today, despite my long experience speaking in public. The reason for this is because of where I am now: Tbilisi State University. Our meeting today is the continuation of a tradition inaugurated by Ivane Javakhishvili,[1] a founder of this university, when he delivered the first annual public lecture within these very walls on 12 February 1918. Of course, this is a great honour for me, and a huge responsibility.

I selected as the topic "our state." Why "our state"? I was moved by two principal reasons. First, we are at the university named after Ivane Javakhishvili. The topic I am addressing was the focus of Ivane Javakhishvili's own studies. His dissertation "dzveli sakartvelos da dzveli somkhetis sakhelmtsipo tsqobileba" (The state structure of ancient Georgia and Armenia), written between 1905 and 1907, focused on state organization in ancient Georgia. His first public lecture in the newly founded Tbilisi University in 1918 was devoted to the role and place of the personality in the history of Georgia. His fundamental work *kartuli samartlis istoria* (The history of the Georgian justice system), published between 1919 and 1928, is of indispensable value to all Georgian lawyers as well as historians, and concerns the development of legal systems in Georgia. Javakhishvili was one of the very first students of the Georgian state and statehood. He did much to enlighten our present generation about the nature of the Georgian state and the traditions upon which it was founded. Javakhishvili goes back to our origin as a nation and as a state.

The second reason I speak of "our state" is connected to the issue of "contemporaneity." In the historical development of the Georgian nation, the most important and fundamental challenge has always been

how to create and establish a state in the world political system. We still face this problem in the twenty-first century. This is our task today, and we are fortunate to have the opportunity. But we are less fortunate in finding answers. We have not finished creating our state. This is why when we speak of "our state" we should become more conscious of what we mean by "our," and what we are claiming by the term "state." What is it that makes the state ours and makes us not so much the masters and owners, but caretakers and builders? I shall avoid a deep excursus into the issue, as Javakhishvili has already examined the origins of the Georgian state, its development, and how it responded or failed to respond to the challenges that brought us to the communist era. I will rather talk about post-Javakhishvili – that is, the post-communist period and the challenges we face today.

Soviet Perceptions of the State

Let us start with a little history. I studied law here between 1985 and 1992. The reason I was enrolled here for seven rather than five years was not because I was a lazy student but because I served two years' military service in Ukraine between 1986 and 1988 (students like me were drafted by the Soviet Army for its infamous military adventure in Afghanistan). What I left in Georgia when I was conscripted in 1986, and what I found when I returned in 1988, were two very different things. Between 1985 and 1986, freshmen in the law department were taught Vladimir Lenin, works such as his *State and Revolution* and so on.[2] The chief tenet of these works was a belief in the imminent death of the state and its ultimate abolition. Communist ideology argued that, when humans reached an advanced phase of development, states would no longer be necessary. The state was a vile product of the bourgeois system and a weapon in the battle against humanity; it was a useless mechanism that would inevitably perish, abolished by history.

Imagine the thoughts of Georgian students, having entered this institution in order to study law and become specialists of statehood and jurisprudence, when they were told that all one had to do was wait a little longer, at which point neither the state nor law would be necessary. These ideas would be replaced by communist morality; there would be no need for laws and lawmakers. After I returned from the Soviet Army in 1988, *perestroika* was already in action, and to a certain degree, we, as students, were allowed to think freely and to learn bourgeois theories that had hitherto been mentioned only critically in textbooks and footnotes. The concepts of a "lawful state" and "the rule of law" made their appearance, and our professors were able to tell us what we had

apparently always anticipated. This small breeze of freedom meant that theories and new conceptions could find some reflection in our real life. The creation of an independent state, sovereignty, the foundation of a legal state system, human rights, and private property, were now something that belonged to us too.

The reason I recall this is because I was not the only one "stamped" by Leninist ideology, a belief system which dominated my world as a student, as well as the world of my friends, family, and colleagues. This same ideology was "stamped" – and the stamp is still visible – onto our society. We were taught these ideas at university; others encountered them in public and social life. I want to highlight this as a very important problem today – we still encounter distorted understandings of statehood, and most alarmingly, we encounter them not only in my generation, or in older generations, but also among our youth.

The Attitude of Citizens towards the State

We have serious issues in the sphere of statehood precisely because of our teaching and educational deficits. Without a proper understanding of statehood, our reality will never reflect our ideas and aspirations. We need to understand the functions of the state just like we understand a glass of water – is it dirty or clean, when should we drink it, and when should we not? This is a very serious problem in Georgia today. It cannot be tackled by schools and universities alone if other socially influential forces – political institutions and societal organizations that shape our social life and political consciousness – do not deal with these matters critically.

What, then, must we comprehend? First, how do we become a "we"? When we speak of "our state," who is the "we" here? Who is included in the category of "we"? The right, the left, the *Zviadists*, the *Mishistis*, the *Otsnebists*?[3] Professors? Students? Those from Eastern Georgia, or from mountainous Georgia? Religious minorities? Or just the majority perhaps? As soon as we begin to see ourselves through such categories and think of the state only after such considerations, we are committing a great mistake. If "we," in relation to our state, are not a union of citizens, and are instead united first and foremost to "our faction" of whatever kind (political, regional, or even professional), then "our" attempt to build a state turns into an internal struggle between "us" and "them" – a process that undermines the state, and creates what I call a *Cold Civil War*.

Cold War is not only a category of international conflicts and proxy wars. It can be systems at conflict with one another internally. The Cold

Civil War I refer to is one of constant enmity, and it shall last in our country until citizenship has become our primary consciousness – that we, by virtue of being citizens, are equals and that this state belongs equally to all of us. We all have to demand a state that treats us equally as citizens. If we have a society in which we focus on the differences, seek out "the other," conspire to bring those who are different down, yearn to prove their fatal mistakes, this is the Cold Civil War that destroys a fragile social system like ours.[4] It literally eats away at the tissue that holds society together. We cannot then mould a state that we can call "our state." And when we, the citizens, cannot unite around "our state," then the state that we want will fall into the hands of someone else, be it one man, one party, or the proponent of the one and only ideology. In such cases, we will not be state building, but someone will be seizing the state. The alienation between citizen and state automatically follows.

This brings us back to a communist understanding of the state, which we considered unacceptable because it was in the hands of others. And in the hands of others, the state was perceived as a weapon aimed against me, against us. And though I may be with my state, I have no relationship towards my state, one that I can call mine and that exists for me. Herein lies the problem of alienation that undermines important stages in the development of a democratic society. Why is it that we have for twenty-five years been in a state of almost unceasing Cold Civil War? How can we end a societal life that is founded upon, and organized around, enmity?

The difference between enmity and competition is something our post-communist consciousness does not comprehend. Competition results not only in my own advancement, but in the advancement of others. Yet, if my energies are devoted to harming those who are better than me, if I fight by any means to eliminate them from contention, I destroy those who are better than me. Quality will be lower so I can remain where I am. Competition is when I try to be better than someone else; this is what drives society forward. Instead, we continue to preserve internal enmity and suppress opposing viewpoints.

To say whatever the other does is wrong or is of no use, that he only makes mistakes, or that he must be fired, or should be punished, or that my competitor, who threatens my position, must be neutralized – this is not profitable for any healthy society or individual citizen. Competition, by contrast, is! A healthy society is based upon conflicting parties united by ideas of common citizenship and competition. Attempts at homogeneity based on ideology – the claim that we should all be left wing, pro-NATO, or Orthodox – are comparable to everyone claiming we should all become artists, musicians, or professors. All such attempts are destined to failure. Such things cannot happen. This is not the type

of unity that enables us to construct a political system, which in turn enables us to be "us."

Multiparty Democracy and Respecting Differences

During my early university years, everything was simple, too simple. There was one party protected by Article 6 of the Soviet constitution; the Communist Party was the only true defender of the citizenry, and thus the only possible party that could exist. A single party with a monopoly over the truth had been elevated to a constitutional category. Society was aligned with this political system. There were some, within these walls, for whom Article 6 was empty. One of them is here today: Mr Levan Aleksidze.[5] He was the vice-chancellor of the university and our great supporter. By "our," I mean a certain circle of students who were in the mood for revolt. That was especially true for law students facing the wholly unintelligible and unimaginable career of policeman or prosecutor. However, by 1992, when we were finishing our fifth year, those goals had changed completely – more than half of the students now wished to become defense lawyers. That was because, in that interval, we had become an independent state. A new Georgia was born, or was being born, and the realization was dawning on us that a lawyer's chief duty was not to serve an abstract state, but to serve particular human beings and their rights! That included serving the state, insofar as it protected human rights. A lot has happened since the first multiparty elections of 1990 – the first democratic elections in the post-communist space. This year – 2015 – marks the twenty-fifth anniversary of those elections; I can see a number of victors of that election here today. I was a member of the Central Electoral Commission at the time.

Those hitherto hardly conceivable elections became the foundation of a multiparty system in Georgia. But have we created a multiparty system, or is it more like a multi-communist-party system? Although all our parties were created as anti-communist entities, the process ended with the "best" communist tradition – namely, all of us believing that we possessed a monopoly on the truth. We are not communists today, we are different, but we each believe that the truth resides with us! And if the truth is with me, or you, then we must fight against those with false beliefs. This leads to the same issue of competition versus enmity. The reason our democratic progress is weak is because we cannot leave this legacy behind. And here I point to political parties, because it is here that the problem is most evident.

We participate in elections, but what happens next? Do we go to the elections with the idea that you should all cast votes in favour of me

and my party so that we can rule this country? Or perhaps, more appropriately, with the idea that you are casting votes in my favour so that I can then negotiate your interests with other parties? Not because I like the leader of the other party, or because I care about its future … No! Rather, it is because this or that party elected to parliament represents a fairly large group of my fellow citizens. So, when I talk to Mr Gubaz Sanikidze, who is in this hall, I talk to him as a colleague representing the *National Forum*.[6] But by speaking with him, do I just speak with him? No. I am also talking to his supporters, one significant part of the citizenry of this country who like him and his policies. I believe they are wrong to support him. And his voters believe, undoubtedly, that my supporters are wrong to vote for me. So what? It is our duty to respect one another and one another's voters. That is, to respect those that are different from us. We should also realize that if we do not respect the other representatives and their voters, then neither will they respect me or my voters. Then we enter the mode of enmity. So, we – civil society, citizens – should make the state "ours" and the same as everyone else's. In so doing we create a general framework for our state's development and our future. Unfortunately, we are still stepping in the wrong direction. There are many matters we still need to change. And if this cannot be done at the level of the political system, then it will be very hard to resolve these matters in the lecture halls of our universities.

On the Importance of Publicly Naming Our State's Problems

Depending on the circumstances, public issues must be addressed by different institutions – sometimes governmental actors are better positioned and other times non-governmental actors are more effective. In 2000, I, along with a number of colleagues, commenced work on an anti-corruption program. Georgia in 2000 had almost no governmental capacity, and was a swamp of immobility and corruption. It was what we call a "failed state." The first idea that sprang to our minds was to create a new, strong executive body that would have powerful officials, agents, and instruments for enforcing the law. And with fire and sword, we would eradicate corruption. But we were soon forced to conclude that this would not solve the problem, because criminal law is interconnected with multiple social, psychological, and economic problems in society at large, which last longer than prison sentences.

If theft, bribery, domestic violence, nepotism, or even rape are not recognized in society as inherently bad, if children are not socialized into avoiding such behaviour by their parents, if a given crime is not

condemned at the social and moral level, then no police, no prosecutors, no jails will ever solve these problems. In the Soviet Criminal Code, speculation was punishable. Today this might be wholly unimaginable for our younger generation, because "speculation" in the past did not mean inventing a lie and repeating it. It had a different meaning. If someone bought a bag of flour in Batumi, brought it to Tbilisi and sold it for 20 rubles more, this was speculation – one of the most serious crimes of the time! Yet the history of humankind teaches us that one of the most significant drivers of economic and social development is private property and the human desire to increase personal wealth, and thereby enhance the common wealth. This was prevented by the Soviet Criminal Code. What drove the capitalist economy was seen as "speculation," and was punishable by years in prison. But this article did not work, because we, Georgians and others, knew where to find anything that was prohibited. For instance, we could always find American jeans on the black market, or buy for additional rubles good champagne secretly smuggled out of the shops. Books, too, were sold by "speculators." The criminal clause against speculation never worked, so great was the difference between official values and the socially acceptable "code of behaviour."

In 2000 when we talked of our relationship to the state, corruption was the central problem. It was built into our social consciousness; no police force could deal with it. Corruption in Georgia was not just a set of isolated legal offences. In many fields, corruption had become an established lifestyle, and corrupt beliefs had penetrated the social consciousness. Thus, it was critical to separate carefully those corrupt habits that would lead to a national catastrophe from those features that constituted a genuine part of the national culture. The generally low moral climate was one of the chief reasons for the spread of corruption. While corruption on a grand scale could prompt public protest, the majority of the population endured wide-scale corruption and considered it an inevitable part of life. Moral guidelines appeared lost, and allegations of corruption did not decrease the social prestige of a person. An "everyone does it" attitude prevailed, and much of the public ascribed improper motives to those who tried to expose corrupt practices.

The issue we registered as number one in our program – we listed over 250 problems of corruption and an equal number of policy solutions in total – was the battle against corruption in the university system. We concluded that, if society could live with a professor who would accept favours, such as an invitation to a restaurant or a bottle of cognac, and who would then award high marks to a student, if this was the normal course of things at the university, the very heart of our education and our claim to being civilized, then how could we possibly tackle the same

phenomenon in the police force? Or in the Tax Inspectorate? Or among customs officers? This was impossible. We held meetings, and were told by the university administration that "there was no corruption in the university!" "How is that?" we replied. "Has such bribery of professors not occurred?" "Oh, you mean *protection*? That's not corruption." In 2000, we made no progress because there was no political will. That has changed in recent years. A mental, or perhaps societal, battle against corruption has begun. Social values are changing. But the point remains. Corruption cannot be defeated in society so long as it is permissible in education and in the family!

The anti-corruption struggle must not be presented as one group of society fighting another, so when one wins another loses. The campaign against corruption has to provide a basis for national and state consolidation, rather than further disintegration. It must be viewed as an attempt by Georgian society ("us") to cure itself of corruption ("us"). Only this approach can lead to increased public trust in state institutions and stop the erosion of the moral foundations of civil society, the most dangerous process inherited from the communist past. We have achieved remarkable success in combatting petty corruption since 2004, but at the same "we" have failed to do the same with elite corruption, especially political or election-related corruption. "We" risk going back to 2000 if we do not strengthen "our state" institutions sooner rather than later.

A State Founded upon a Conception of Liberty and upon the "Right to Fail"

In the process of citizens becoming "us," the political leaders and political parties should provide the strongest leadership. If we are to become "us" and the state "ours," we must organize not around me, nor around you; neither should we expect others to think like you or to understand unity as one opinion. However noble the aims – regardless of great leadership, moral worth, patriotism, or passion – the moment one equates unity with uniting around "me," "our" state is lost. The state we build in the twenty-first century must be founded on the concept of liberty more than anything else. This presupposes one fundamental issue: our "right to make mistakes," including political mistakes. We must grant one another this right. The New Testament talks of the inevitability of mistakes, even mistakes upon which much is dependent. Even if you commit a sin, you are not going to be destroyed because of that sin, so long as you can reflect and repent. Even in a system founded upon the strictest of dogmas, where the very act of asking questions about belief is deemed to be wrong, where there is practically no room for multiple

opinions due to a high level of dogmatism, even here the system concedes a human might commit a mistake, or a sin. And he or she must be given the opportunity to change, for such is the nature of humans. If religious and ecclesiastic life is like this, why are we today, with our well-developed secularism, superdogmatic in this regard?

It is wrong not to grant a person the right to a mistake. This is not to say I encourage you to make an error, especially when the price can be high, and should not go unanswered. But because you have made a mistake, I will not punish you forever; I will try to persuade you that you made a mistake. And if I do not convince you, then I must admit that I, too, am possibly mistaken! But if I do not forgive you, then I am moving towards the most dangerous thing in politics: a belief in my own infallibility. That is why I do not grant you the right to make a mistake. When I believe in my own infallibility, what happens next is clear. Instead of "our state," we get "my state." I don't have to say *l'état, c'est moi*, but in practice I can believe this without pronouncing it. I can mask it by speaking in the name of society, I can claim that society is asking for my solution. Yet, essentially it is what I myself believe society wants. Building that state of which we dream is not so simple: the state that we want to be proud of must function without the state's or its servant's claiming some special knowledge or right to represent the interests of society. No chairman of parliament, for example, should tell you it is in the interests of the state that you should change your seat from this one to that one. An important political position brings unique access to power, but the interests of the state and society are nothing else but the sum total of the interests of each and every one of us.

We need politicians and public servants who are able to understand conflicting interests. Let us take, for example, our law "On labor migration," which is currently being discussed in parliament.[7] It is clear in the law that the concerns of those who want to arrive from foreign countries and want to work here in Georgia, are different from those who already live in Georgia and are jobless. An entrepreneur setting up a business in Georgia has a different set of goals: he wants a cheap and qualified workforce, and does not care what nationality this workforce represents. A politician and a representative of the state must be able to understand these conflicting interests, should try and balance them, one against the other. He or she should not be guided by narrow interests, such as who is stronger, or who will most likely win the next election.

The Presumption of Guilt

Conduct a survey in Georgia, and everyone will tell you that the presumption of innocence is proper and necessary. But what is our own social

life founded upon – the presumption of innocence, or something else, maybe the presumption of guilt? Our assumptions are mixed. When we meet one another in the street, we may smile, and we may presume that this person is good, decent, will not steal, or commit a crime. We see the good side of a human, until the bad side is proven. The presumption of innocence is not just a legal category in the courtroom, it helps society cohere. But when it comes to the activities of the state, very often it is the other way around. Reigning in our midst is the presumption of guilt.

Let us take elections. Parliamentary and presidential elections should in truth be the day when we are "we." On other days, we are in different places occupied with different goals. We might be sitting at a lecture, debating in parliament, travelling abroad. But the day of the elections is the day when a nation and a society demonstrate being "us." That day decides what our country will be tomorrow, who will run it, what direction it will take, what shall be emphasized, what our financial resources shall be spent on as a priority. "Our" action makes it "our" day. But what do we do on that day? On that day, half of Georgia looks suspiciously at the other half. Are they going to stuff the ballot box? Will they engage in "carousel voting?"[8] Will they falsify the vote count? When in a hundred years from now a new Javakhishvili publishes his studies on Georgian statehood and identity at the turn of the twenty-first century, it will be enough for him to point to our Electoral Code. There is so much written against falsifying elections that it is clear what sort of moral standards we have to deal with. Those engaged in elections wish to prove that all the others are guilty. Why are you not honest? Because you are a member of that party! If you are a member of that party, you are guilty because you will do anything for the sake of your party: lie, falsify, indulge in violence, destroy an opponent. This is our deformed perception of party politics and our parties' function. This is why we come up with such security measures at election times – biometrics, fingerprints, coloured ink, and so on. This is what preoccupies us, our sense of mutual suspicion and guilt. Of course we shall steal, of course we shall deceive one another, of course we base our decisions on personal interests, we do not care about laws or about morality. I will go to the church and pray, but when I leave the church, I will go to the electoral box and stuff it. We want European integration, we strive towards the European family, we affirm ourselves as a European civilization, a part of European culture. But how is this manifested? We have learned a little here and there, but do we really wish to organize the state in a European manner?

In Europe, they conduct election monitoring as well, but not with the belief that 99 out of 100 voters would cheat if not closely watched (as we do), but with the belief that 1 out of 100 voters could cheat, and even this

must be prevented. Until cheating in elections is ruled out in Georgia by our collective and individual consciousness, no laws or strict oversight measures will make us Europeans.

The Importance of Critical Thinking and Active Citizenship

Are we a union of free citizens who wish to build and strengthen a state of free citizens – "our state"? Or are we simply a union of law-abiding citizens who live and work in a system of statehood over which we have little control? Obedience to the law and to freedom are both important and noteworthy ideas, but we must connect them to one another. If a citizen is only law abiding, then he or she can't be the type of citizen who is a member of "our state," who cares for the state and serves it. Obedience to the law is not enough for the connection between "we" and the state. Even more necessary is "rebellion" within the confines of the law – that is, we must have a critical relationship to those laws and rules that exist in a given state.

There must be rules that are understood by all; we all know that we should walk when it's green and stop when it's red. If this is not known by other people, a disaster is inevitable. But the citizens constituting "our state" should have the ambition, the courage, and ability to ask above all else the following question: is it, perhaps, better the other way around, to stop when it's green and walk when it's red? A citizen who never subjects norms to questions is not a fully participating citizen. The citizens of "our state," our fellow citizens, must be willing and able to ask questions in whatever field they work. If we are citizens of a state, this means that, whatever social segment we come into everyday contact with – at the shops, in the factories, in universities, parliament, and so on – we are always dealing with rules, and a rule is not generally a rule if it does not limit something. If citizens do not challenge those limits, then that limits citizenship. Parliament has now passed a law that makes punishment for domestic violence stricter. The active citizen should not applaud this simply because he or she believes that domestic violence has increased, and that greater punishment will diminish such violence. This is a simple way of thinking by the law-abiding citizen. The level of thought that our fellow citizen requires should lead to the question: wait a moment, will the doubling of punishment ensure the desirable result? If the chief problem is the lack of reporting, and if the Code previously punished the crime with one year or a fine, if the crime is now to be punished with five years, will the number of reports increase or decrease? That fellow citizen of ours who is to build and create our state must be able to see and calculate at least two or three different consequences of this law, or

any other law. We cannot wait for the moment when things are at the edge of the precipice, and then gather by the university or march along Rustaveli Prospect[9] and depose someone who has made a mistake. We are latecomers, we move from "government obedience" to revolution, and this is not a positive impulse for democratic development. Obedient citizens, law abiding or whatever abiding, they wait; but the active citizen does not wait, neither does he or she transform every protest into a Second Coming.

We should ensure active citizenship becomes normal citizenship, that our different opinions regarding rules and decisions are conveyed calmly and strategically. This means that we support the unity of citizens because we all would like to be respected, prized, and acknowledged. Thinking of the state in these terms means we must become civic-minded citizens concerned with the common good.

I want to finish with disclosing the true meaning of the magic word "us" and its connection to civil society. In a strong civil society, we shall be able to create "our state," which protects us, of which we are proud, and through which we solve social and political problems. Despite many difficulties and missed opportunities, we have made progress in this direction. We have made unimaginable progress. For these sorts of transformations, two years, ten years, twenty-five years is nothing. I am a witness. I have told you how things were in these very walls in the past. We are elsewhere today. Let us continue the process; let us hope, and let us do what citizens must do.

David Usupashvili
(trans. by Grigol Gegelia)

NOTES

1 Ivane Javakhishvili (1876–1940) was a linguist and one of Georgia's greatest modern historians. Known widely for his monumental *kartveli eris istoria* (A history of the Georgian nation), he was one of the founders of Tbilisi University in 1918. He served as rector of the university, which now bears his name, from 1919 to 1926.
2 V.I. Lenin's *State and Revolution* (1917) is considered to be one of his most important works and is a merciless critique of parliamentary democracy.
3 These epithets refer, respectively, to the followers of Zviad Gamsakhurdia, president of Georgia from 1991 to 1992 (the Zviadists), to the supporters of Mikheil Saakashvili, president of Georgia from 2003 to 2013 (the Mishists), and to the followers of Bidzina Ivanishvili and his party, Georgian Dream, or *kartuli otsneba* (the Otsnebists).

4 Unfortunately, during the 2018 presidential elections, Georgian society suffered yet another devastating Cold Civil War. The level of hatred demonstrated by the supporters of the current leader Bidzina Ivanishvili and former president Saakashvili further divided society into two hostile camps, which consider each other "usurpers" who have to be destroyed or expelled.
5 Levan Aleksidze (1926–2019) was a prominent jurist, professor of international law, and diplomat during the 1990s and 2000s. From 1993 to 2003, he was chief advisor to Eduard Shevardnadze, president of Georgia from 1995 to 2003.
6 The National Forum is a political party, established in 2006. Gubaz Sanikidze was one of the founders and leaders of the party before his resignation in 2017.
7 The Law on Labor Migration, effective since November 2015, regulates the norms of labour emigration of Georgian citizens abroad, as well as access to Georgia's labour market by aliens residing in Georgia on a legal basis.
8 A system of ballot stuffing, when large groups of voters are hired to visit multiple polling station and vote multiple times.
9 Rustaveli Prospect is the main thoroughfare in Tbilisi, where all major civil actions and demonstrations take place.

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Acknowledgments

This book was first conceived after the death of Alexandre Rondeli in June 2015. Rondeli was the founder of Georgia's most important policy think tank, the Rondeli Foundation – formerly the Georgian Foundation for Strategic and International Studies – and a vital interpreter of Georgian politics for Western visitors, practitioners, and politicians. The editors and authors of this volume were students, colleagues, or friends of Rondeli, all of whom acknowledge his influence in shaping the study of Georgia's international relations and domestic policy since its independence in 1991. We would like to thank Grigol Gegelia for the translation of David Usupashvili's contribution, Stephen Shapiro at the University of Toronto Press for shepherding this book so seamlessly to publication, and freelancer Barry Norris for his excellent copy editing. We would also like to thank our respective institutions, Mount Holyoke College and Oxford University, for their financial support through the final stages of publication, and the anonymous readers who helped us make the text sharper and more readable.

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Notes on Transliteration and Terminology

Our transliteration system for Georgian is simple. We have removed all diacritic marks, and we make no distinction between the Georgian letters კ and ქ; წ and ც; პ and ფ; and ჭ and ჩ. The letters ღ and ყ we have transliterated as *gh* and *q*, respectively. In a few cases, we have stuck with the familiar rather than correctly transliterated spellings, such as Ilya instead of Ilia, Ossetia instead of Osetia. Georgians do not use capitals, a system we have followed except for names and places. Regarding the treacherous minefield of topographic names and orthography, we have kept mostly to the Georgian version for the sake of consistency (Sokhumi, not Sukhum; Tskhinvali rather than Tskhinval; Achara, not Adjaria). We use the Russian terms Abkhazia and South Ossetia, as they are more familiar to English readers than the Georgian forms of Abkhazeti and Samachablo (or Tskhinvali Region).

For Russian, we use the Library of Congress transliteration system (ALC-LC) but without the diacritic marks. Common English spelling overrides strict transliteration (Yeltsin as opposed to Yel'tsin, or Gumilev as opposed to Gumilyov). We use Georgian lari (GEL), the Georgian currency since 1992, to measure economic indices, although when the source is in US dollars we have kept it that way, rather than reconvert to Georgian currencies, whether rubles, Georgian coupons, or lari. Georgia is divided administratively into sixty-nine *raioni*, nine *mkhare*, and two autonomous republics. *Raioni* we translate as municipality, and *mkhare* as region. A Russian *oblast'* we keep in the original or refer to as a province. When translating the plural of Georgian terms such as *sakrebulo* (council), to avoid confusion we simply add "s" (*sakrebulos*). Variations of Georgian plurals might baffle the English reader.

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GEORGIA

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Introduction

STEPHEN F. JONES

This book has three purposes. First, we wish to remember the contributions of Professor Alexandre Rondeli – scholar, policy adviser, and teacher – to our understanding of Georgian politics over the past quarter of a century. Rondeli died in June 2015, but he left a comprehensive intellectual legacy through his writings, lectures, and his engagement with influential Western politicians and academics.[1] His impact is addressed by Giorgi Khelashvili in this book's Foreword. Khelashvili was a student of Rondeli's in the International Relations Department at Tbilisi State University in the 1990s. He subsequently became deputy chief of mission at the Georgian Embassy in the United States (2013–17). Based on his own experience as Rondeli's student, Khelashvili discusses the role of teachers (and mentors) as conduits of ideas and concepts, which later grow into policy and reform ideas for rising generations. Khelashvili's assessment of Rondeli is not a sentimental memoir, but an attempt to evaluate how influential personalities, like Rondeli, can affect those around them, especially in times of fluid political change, as in Georgia in the 1990s and early 2000s. Joseph Nye Jr, in his discussion of soft power in international relations, focuses on states, but Rondeli and others like him have a soft or sticky power of their own.[2] Many argue that soft power is unquantifiable, but that does not mean it is unidentifiable. No one has attempted to measure Rondeli's sticky power, although many in the current Georgian establishment believe he had an impact on their own ideas. Rondeli was a magnet for multiple networks – for students, policy makers, ambassadors, journalists, and international scholars; he was present in some of the most consequential decades and a participant in some of the most decisive debates in modern Georgian history. The "informality" of Georgian politics for much of the 1990s and 2000s provided exceptional opportunities for independent voices like Rondeli's. In 1997, Rondeli established the Foreign Policy Research and Analysis

Centre in the Georgian Foreign Ministry to train young diplomats, and in 1998, he founded the Georgian Foundation for Strategic and International Studies, one of Georgia's most important think tanks.

A second purpose of this volume is to evaluate Georgian political, social, and economic developments over the past nearly three decades since independence. Part of the problem with studies of post-communist Georgia is their short-term focus on issues that interest Western states. Overwhelmingly, Western scholarship on Georgia has centred on ethnic conflict, democracy, institution building, national security, and foreign policy. These studies are vitally important to the Georgian state's concerns, but we asked the authors to focus on the broader historical context – not to think about the crisis of the day, but to consider domestic and historical issues that have brought Georgia to its current position in 2019. That means considering geography, urban development, historical allegiances, and popular anxieties (about Turkey, for example). Since April 1991, when Georgia formally became a sovereign country and began its long struggle for acceptance and integration into the world of states, we have witnessed unexpected tragedies, such as the bloody wars in South Ossetia and Abkhazia. But we have also seen patterns and continuities that need explanation, such as the persistence of charismatic leaders, repeated constitutional crises generated by massive public protest, single-party dominance, corruption, and perpetual conflict with Russia. Understanding the role of Georgia's most powerful oligarch, Bidzina Ivanishvili, is inadequate without looking at the cultural and political sources of personal power of his predecessors, such as Presidents Gamsakhurdia, Shevardnadze, and Saakashvili. Similarly, it is impossible to assess current Russian-Georgian relations properly without evaluating the instruments, policies, and rhetoric that have characterized this relationship for the past twenty-seven years. Overviews of political "eras" might obfuscate the "devil in the details," or the particular circumstances surrounding a crisis, but they can also illuminate trends, highlight precedents, and identify turning points.[3]

A third purpose of this book is to let Georgians speak for themselves. Fortunately, despite the educational inadequacies highlighted by Marine Chitashvili in her chapter, Georgian higher education has produced some excellent scholarship. For Georgian academics, the difficulties of translating and publishing their work abroad are enormous; as a result, much inside knowledge and insight into Georgian politics remains accessible to a Georgian audience only. Yet despite such scholarly isolation – which is beginning to break down as Georgians travel and work abroad in greater numbers – Georgian academics and practitioners have the significant advantage of experiencing government in Georgia as

participants. They engage with fellow citizens and state bodies; they are "witnesses" to Georgian bureaucratic behaviours and habits at their best and at their worst. Western scholars, like the editors of this volume, study hard and dig deep into documents and memories, but without living in Georgia we can miss local nuance and psychological insights into why Georgians behave the way they do. The cross section of Georgians in this volume – from different generations, disciplines, and occupations – give us better insight into the informal workings of Georgian society. Their observations from the inside help us understand the effect on ordinary lives of traumatic changes over the past two and a half decades. They have also helped the editors produce an interdisciplinary volume that brings together human geographers, legal scholars, sociologists, and political scientists.

Two key themes in this collection are transformation and continuity. Georgia has undergone multiple "revolutions" over the past quarter of a century, from demographic and economic to political and cultural. The *Economist* has added one more, noting that the transformation of Georgia's economy under Saakashvili led to a "mental revolution."[4] The emasculation of the Georgian communist party under Gamsakhurdia, constitutional reform under Shevardnadze, and Saakashvili's anti-corruption program – despite dubious methods – have brought Georgia closer in the long run to something called democratic statehood. Over a quarter of a century, despite waves of civic regression and recovery, which emerging democracies rarely avoid, Georgian leaders in the end have mostly fulfilled the population's expressed aspirations – as recorded in many public opinion surveys over the years – for more accountability and greater integration into Europe's economic and political structures. Georgians have fashioned a Euro-democratic model in the South Caucasus.[5] Georgia is not well integrated into the European Union, but among the former Soviet states still denied membership, it is the closest to the EU's criteria for an acceptable candidate.

There has been transformation, too, in Georgians' relationship with the rest of the world. From an exotic southern Soviet republic, it has become a strategic factor in Great Power politics. Its dreamy topography of mountains and beaches has transformed into hubs for international tourists, escape routes for immigrants, transit for NATO's Northern Distribution Network into Afghanistan, and an energy and rail corridor for China's Belt and Road Initiative (BRI). This geographical U-turn for Georgia has, as Joseph Salukvadze and Zurab Davitashvili point out in their chapter, created a new political identity for Georgia. Georgia's place as one of the new pivots of international trade and globalization – see Mamuka Tsereteli's detailed discussion of this in Chapter 10 – has

gouged out the old social structure based on complacent Soviet planning and manufacturing, and created a fluid, more mobile, and unequal society. All this has had consequences for traditional patterns in Georgia's domestic, regional, and international politics. The Saakashvili era dramatically refashioned the state, employment, the army, and the economy, along with the capital city of Tbilisi, remaking its skyline into a modern emblem of progress and capitalist success. Georgia has reworked its place on the globe. In the academic field, for example, we rarely come upon descriptions of Georgia as part of Transcaucasia or the Caucasus as a whole. Its geography has changed: Georgia is now exclusively a South Caucasian state. The North Caucasus, in the past connected to the South Caucasus by trade, common lifestyles of transhumance, cultural kinship, and political alliances, has become separated from the South. Now, the North and South are divided by international borders.

But along with this geographical shift and other effects of global circulation – such as the emergence of a new internet-savvy middle class – our authors point to persistent obstacles to change. Georgia's progress over the past twenty-seven years has not been as futile as Jean-Baptiste Alphonse Karr suggested in his witty epigram *plus ça change, plus c'est la même chose*, but many Georgians would claim that their lives, in terms of their economic situation or their relationship to the state, have barely shifted since independence – indeed, economic change for many Georgians has actually meant a step backwards. Georgia faces multiple historical, cultural, and geographical constraints as it tries to modernize and Europeanize. Despite powerful normative, demographic, and economic changes at home and in the international environment between 1921 and 1991, when it was part of the USSR, Georgia has retained features of a more traditional society. These features, such as a focus on family traditions or the memory of Georgian heroes and ancestors, contributed to Georgians' cultural self-preservation under Soviet power, but in a democratic state these types of traditions can have negative effects. The Georgian custom of patronage, for example, undermines professional autonomy and the independence of the civil service; it also undermines internal democracy in political parties, and transforms them into patronage machines.

A significant pattern since independence, which has challenged the diffusion of power in Georgia, is a tenacious tendency, whatever the system of government, towards centripetalism and a dominant single party. This is not in itself anti-democratic, but a constitutionally devolved system of governance, a parliamentary regime, and multiple parties have been unable to contain the concentration of power in the hands of powerful individuals. Since 2013, the unelected and powerful billionaire

Ivanishvili has dominated Georgian policy making at the highest level. This accretion of power at the top helps explain the periodic disruption of "normal" politics by mass protests over the past two and a half decades. These cycles of mass protest, often bleeding into revolution – or at least creating political collapse and ending ruling regimes, as in 1990–1, 2003, and in the lead-up to the 2012 electoral victory of Georgian Dream – have led Vicken Cheterian to label Georgian politics since 1991 an era of "permanent revolution."[6] Such cycles of popular protest could be interpreted as a signal of democratic health, but they are also a response to political exclusion.

A powerful barrier to change towards political inclusion is the Georgian Orthodox Church. It has mobilized strong popular resistance to an expanded tolerance of minorities such as gays, feminists, and non-Orthodox religious groups such as Jehovah's Witnesses and Mormons. The allegiance to conservative social and religious values is reminiscent of the Catholic Church in France in the nineteenth century. The Catholic Church was in the camp of the counter-enlightenment and a defender of the "party of order," as opposed to what Michael Howard calls the "party of movement" – supporters of the ideals of the French Revolution such as secularization, democratization, and the rights of "peoples."[7] There are similar cleavages in Georgian society, which, given the Georgian Church's influence over state officials, parliament, and the population, makes tolerance of minorities and other principles of inclusion harder to achieve. The Georgian Church, as a symbol of Georgian identity, connected in the popular mind to the nation's cultural and political survival, is largely immune from domestic criticism. Such sensitivity made it difficult to find the analysis we sought for our volume, although students interested in the Georgian Church and its political influence over the past quarter of a century – critical to a full analysis of Georgia's democracy – will find there is significant literature on the internet and in academic journals.[8]

Georgians' relationship to their own minorities – Abkhazians, Armenians, and South Ossetians – has been a persistent obstruction to nation and state building throughout the twentieth and twenty-first centuries in Georgia. Natalie Sabanadze, Georgia's current ambassador to the EU, Belgium, and Luxembourg, warns that inter-ethnic conflict and distrust is Georgia's number one security challenge: every ethnic conflict at home becomes a threat to external security. Other authors in this volume – David Sichinava in his chapter on elections, Mikheil Tokmazishvili in his focus on regional politics, and Salukvadze and Davitashvili in their discussion of demographic change – discuss the role of national minorities in Georgia's politics. We have not devoted a separate chapter to this

issue, which is covered copiously in the literature on ethnic conflicts, but Georgian leaders' inability to integrate their minorities has been a fateful pattern that has repeatedly broken the state from within. David Usupashvili, chair of the Georgian parliament from 2012 to 2016, sees the greatest fragility of Georgian statehood not in war and external threats, but in citizens' behaviour towards the state. In Georgia, he argues, citizenship is not a primary consciousness; rather, Georgians' behaviour over the past twenty-five years has been characterized by distrust of the state and social enmity. Usupashvili calls this a "cold civil war," which, along with corruption, corrodes democracy, and with it the legitimacy of the state.

Other issues addressed by the Georgian contributors to this volume highlight barriers to reform. Chitashvili, a top policy maker in Georgia's higher educational system, alerts us to how patron-client relations continue to undermine autonomy in state universities. Vakhtang Menabde shows us how Georgia's politicized judiciary has persistently sown distrust between the citizenry and executive power. Neil MacFarlane, an International Relations theorist, argues that geography, despite the changing role of Georgia on the international stage in the past quarter of a century, is stubbornly inelastic. He highlights Georgia's vulnerability to Russia's persistent economic and political dominance in the region over the past two centuries, and Russia's role as a "spoiler" to Georgia's aspiration for an independent foreign policy.

These chapters, written by a broad spectrum of Georgian scholars, practitioners, and politicians, provide a comprehensive inside picture of Georgia's political and economic trajectory since independence. The picture is impressive for a small state that in the 1990s had collapsed under the weight of secessionist and civil wars. But the outcome is still mixed. Our Georgian authors depict a system that leads the way in democratic and economic reform in the South Caucasus, but remains a weak democracy. Can Georgia continue to consolidate its democratic statehood and sustain its allegiance to political liberalism? Or will it succumb to the constraints of geography and the patterns of its past, leading to a recurrence of instability and the one-party dominance we have seen for most of its independent history? Current trends in the Georgian Dream government, which in 2017 amended the constitution to strengthen its hold on power, and the role of personalities such as Ivanishvili are not promising signs. The era of charismatic politics, however, has come to an end. There was a peaceful transfer of power in 2012, and Georgian civil society shows resilience and resistance to power that attempts to abuse citizens' rights. After a quarter century of reform, Georgia is in a far better place than its Caucasian neighbours, but it is still lingering at the crossroads.

The book is divided into three parts: first, we explore Georgia's historical and geographical context over the *longue durée*; second, we focus on institutional transformation in the domestic sphere; and third, we examine Georgia's interaction with the international system. At the beginning of each part, we describe the key themes presented by the authors. We hope this will offer some guidance to colleagues and readers encountering the complex configurations of Georgian history and politics for the first time.

NOTES

1 For more on Rondeli and international reactions to his death, see "Alexander Rondeli dies at the age of 73," *Civil.ge*, 12 June, 2015, online at http://civil.ge/eng/article.php?id=28345.

2 On the concept of "soft power," see Joseph S. Nye Jr, "Think Again: Soft Power," *Foreign Policy Magazine*, 23 February 2006, online at http://foreignpolicy.com/2006/02/23/think-again-soft-power/.

3 For English-language books that deal with this period, see Stephen Jones, *Georgia: A Political History since Independence* (London: I.B. Tauris, 2015); Thomas de Waal, *The Caucasus: An Introduction* (Oxford: Oxford University Press, 2010); Charles King, *The Ghost of Freedom: A History of the Caucasus* (Oxford: Oxford University Press, 2008); and Lincoln A. Mitchell, *Uncertain Democracy: U.S. Foreign Policy and Georgia's Rose Revolution* (Philadelphia: University of Pennsylvania Press, 2009).

4 "Georgia's Mental Revolution," *Economist*, 19 August 2010, online at http://www.economist.com/node/16847798.

5 Two organizations, in particular, have long-standing records of public opinion polling over the past two decades in Georgia, the International Republican Institute (IRI) and the National Democratic Institute (NDI). A record of NDI's polling in Georgia can be found online at "Library of NDI Georgia Public Opinion Research," https://www.ndi.org/georgia-polls. IRI has selected public opinion surveys on Georgia at its site, http://www.iri.org/country/georgia.

6 Vicken Cheterian, "Georgia's Rose Revolution: Democratization? State-Building? Or Permanent Revolution?" (paper delivered at conference, Georgia: The Making of a National Culture, Ann Arbor, MI, 15–18 May 2008).

7 Michael Howard, "Land of War, Land of Peace," *Wilson Quarterly* 21, no. 1 (1997): 30–6.

8 See, for example, Tamara Grdzelidze, "The Orthodox Church of Georgia: Challenges under Democracy and Freedom (1990–2009)," *International Journal for the Study of the Christian Church* 10, no. 2 (2010): 160–75; Zaza

Abashidze et al., eds., *Witness through Troubled Times: A History of the Orthodox Church of Georgia, 1811 to the Present* (London: Bennet & Bloom, 2006); Stephen Jones, "The Georgian Orthodox Church," in *Eastern Christianity and the Cold War, 1945–91*, ed. Lucian Leustean (London: Routledge, 2009), 99–120; Eka Chitanava, "The Georgian Orthodox Church: National Identity and Political Influence," in *Traditional Religion and Political Power: Examining the Role of the Church in Georgia, Armenia, Ukraine and Moldova*, ed. Adam Hug (London: Foreign Policy Centre, 2015); idem, "Georgia's Politics of Piety," *Open Democracy*, 30 September 2016, online at https://www.opendemocracy.net/en/odr/georgia-s-politics-of-piety/; and Carolin Funke, "The Georgian Orthodox Church and Its Involvement in National Politics," *Central Asia-Caucasus Analyst*, August 2014, online at https://www.cacianalyst.org/publications/analytical-articles/item/13023-the-georgian-orthodox-church-and-its-involvement-in-national-politics.html.

PART ONE

Historical and Geographical Context

The three chapters in Part 1 place independent Georgia in its geographical, historical, and regional context. The first, by Stephen Jones, highlights the impact of Georgian history and geography on Georgian system building. Jones compares the first Georgian Democratic Republic (1918–21) with successive Georgian republics since 1991 to illustrate persistent (but not eternal) constraints on Georgian attempts to build a pluralistic democracy. Despite the seventy-year interlude of Soviet power, Georgian governments in the early and late twentieth century faced the same challenges, which led in many cases to the same outcomes. Jones partially explains this by certain "singularities of Georgia's geography," by "demographic patterns and political culture," and by "the process of modern national and state formation in 1918–21 and again in 1992–2003." While rejecting the idea of cultural and historical determinism, he identifies persistent patterns in the way Georgian governments have shaped their state as a response to enduring geographical and historical challenges.

Joseph Salukvadze and Zurab Davitashvili, a human geographer and IR specialist, respectively, examine geography's role in the South Caucasus. Geography, they concede, has shaped Georgia's economy, its demography, and relations with neighbouring states and Great Powers. However, they have an original take on geography and the Georgian state. They focus on the shift in industrial policies and access to resources in Georgia after the collapse of the USSR, and suggest that the changing international environment shifted the meaning and place of Georgia's geography. They argue that the focus should not be on geography's impact on politics, but on politics' influence on geography. Georgia in the 1990s was no longer defined by its location on the imperial periphery. It became an independent state in a new and much more fluid geographical environment. After independence, "the country became a

focal point of east-west and north-south connections on an interregional scale." Georgia had to restructure its industrial and agricultural policies to compete in a new global context. This, combined with a wave of neoliberal economic policies, had major social consequences – on employment, education, demographic growth, and urban life. The authors note that, "between 1990 and 2000, the number of employees in the entire economic sector (agriculture, manufacturing, and services) declined from 2.8 million to 1.7 million people," a powerful change for a population of between three and four million. Whole branches of industry disappeared, creating massive internal and external migrations. Georgia's external relations were transformed by what the authors call the "geography of transport"; Georgia became a transit country for energy and freight. This chapter reminds us that geography is more elastic than we think. The collapse of the USSR changed Georgia from a "dead-end space" to a vital strategic highway coveted by neighbouring powers.

Mikheil Tokmazishvili, in his chapter, underlines the importance of regional cooperation to the economic success and political independence of all three South Caucasian republics (Georgia, Armenia, and Azerbaijan). Georgia's traditional role, he points out, was as a regional hub, but historically regional cooperation was rarely achieved, and today the different states are pulled apart by national rivalries and secessionist wars, exacerbated by Great Power intervention. As a result, Georgia has been unable to exploit its advantages as the land link for Armenia and Azerbaijan to the Black Sea coast and European markets. Under Saakashvili, Georgia's trade orientation turned dramatically towards Europe. Tokmazishvili points to the equivocal economic impact of this reorientation. Georgia's signing of the Association Agreement with the EU in 2014 was more of a political statement than an economic one. Universally approved by Georgia's Western supporters and universally condemned by its (mostly Russian) detractors, Georgia's accession into the Deep and Comprehensive Free Trade Area (DCFTA), Tokmazishvili argues, "poses more challenges to Georgia than gains," in the short term at least. The creation of different trade regimes in South Caucasia – the DCFTA versus the Russian-dominated Eurasian Economic Union, with its own tariffs and customs regulations – will undercut Georgia's economic relations with Russian, Armenian, and Central Asian markets, and in turn undermine regional coordination in South Caucasia, which Georgia requires for sustained economic growth. Tokmazishvili writes that overall "the incompatibilities between the DCFTA and the Eurasian Union deepen the isolation of Caucasian economies and trade with one another in the region." Tokmazishvili sees no alternative to Georgia's current strategic orientation towards Europe, and endorses Georgia's

expanding role as a cargo transport corridor from China to Central Europe as economically promising. But he concludes that, until South Caucasian regional cooperation is in place, Georgia cannot reach its economic potential, nor attain the security it needs to attract foreign investment on a job-creating scale.

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1 Recurring Patterns in Georgian Politics

STEPHEN F. JONES

Introduction

W.E.D Allen, in his masterful *A History of the Georgian People*, wrote that in the Caucasus there are "no serried ranks of causes and effect, no steady march of progress, no smug train of evolution."[1] Georgia's history from medieval times to the twenty-first century has been messy, disordered, and chaotic. Torn between empires, splintered by feudal lords, and victimized by larger powers, Georgia was always a place of multiple identities and competing owners. It still is, as the conflicts over Abkhazia and South Ossetia attest. Georgia's history has much in common with other borderlands across Europe and Eurasia – Serbia, Ireland, Spain – where history is never settled, but revised, reinterpreted, mythologized, and relived. It is astonishing to see how similarly the Irish, the Serbians, and the Georgians – at least among the older generation – talk of their history, with refrains of persecution, martyrdom, and unrighted wrongs at the top of the list. History, as Bernard Lewis reminds us, is an instrument of legitimization and an expression of power.[2] In Georgia, history is a battleground, and although its role in the determination of Georgian domestic and foreign policy should not be exaggerated, neither can it be ignored.

It was no surprise that, in the 1990s, a vast contingent of Georgia's new parliamentarians were historians, ethnographers, and philologists. Georgia's new governors in the 1990s belonged to the nation's cultural elite; they were shaped by the Soviet glorification of the intelligentsia and by a heroic story of Georgia's national survival – a constant message on Soviet Georgian TV, in newspapers, or around the dinner table. For the new leaders in the 1990s, history was identity; it connected them to a pre-Soviet past when the Georgian intelligentsia played its proper role as the embodiment of the nation's will. For all of Georgia's presidents from the

1990s to 2013,[3] revolution and modernization were in fact imagined as the recapture of a lost historical identity, based on Georgia's allegiance to the values and practices of Western states. For a great modernizer like President Mikheil Saakashvili, history was at the centre of his state-building program. His presidency began in 2004 with an elaborate ceremony and an oath to the twelfth-century king, David the Builder. For Georgians, David the Builder is the representative of a united nation and a strong state. In his inaugural speech in 2004, Saakashvili associated his own presidency with Georgia's past heroism and glory, declaring, "we have to revive the traditions of David the Builder, Giorgi the Brilliant, three hundred Aragvelis, the heroes of the Didgori battle and other heroes. Otherwise Georgia cannot stand on its own feet as a state."[4] He emphasized the connections between Georgia's European heritage and its democratic goals. Georgia and Europe, he argued, shared democratic values: "We are not only old Europeans, we are the very first Europeans, and therefore Georgia holds a special place in European civilization. Georgia should serve as a paragon for democracy where all citizens are equal before the law, where every citizen will have an equal opportunity for the pursuit of success and realization of his or her possibilities."[5]

Yet the past has a complicated relationship to the present, and it is not always as malleable as politicians such as Saakashvili believe. In 1852, in his *Eighteenth Brumaire of Louis Napoleon*, Marx wrote: "Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past. The tradition of all dead generations weighs like a nightmare on the brains of the living."[6] The past does not determine the present in some linear fashion; rather, contemporary politics is the result of the interaction of the past with the present. Taking Georgia as our example, one explanation of the difficulties of modern state building since the 1990s lies in the intersection between Georgian values and social practices on the one hand, and the structures of the modern state on the other. Too often, any failing in Georgia's state or democracy building is blamed on the Soviet legacy, but that is a rather narrow interpretation of Georgia's past. Part of the problem for the Soviet regime in Georgia was that it could not eradicate pre-Soviet legacies, which, under the new freedoms of the post-Soviet period, blossomed.

Georgia shares the problems of other post-colonial states transitioning to independence, but in other ways its recent history is singular, determined by the particularities of geography, the attitudes of neighbouring powers, the role of charismatic leaders, and changing demographics. In explaining patterns in Georgia's twentieth-century history – the focus of

this chapter – we need to combine a structural approach, looking at the mechanics of state building, with the historical context, or Georgia's particular circumstances. This "dialectic" can avoid both analytical abstraction and historical particularism, and can connect broader patterns with particular puzzles.

I focus on two periods to illustrate what I believe are the geographical, structural, and cultural constraints that led to recurring patterns in Georgia's history over the past century. These two periods occurred at the beginning and end of the twentieth century during two very different global and regional contexts – yet they presented Georgia's leaders with uncannily similar challenges, which led to uncannily similar results. The first case is the Democratic Republic of Georgia (DRG), an independent socialist state that lasted three years from 1918 to 1921. The second case(s) are from the period 1991–2003, when there were two successive Georgian "republics": the second republic, April 1991–February 1992, under President Zviad Gamsakhurdia, and the third republic from 1995 to 2003 under President Eduard Shevardnadze.[7] These examples, at polar ends of the twentieth century, represent two periods in Georgian history characterized by the collapse of an *ancien regime* and the emergence of new democratic ideas of self-determination. At times, I will extend my analysis to the fourth republic of President Saakashvili (2003–12), whose style of presidential rule underlines my argument.

Seventy years of Soviet power separate these two periods. Soviet socialism and the social consequences of rapid forced modernization led to a very different political and social context in the 1990s: the revolutionary changes after 1991, and the rather brutal approach to economic and political transformation, exposed the powerful psychological and social consequences on Georgian society of seventy years of Soviet power. Changing expressions of national identity reflected new demographic patterns and state structures, and new threats in the international environment. The growth of secularism and its impact on social values, including sexual attitudes, are evident. Yet despite the dramatic transformation that occurred between the two periods of the DRG (1918–21) and the second and third republics (1991–2003), they show distinct similarities in terms of the structural and foreign policy problems they faced, as well as in the outcomes. For a political historian, these continuities are curious, and just as important as the differences. They need explanation.

Understanding the post-Soviet Georgian order (or the Armenian and Azerbaijani post-Soviet order for that matter) is inadequate without focusing on the sources of these continuities. Such sources lie, in part, in the singularities of Georgia's geography, in its demographic patterns and political culture, and in the process of modern national and state

formation in 1918–21 and again in 1992–2003. This is where the past and the present intersect. Charles King wrote in his evaluation of Caucasian history, "the history of this place is more than an interminable tale of social ills and political disorder. It is about the successes and failures of building modern states as well as the late conversion of ancient social practices into the accoutrements of nationhood."[8]

The crucial task in both periods was building a modern state from old wiring, in conditions of economic collapse, with minimal political resources and no historical models. Writing the Declaration of Independence was easy, implementation was the problem; and this was where history, geography, and culture showed their persistent effects. Both 1918–21 and 1991–2003 show us how geographical location, imperial legacies, internal social divisions, and ethnic diversity intersect with the norms of a modern state and the reshaping of a population's social values and norms. The post-communist states that have had to deal with these challenges have much in common – and we often write about them as a separate analytical category – but countries like Georgia, Azerbaijan, and Armenia have taken very different political directions in the past two decades. This, I argue, is shaped by each state's historical legacies, values, and geographies as they mesh with the demands of modern, post-Soviet statehood.

The Geographical Legacy

kartlis tskhovreba, a collection of medieval texts that chronicle the domestic and foreign policies of Georgia's kingdoms from the ninth to the fourteenth centuries, relates a story recognizable to modern Georgians.[9] Wracked by internal divisions and surrounded by powerful empires (Byzantium, the Mongols, the Iranian Safavids, the Ottomans), medieval Georgia (or more precisely a fissiparous assembly of dynastically connected feudatory statelets) was weak and vulnerable, occupying borderlands and trade routes sought by powerful competing empires. Neighbouring states were frequently encouraged to intervene in Georgia on the invitation of contending scions of the Georgian royal family.[10] In this context, the foreign policy options of Georgia's monarchs were limited to alliances, alignment, hedging, patronage, bandwagoning, or appeasement.

But *kartlis tskhovreba* does not only chronicle the strategic dilemmas of Georgia's monarchs; it underlines the problems of identity associated with Georgia's conversion to the Christian faith. These medieval chronicles, for example, differentiate Georgia from the pagan north – the land of Gog and Magog – as well as from the Muslim powers to the south. In

his study of *kartlis tskhovreba*, Nikoloz Aleksidze suggests that the Christian conversion of Kartli (the kingdom of East Georgia) was perceived by its chroniclers as a separation from the barbarian north and a reunification with Christian civilization. He writes: "Georgia's geographic isolation, which inevitably … acquired a metaphysical flavor, was a theme of unceasing woe of medieval intellectuals, who rendered their anguish in terms of cold and gloom of isolation, both political and spiritual."[11] The desire to overcome geographical vulnerability and marginality is a theme common to Georgian political discourse in both the twentieth and twenty-first centuries. In 1919, for example, the ruling social democratic party in Georgia declared in its electoral program: "Little Georgia today is like an oasis, like an exemplary exception in the Russian desert."[12] Today, the 2011 official Georgian National Security Policy echoes the anxieties of the medieval scribes, declaring: "Georgia is part of Europe geographically, politically, and culturally; yet it was cut off from its natural course of development by historical cataclysms. Integration into NATO and the EU is Georgia's sovereign choice, one which will strengthen Georgia's security and ensure its stable development."[13] The ways in which Georgia's medieval chroniclers and modern Georgian diplomats conceive of Georgia's identity are different. Yet both look west, and both emphasize the danger of Georgia's vulnerable geographical and political marginality. Today, however, it is the European Union and NATO, not Christendom, that will bring Georgia from out of its isolation and into the mainstream of history.

Georgia's location brought undoubted benefits; its capital, Tiflis (Tbilisi), was the natural trading centre of the Caucasus from the Middle Ages on. Georgia was a hub for transit across the Caucasian isthmus, and in the nineteenth century both rail and oil raised its importance to neighbouring powers. Such benefits, however, made Georgia (and the South Caucasus more generally) a magnet for foreign armies and empires. This was evident during both the first republic and the years 1991 to 2003. Georgia, as a small nation, had limited choices. *Ertoba* (Unity), the official Georgian social democratic newspaper, wrote in June 1918: "we are one of those desirable territories, which other states consider advantageous to their own interests; they wish to control us. For countries here [in the South Caucasus] the fate of countries is never decided by their own will, but by that of external powers."[14]

The DRG's foreign policy, officially "neutral," focused on four goals: national survival, foreign patronage, the recognition of independence, and alliances with the Great Powers. Faced with what the high commissioner of the French Republic in the Caucasus, Colonel Chardigny, called "imperialism pushed to its limits," almost every foreign policy

crisis in Georgia became a threat to the state, which the Georgian government, with its inadequate resources, was barely able to overcome.[15] Georgia had to find a way to convert its geographical vulnerability into strategic advantage. In May 1918, this meant trading one imperial power for another. Imperial Germany, the midwife of Georgian independence until the end of the First World War, promised to protect Georgia from its most threatening enemies – the two Russias of General Anton Denikin and Vladimir Lenin, and the Ottomans – in exchange for economic concessions and control over Georgia's strategic railway.

Imperial powers, like Germany, had their own interests – that was clear to the Georgians. But the new state's leaders had little choice but to accept them, and manage them as best they could. General Friedrich Kress von Kressenstein, head of Germany's military mission in Georgia in 1918, later wrote in his memoirs: "The Caucasus is for us a trampoline for political activity in Persia, Central Asia and in the Russian lands between Ukraine and the Urals. Control of the Caucasus was a cornerstone in Germany's Eastern policy."[16] Germany took control of the railways and stationed over 19,000 troops in the country. The Georgian government, faced with territorial disintegration under the Ottomans, accepted Germany's patronage. Noe Jordania, chairman of the new government, expressed Georgia's dilemma: "Realistically, two powers can decide our fate, and out of these two evils, we chose the least harmful, we chose to shelter with Germany. Germany is promising us protection; it's clear this is not out of love for us, Germany wants to sell our products, but there is no better path for us."[17]

However, Germany lost the war, and Georgia was compelled to seek a new patron, given the Russian danger from the north. The only option was Britain (and its allies), an equally ambitious imperial power with its own strategic goals in the South Caucasus. The geopolitically minded Lord Curzon, Secretary of State for Foreign Affairs under Prime Minister Lloyd George, declared Caucasia to be the key to "the entire future of the Eastern world."[18] In his view, Georgia was the Caucasian pivot; it would act as a buffer against Russia and provide raw materials such as manganese and oil, the latter transited from the Caspian Sea across Georgia to Batumi. Geography – if not a trump – was Georgia's ace.

The Georgian government doggedly pursued Western patronage, offering the country's railways, minerals, and strategic location in return for protection. This was shaped in part by Georgia's geographic vulnerability, and in part by leaders who had adopted European values – a legacy of the Georgian national liberation movement that began in the 1860s. Georgia needed Western resources to help preserve order and build a new democratic state. But Georgia's delegation at the Paris Peace Conference in 1919 struggled against largely indifferent Allied

powers, and its application to the League of Nations in December 1920 was rejected. The Georgian government failed to entice the British to stay – they pulled out in July 1920 – and despite innumerable requests, received no Western military aid. The rise of Lenin and Mustafa Kemal (Ataturk), the general exhaustion of Western powers after the war – the British public was demanding its troops return from abroad – the cost of occupation, and the burden of empire weakened the British commitment. Differences within the cabinet in London and the discovery of alternative sources of oil and raw materials – notably in Iran – further encouraged British withdrawal. Georgia was simply not worth the risk of confrontation with Soviet Russia. In May 1920, Britain began trade negotiations with Soviet trade representative Leonid Krasin. In March 1921, while Georgian troops were retreating before the Red Army, the Anglo-Soviet Trade Agreement was signed. Zurab Avalishvili, a Georgian diplomat and observer of these events, later commented: "the independence and union of the Caucasian republics was not adequately supported by the Great Powers … On the contrary, having allowed the Soviets freedom of action in the Caucasus and having refused to exercise any influence in this part of the world, the Great Powers … systematically helped to restore there the imperial positions of Russia."[19]

This pattern was repeated in the 1991–2003 period, with some variation. After the collapse of the USSR, presidents Gamsakhurdia (1991–2) and Shevardnadze (1995–2003) employed similar geopolitical strategies to their social democratic predecessors. Logically, like the Georgian social democrats, who signed a Treaty of Friendship with Soviet Russia in May 1920, Gamsakhurdia initially sought accommodation with the USSR under Mikhail Gorbachev's more malleable leadership. But popular demands for independence, the USSR's refusal to recognize Georgian secession, and Gamsakhurdia's own conviction that Georgia belonged to Europe led him quickly to seek Western patronage. Gamsakhurdia, however, was what Alexandre Rondeli called a "strategic idealist," seeking what he wished for rather than what he could have.[20] Western states, the United States among them, replayed the policies of the Allies in 1918–21. Their commitments to Georgian sovereignty were weak, the appeal of South Caucasia's geography inadequate. Geography could not overcome the Western states' fear of being dragged into a chaotic post-Soviet order, which would complicate relations with Russia. After 1991 even the temptation of oil – new sources were discovered in the Caspian Sea in the 1990s leading in 1994 to the "Contract of the Century" between US oil companies and Azerbaijan – and the laying of pipelines across Georgian territory did not change Western governments' perception of Georgia as geographically peripheral. Georgia was seen as having little

economic significance, and it was of limited strategic importance compared to the Middle East, Eastern Europe, and the Far East.

Shevardnadze, in contrast to Gamsakhurdia, was a strategic realist. He saw geography as inelastic, and made greater efforts to accommodate Russia's "special interests" in the region. This led, under significant pressure from Russia, to Georgia's joining the Commonwealth of Independent States in 1993, and participating in joint peace-making efforts in South Ossetia and Abkhazia. Yet, like the social democrats of 1918–21, Shevardnadze anticipated the West as Georgia's best guarantor of sovereignty. Georgia's location was the lure. Shevardnadze burnished the metaphor, which had been used by the DRG, that Georgia was a bridge between East and West, a transit territory for oil and gas, a gateway to markets in Central Asia and China, and a democratic outpost in the Russian sphere of influence. Germany and Britain – the patrons of the first republic in 1918–21 – were replaced in the 1990s by the EU, the United States, and NATO. Western promotion of the Eurasian corridor included Transport Corridor Europe-Caucasus-Asia, an EU partnership with Caucasian and Central Asian states; the Baku-Tbilisi-Ceyhan oil pipeline and the Baku-Tbilisi-Erzurum gas pipeline, involving international partnerships with Western energy companies. There was also important financial support for economic and democratic reform through the International Monetary Fund, the World Bank, the United States Agency for International Development (USAID), and the EU.

The EU has been Georgia's most generous partner, providing €500 million of technical and humanitarian assistance between 1992 and 2007, not including bilateral aid from European countries, and another €500 million between 2008 and 2010 for economic restoration after the 2008 war. In contrast to the 1918–21 period, there has been some military aid from the United States through training programs and military supplies, and Georgian troops have deployed on NATO missions in Iraq and Afghanistan.[21] Yet despite the US decision to sell Javelin anti-tank missiles to Georgia in 2019, its commitment to the country remains soft, particularly under the Trump administration.

The geography of the East-West axis cannot, as the Russo-Georgian war of 2008 showed, match the significance of the North-South axis, and neighbouring Russia's hard power. As in 1918–21, the war in 2008 exposed the illusion of the West's dependability. In April 2008, NATO members rejected Georgia's application for membership – although they promised Georgia would be included sometime in the future. Such ambivalence possibly triggered Russia's decision to invade Georgia four months later. Georgia received no military aid during the war, the United States ended its delivery of lethal hardware, and President Barack Obama began his reset of relations with Russia one year later. US and European

behaviour bore a remarkable resemblance to the pattern displayed by Western powers eighty-seven years before.

These two periods in Georgian history illustrate three things. One is the constancy of Georgian foreign policy in the twentieth century directed towards the West. Georgia is a small state, strategically located between contending Great Powers, and its independence is both generated and threatened by a competitive international state system.[22] Second, creating modern statehood requires new social and political behaviours, new institutions, and a massive cultural conversion, as Charles King put it, from traditional to modern practices. This is a difficult task for any inexperienced government, and particularly so for a small state like Georgia, constrained by geography and inadequate resources. In both 1918 and in the 1990s, geographical and structural conditions during a time of state building reinforced Georgia's dependence on patrons for security. Third, history, like geography, is not something separate that remains quietly in the past. It is relevant to the problems Georgia faces in the present. Georgian history, illustrated by the case of the DRG, clarifies the constraints on Georgia's domestic and foreign policy. History, like geography, does not determine choices or outcomes, but it shapes both elite and popular perceptions of choices. The perception of Europe as historical confederate and Turkey/Russia as historical "others" – a view already apparent in 1918 among Georgia's elites – is the ground on which Georgian foreign policy decision making begins in the 1990s.

Majorities and Minorities

The Arabs called Caucasia *djabal al-alsun*, or the mountain of languages; W.E.D. Allen noted that "all the nations of the world have drifted through the Caucasus."[23] Georgian territories are a complex mélange of nations, ethnicities, and religions, with many other mongrel identities besides. Boundaries were always unclear and linguistic identities fluid. The concept of the nation-state, which penetrated Georgia in the early nineteenth century, began to change this. Georgian social democrats came to power in 1918 with an egalitarian and internationalist ideology, but rapidly turned into advocates of a Georgian national state. The leaders of the second and third republics in the 1990s came to power in a new era of minority rights, but, as Marx put it, the tradition of Georgia's "dead generations" remained a nightmarish burden. Like their predecessors in 1918–21, Georgia's post-Soviet elites could not avoid the entanglement of security with national minority rights, stimulated in part by Russia's claim that it had to protect South Ossetian and Abkhazian minorities from Georgian persecution. The parallel with the multiple ethnic conflicts in

1918 was reinforced by a state-building process, during which national minorities were impelled to claim their portion of the state's resources. The clash between a Georgian-dominated centre and a non-Georgian periphery was not inevitable, but the combination of economic decline, ethno-territorial thinking, and the geographical proximity of Russia provided the tinder for conflict.[24]

In 1918 Georgia was barely a recognizable country. The most difficult challenge was how to create a functioning Georgian nation-state while promoting territorial and linguistic rights for the large multi-ethnic population of Armenians, Azerbaijanis, Abkhazians, Ossetians, Greeks, Kurds, and Russians. National identities during 1917–18, spurred in part by war, revolution, and an intense competition over limited resources, solidified around parties such as the Dashnaktsutiun (the Armenian Revolutionary Federation), the Muslim Müsavat (Equality), and territorially based organizations such as the Abkhazian People's Council and (South) Ossetia's People's Congress. The situation was complicated in 1918–21 by neighbouring powers – what Rogers Brubaker calls external national homelands – such as Turkey and Russia, promoting their own ethnic, linguistic, or ideological interests within Georgian territories.[25] Georgian social democratic goals of a decentralized multi-ethnic republic were overwhelmed by existential issues of national security, as the new state faced internal rebellions among national minorities and hostile neighbours, all under conditions of economic collapse. Disentangling Bolshevik provocation from aspirations of greater autonomy among Georgia's national minorities was hard, but military suppression by the Georgian government in Akhaltsikhe, South Ossetia, and Abkhazia was a miserable failure. Military solutions to Georgia's national question failed for a second time in the 1990s.

Georgian social democrats failed to integrate national minorities into the state. At times, the state's violent repression of minority protests revealed a decidedly undemocratic side to the Georgian republic. This was a tragic failing, although economic conditions and external manipulation made it extraordinarily difficult to persuade minorities to commit to the new state. Three years (1918–21) was barely enough time to implement the government's policies or see outcomes. The new Soviet state, which annexed Georgia in 1921, temporarily succeeded in reconciling Georgia's national minorities through a system of national territorial autonomies, but ultimately Soviet administrative and cultural policies in Georgia solidified the feeling of separateness among the minorities. National territories became "sacralized," with their own borders, institutions, popular assemblies, and national symbols. Despite official Marxist-Leninist theory, which predicted the ultimate disappearance of nations,

in Soviet textbooks in Georgia and elsewhere, they were portrayed as fixed entities. As a result, native populations in Abkhazia, South Ossetia, Javakheti (Armenians), and Marneuli (Azerbaijanis), although coexisting with Georgians, did not develop a common cultural and political space with them.[26] During the seventy years of Soviet power, the multiethnic composition of Georgia changed dramatically due to industrialization, deportations, and migrations. Non-Georgians (mostly Russians), who had flooded into Georgia in the 1920s, started leaving the republic in significant numbers in the 1950s, as they were excluded from dominant Georgian networks. The republic became increasingly Georgianized.

As in 1918–21, Georgia today is a complex multinational state. National minorities maintain links with their native lands, and attempts to create a supranational Georgian citizenship – Shevardnadze promoted this idea after the divisive policies of Gamsakhurdia – were contested by both Georgians and non-Georgians. The most serious threat was secessionism in Abkhazia and South Ossetia, stimulated by Georgian nationalism and Russian exploitation of Georgia's internal instabilities. The collapse of the post-imperial economy intensified corruption and unemployment, and widened visible inequalities between Georgia's regions and among resident national minorities. New histories in schools, universities, and on the airwaves rekindled and reimagined "long-standing hatreds."

Add to this the reinvigorated role of the Georgian Church, which promotes primordial ideas about Georgian identity. The Church differentiates ethnic Georgians – 85 per cent of whom claim they are faithful Orthodox believers – from Georgian citizens who are of a different ethnicity or faith, cementing the link between Orthodox Christianity and Georgianness. Others, be they Muslims from Akhaltsikhe, Armenian Gregorians from Javakheti, or Georgian Muslims from Achara, do not reach the ethno-religious standard of true Georgianness. But this is not simply a metaphysical issue for the Church; it is a political one. Georgian Church leaders have participated in or promoted demonstrations of their followers, such as the infamous attack on LGBTQ rights' protestors in May 2015. In 2014, the Church lobbied against anti-discriminatory legislation designed to bring Georgia up to EU standards. Such exclusionary ideas, combined with a biological understanding of what it means to be Georgian, has sharpened the problem of national minority integration. In the Church's eyes, non-Georgians will always present a threat to national unity.

Like geography, Georgia's multi-ethnic context is hereditary. This does not make it "genetic." Nothing is destined. But the intersection of a nationalizing state with a complex and poorly integrated national minority population – particularly during a period of economic and social

dislocation and major national security threats from outside – creates a predisposition for conflict. How such conflict develops is dependent on leadership and on social and economic policies, but in Georgia, at both ends of the twentieth century, conflict evolved into war. In both cases, Georgian governments failed to implement decentralization and policies of civic integration, and both Abkhazian and South Ossetian leaders were able to generate a local fear of Georgian domination. These repeat patterns in 1918–21 and in the 1990s and 2000s were the most devastating blows to the consolidation of Georgia's statehood and its emerging democracy.[27]

Non-Georgian communities – in particular, Abkhazians, South Ossetians, and periodically Armenians in Javakheti – were perceived in both periods as outsiders and threats to Georgian national sovereignty. In 1918–21, the resistance of non-Georgians to the new state emboldened Turkey and Soviet Russia to intervene on their behalf. A stage-managed revolt by the Bolsheviks in the ethnically mixed region of Lore (Lori) – on Georgian's southeastern border, an area disputed by Georgia and Armenia – led to the Red Army's invasion of Georgia in February 1921. The Bolsheviks claimed they were protecting local peasants and workers (mostly local Armenians) against an oppressive Georgian government. In the 1990s, it was a similar scenario. Gamsakhurdia's de facto exclusion of Abkhazians and South Ossetians from the state led them to seek Russian support; under Shevardnadze, secessionism and minority rights supplanted all other issues in the Russo-Georgian relationship. These tensions facilitated the Russian invasion of Georgia in 2008.[28] It cannot all be blamed on Mikheil Saakashvili as a hot-headed president. The Russian justification in 2008 was similar to the Soviet pretext in February 1921: protection of an oppressed minority, although in the South Ossetian case in 2008, the emphasis was on the ethnic, rather than economic, nature of the conflict. The Georgian governments of 1918–21 and 1991–2003 (the Saakashvili government of 2003–12 should be included here) underestimated the importance of power sharing with the country's national minorities, and they all paid the price. Ethnic heterogeneity does not lead to conflict; states have various methods for managing multi-ethnic societies. However, Georgia's history in the twentieth century suggests that repeated failures in minority integration remain the greatest challenge to a stable Georgian state, and to its national security.

Presidents, Parties, and Institutions

The DRG had its origins in socialism – but in the Georgian case, socialism's instincts of egalitarianism, self-government, self-determination,

and consolidation of the nation-state took on a liberal flavour. The democratic impulse was reinforced by Menshevism, a form of "liberal" Marxism promoted by the Georgian government. The Georgian social democrats spoke the language of pluralism and democratic rights. *Ertoba*, the Georgian social democrats' newspaper, declared in June 1918, after the declaration of independence: "What is expected from us is not Bolshevik experiments, but the introduction of the free and well ordered rules of democracy, which is the realization of the people's real political sovereignty."[29] The multi-ethnic challenge underlined the need for a modern state, both in 1918–21 and in the 1990s, which could institutionalize equal rights and distribute resources among its citizens equally. In the 1990s, the democratic impulse was based on an anti-government and neoliberal philosophy. Presidents Shevardnadze and Saakashvili proposed limited government through the division of powers, decentralization, greater accountability, an independent judiciary, and a constitution protecting civil and human rights.

Yet the democratic breakthroughs in both 1918–21 and post-1991 were limited. Georgian democracy hit a structural and cultural impasse. Centripetal forces, strong personalities, and a dominant one-party system reasserted themselves. Georgians, especially in the 1990s, retreated into a pre-democratic habit of deference to powerful leaders. Economic collapse, internal collisions among social and national groups, and security crises provoked by hostile neighbours limited the capacity of the state to expand democratic reform.[30] In the case of the DRG, it had no time (only three years) to establish effective state institutions, and no economic resources or international aid programs to help. The first republic's leaders rejected presidentialism as the least democratic form of government, and they introduced a semi-parliamentary system based on multiparty elections. State design was crucial, as it affected the degree to which the head of state was forced to share his power with other branches of government. Yet the DRG was unwilling to deconcentrate power at the regional and local levels – centrally appointed commissars held real power – and the government in reality rebuffed the claims of national minorities for autonomy and self-government.[31] There was a lively legislature in the first republic, but Georgia's fractured opposition represented what Scott Mainwaring calls "a weakly institutionalized party system," poorly rooted in the electorate and lacking resources and power.[32] The DRG after the second national election in March 1919 for a constituent assembly was governed by a single party, which controlled all decision making and came to identify its own interests with those of the state. Contemporary critic Zurab Avalishvili declared that the forms of representative democracy in Georgia "concealed the dictatorship of

the Georgian Social Democratic Party."[33] Despite this assessment, politics in Georgia remained a group portrait, in contrast to the situation after 1991.

In 1991, after Gamsakhurdia became president, a centralized state structure promoted a powerful presidential office focused on a popularly elected leader. Promises of accountability and local government control were lost in a corrupt system of patronage. Presidential appointees governed like feudal lords in the provinces. Political and economic power fused, and the constitutional orders that emerged in 1991 under Gamsakhurdia, and in 1995 under Shevardnadze, were designed to serve the president.[34] Law was an instrument of executive power. The growth of government over a shrinking society and control of the president's party in a single chamber – the idea of a dual parliamentary chamber never received much support – revealed the weakness of Georgia's new democracy.

What explains this pattern of a single dominant party, most notably between 1991 and 2012, when executive power became disproportionately powerful? The Soviet legacy is often proffered as an explanation. But this is an oversimplified, or perhaps even lazy, explanation of Georgia's democratic weakness. The psychological relationship between the governed and the governors was shaped, too, by the existence of powerful imperial entities in Georgia since the early nineteenth century. Georgian citizens' attitudes to the state were always ambivalent: it was alien, cruel, something to be either avoided or obeyed. There is significant evidence in the 1990s and 2000s that Georgians in large numbers supported a strong state over a liberal state. In a 2006 survey, for example, 63.5 per cent of respondents thought that a strong leader "unimpeded by parliament or elections" was a *good* or *quite a good* idea; 57.4 per cent favoured the defence of order, but only 4.4 per cent prioritized freedom of speech; 57.0 per cent distrusted the government, and 50.5 per cent the judicial system.[35] Such results underline persistent attitudes in Georgia's political culture that have long characterized the relationship of both elites and ordinary citizens to the state and its institutions. Over the two periods we are discussing, these attitudes of both distrust and deference contributed to the Georgian state's recurring problem of establishing deeper social roots and trust among its citizens. The continuing absence of state accountability and responsiveness to the citizenry is part of the confrontation between Georgia's social and historical legacies on the one hand, and the tasks of modern state building on the other. Georgian state building in the post-Soviet period was skewed towards centralization and authoritarianism, in part because it was a means to establish order and ensure majority Georgian control of the political process, but

also because state officials were disengaged from their citizens and vice versa. In the 1990s and 2000s, security threats, internal and external – as in 1918–21 – strengthened the traditional Georgian view of the state. It was an armed agency designed to protect borders and establish security, but also an alien layer of unrooted officials focused on fighting internal battles with little or no accountability to the citizenry.

Sources of Georgian Centripetalism

There was a widely shared belief both during the first republic and in the post-Soviet period that Georgia was threatened by fragmentation. Deconcentration of power was considered to be a danger to the integrity of the state. Although there were a small number of federalist champions, such as the socialist federalists between 1918 and 1921 and the federal republican party in the early post-Soviet period, Jordania and the social democrats firmly rejected the idea of federalism for the DRG. In the 1990s, Shevardnadze briefly supported the idea, and Saakashvili agreed to federal status for Abkhazia and South Ossetia in 2005 in an attempt to bring them back into the fold.[36] But federalism, or a second legislative chamber to represent the regions, was always rejected in the end in favour of a unicameral system and centrally appointed representatives. There was deep uncertainty about non-Georgians' loyalty, and many Georgian parliamentarians after 1991 linked the existence of autonomous territories to a Soviet legacy designed to undermine Georgian statehood. Local government was given short shrift: laws defining local government powers under the DRG were expansive, but in 1918–21 and in subsequent post-Soviet republics after 1991, the regions remained financially and politically dependent on the central authorities. After 1991, the regions were largely controlled by centrally appointed prefects and governors; a new local government law in 2013 failed yet again to loosen the power of centrally appointed governors.[37] The popular and elite repudiation of decentralization was partly the result of "lessons" from the past. The Georgian state's history from the late Middle Ages on has been characterized by breakdown and fragmentation. This diffuse fear of internal collapse, a legacy of Soviet centralism, and resurgent nationalism stimulated by a conservative and powerful Orthodox Church, fed into the quest for greater control by the central government.

The choice of a semi-parliamentary system in 1918 was designed to keep power away from the centre – the constitution of the DRG, finally passed in February 1921, was one of the most liberal of its time. But in conditions of permanent existential crisis, the government and legislature – and de facto the management of the courts – was controlled by a single

party: the Georgian Social Democratic Workers' Party. In the post-Soviet period, by contrast, the institutional focus was on executive power, reinforced by a centralized presidential system. Presidentialism was a reaction to post-Soviet disorder, a legacy of the Soviet preference for a single recognizable leader. It was a response to lack of control over corrupt regional authorities, and reflected a publicly expressed desire at the time for strong leadership. Georgia's populist leaders, in turn, used presidentialism to preserve and extend their power. Gamsakhurdia declared: "Presidential rule is the only means of salvation for our people. There should be a strong president and strong presidential rule … without this, Georgia cannot exist,"[38] while Shevardnadze was determined that Georgia's new constitution in 1995 would establish strong executive power focused on the presidential office. Stress on charismatic leaders characterizes weakly institutionalized societies like Georgia's, which are based on patronage and private networks. It makes constraint on the executive more difficult. Juan Linz argues that, in such divided societies, presidentialism encourages polarization, weakens the opposition, marginalizes minorities, and personalizes authority.[39]

A second feature that contributed to Georgia's centripetalism in the twentieth century was the absence of the social and political fibres that connect the governed with the governors. Michael Mann argues that public engagement with the state represents the infrastructure of a strong and stable state.[40] Public engagement, however, depends on a civic society. Citizens are organized in groups, connected horizontally, working alongside the administration in the pursuit of enlightened self-interest. This was somewhat evident in 1918–21, when trade unions and other labour groups were active, but ultimately even such strong labour organizations gave way to a form of corporate management by the social democratic state. After 1991, rapid social and economic change, combined with the legacy of social fragmentation under the USSR, undermined traditional Georgian social groups. Constituencies for political parties, such as farmers, clerical and skilled workers, or teachers, weak in the first place, disintegrated. Citizens in the 1990 and 2000s became powerless, and disengaged from the political process. This was due in part to large-scale poverty – politics brought miserable outcomes for the majority of the population. Talk of a Georgian middle class made no sense, and the feebleness of Georgia's political community generated what Almond and Verba described decades ago as a "subject political culture" – one that does not expect to have influence on the political system.[41] Thomas Carothers, in the post-Soviet context, calls it "feckless pluralism."[42] Public scepticism of state institutions, the parliament, and political parties is reflected in multiple opinion polls over the past two decades, as the

example I give above attests. Such alienation generates unaccountable and isolated decision makers who, lacking constraints, accumulate power. In 2003, the governing elite's isolation ended in the Rose Revolution; in 2007, it sparked a constitutional crisis after a miscalculation about the strength of popular disenchantment; and in October 2012, it led government leaders to a spectacular electoral failure.

A third stimulus to centripetalism in Georgia has been the absence of an independent judiciary. Georgia has little experience of the rule of law. Rather, in the twentieth century, despite judicial reform and liberal constitutions, law has functioned as an instrument of control in the hands of the state. Traditionally, Georgians have relied on personal networks and patrons in dealings with the state and its officials. Laws were either obstacles or not enforced; frustrated Georgian presidents commonly override laws with decrees and executive orders, often with the parliament's consent. Despite nominally independent judicial structures in the DRG and in all the Georgian republics post-1991, legal practice usually revealed the domination of the executive through direct and indirect control over appointments, as well as covert political pressure. The Rose Revolutionaries after 2003, trained in Western universities, were no better than the old Soviet nomenklatura under Shevardnadze in depoliticizing the judiciary. With limited divestment of power to judicial bodies and weak judicial review, the courts, rather than a check on the executive, became a source of legitimacy for government actions. Deferential courts, like Georgia's disconnected and fragmented political parties, opened the door to a strong executive.

Finally, the relationship between the state and economy has always been out of balance in Georgia. The economy has rarely achieved independence from the state; rather, public and private spheres have converged within state structures. This was true of both the DRG and subsequent Georgian republics, and has had paradoxical results. On the one hand, the intrusive state has forced private networks deeper underground, in the form of reliance on family and kin over laws, and the development of a massive black market. On the other hand, it has blurred distinctions between public and private; state structures, offices, and ministries have been transformed into sources of wealth and economic preference. Political power in Georgia generates financial enrichment; economic power gathers political patronage. The two spheres are "sticky," and the loss of power in one leads to the loss of power in the other. Privatization reforms, party membership, tax audits, and election campaigns illustrate the fusion of public and private spheres. Christopher Clapham calls these features neo-patrimonial – where personal relations and status are the basis of authority structures and where the

distinction between the official and the private is overridden by patrons and clients.[43] In this society, personalities in office are the source of political power and resources. This in turn contributes to the concentration of power in the central administration.

Georgian Dream

In October 2012, the opposition Bidzina Ivanishvili–Georgian Dream coalition won the parliamentary elections, and a new government, elected on a platform of greater judicial independence, non-interference in the media, the expansion of local government, and depoliticization of the economy, came to power. Four years later, in its 2016 party program, Georgian Dream–Democratic Georgia (henceforth Georgian Dream) claimed it had overturned Saakashvili's authoritarian political system, which had "crushed fundamental rights," "repressed business," and created a "political police" and "a government directed judiciary." It had ended the centripetal habits of the previous regime, and restored "the broken balance between the state's legislative, executive and judicial branches, and established a system with a democratic distribution of state power." The party program went on: "The system of local self-government has been strengthened with the introduction of direct elections for governors and city mayors." Other achievements included "fiscal decentralization" and "the realization of mechanisms to ensure the participation of citizens."[44]

After four years, could one endorse the new government's claims of a political breakthrough? Georgian Dream expanded certain local government powers and strengthened local officials' accountability to electors. The conversion from a super-presidential system under Saakashvili to a semi-parliamentary system in November 2013 diminished the institutional stimulus for personal rule and charismatic leadership. But the ethno-national underpinning of relations with national minorities remained, and despite a more transparent division of powers between the legislature and executive, Georgian centripetalism is sustained by big personalities, feeble political parties, and a judiciary susceptible to political pressure. The Wizards of Oz are still behind the curtain, and despite healthy competition between President Giorgi Margvelashvili and Prime Minister Giorgi Kvirikashvili between 2015 and 2018, the former prime minister and billionaire Bidzina Ivanishvili has since returned to Georgian politics (he never really left) as the leader of Georgian Dream. He has become Georgia's version of Singapore's Lee Kwan Yew, who, as retired prime minister, maintained a de facto veto over major government decisions from behind the scenes. Ivanishvili's muscular political

voice and influence over the new prime minister, Giorgi Gakharia, and his cabinet continues to raise questions about the openness and accountability of power in Georgia. The higher levels of state remain poorly institutionalized, and the influence of unelected figures over decision making is evident. Philippe Schmitter reminds us that some degree of concentration of power can be expected in any democracy, but the informal exercise of power by the unelected and the influential limits the exercise of democratic rule through chosen representatives.[45] In Georgia after 2012, there was a brief departure from personal rule, but it ended, and Georgian politics has returned to its traditional centripetal pattern.

The 2016 parliamentary elections revealed structures and political norms that continue to present obstacles to an accountable and democratic political culture in Georgia. The parties were radically polarized, and Georgian Dream controlled the majority of the precinct and district-level electoral commissions. Georgian Dream won 115 seats (there are 150 seats in the parliament), an increase of 67 over 2012; this secured the minimum 113 seats Georgian Dream needed for a constitutional majority.[46] The United National Movement (UNM) was reduced to 27 seats, but in January 2017 it split into two bitterly opposed factions. In March a new party was created – the Movement for Liberty–European Georgia – made up of 21 former UNM parliamentary members. The party, which created a new faction in the parliament, splintered the opposition even further.

The victory of Georgian Dream in 2012 had brought about a broad coalition, creating a parliament containing multiple interests and multiple parties. No single party had the ability to change the constitution or override the president's veto. Two parties and members of the Georgian Dream coalition, the Republicans and Our Georgia–Free Democrats, were strong supporters of constitutionalism, the rule of law, and civil rights. Since the elections of 2016, the single-party-led coalition – Georgian Dream–Democratic Georgia – has returned to full command of the legislative process. It has control of appointments to local government structures and, to a significant degree – indirectly or directly – to the judiciary. The 2016 elections produced a parliament dominated by four parties – Georgian Dream–Democratic Georgia, the UNM, the Alliance of Georgian Patriots, and the new Movement for Liberty–European Georgia, but Georgian Dream's dominance represents a return to the pre-2012 pattern of centripetal politics that has plagued Georgia for twenty-five years.

One-party dominance is not always negative, but the party has to be trusted to observe the rules of parliamentary democracy, both inside and outside the chamber. Georgia's marginalized opposition has little

opportunity to influence executive power, civil society is relatively weak, the judiciary is prone to side with the executive, and business groups ally with their most powerful political patron: the government. In this context, one-party control in Georgia's parliament is deadly, not only to a working democracy, but also to the party itself. Cumulative victories over parliamentary and societal opposition are in the end defeats – of the legitimacy of the party, of its connections with society, and of its ability to adapt.

Conclusion

Comparing the experience of the DRG (1918–21) and the post-Soviet republics in Georgia, we can conclude that historical, geographical, and structural variables continue to exert their influence on Georgia's development. Georgia's geographical dilemma has not changed, as the government struggles to balance lukewarm Western support and a threatening northern neighbour. Georgia remains a small country dependent on clever manoeuvres to retain its political sovereignty. The historical legacy is harder to pin down, but Georgian elites' perception of their European heritage and the population's enduring support of a strong state continue to impact domestic and foreign policy. Georgian structural conditions and historical patterns – despite the anti-centralist reforms of Georgian Dream between 2012 and 2016 and the introduction of a new semi-parliamentary constitution – still shape the Georgian political system. Georgia has failed to escape the legacy of centripetalism. The institutional barriers to the centralization of power remain weak. Without an effective opposition integrated into the decision-making process, sufficient strength in civil society and local government, and independence in the business world, executive power in Georgia will continue its historical tradition of centralization and dominance.

NOTES

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2 New Shifts in Georgian Geography

JOSEPH SALUKVADZE AND ZURAB DAVITASHVILI

Geographical Location: What "Changed" after Independence?

Can historical and political circumstances change the meaning of such a solid and immutable phenomenon as a country's geographical location? We mean, of course, "change" in terms of a country's favourable or unfavourable place in the international economic and political system that surrounds it. Georgia is a small country of 69,700 square kilometres; it is located in the middle of the northern hemisphere, on the edge of moderate and subtropical climatic belts. In terms of its physical-geographical situation, Georgia is favourably located. Most of its northern boundary runs along the Great Caucasus range, which protects Georgia from northern cold air masses, while the warm waters of the Black Sea keep its western boundaries open to trade all year round. This coincidence of natural features put Georgia in a unique situation in the Soviet Union compared to other republics. Georgia was the only republic in the USSR to grow subtropical products; it was also the main region for resorts along the Black Sea coast.

The Soviet economic system was a closed market barely influenced by the international market; as a result, Georgia had no real competitors in a semi-autarkic economic environment, and it became one of the most prosperous Soviet republics, with a high level of income and wealth. Official statistics placed the Baltic republics, the Russian Federation, and Kazakhstan higher than Georgia in terms of gross domestic product (GDP) per capita,[1] but the real standard of living in Georgia was higher due to a large shadow economy and non-recorded income.

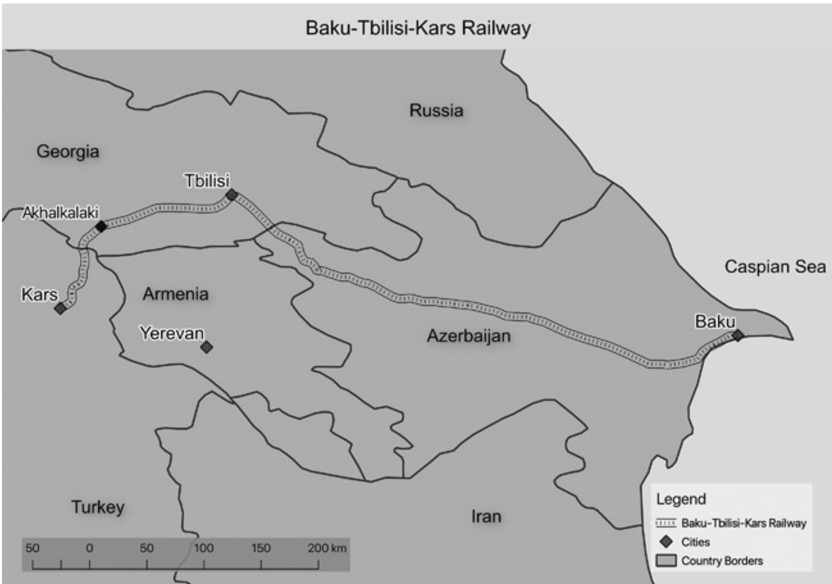
The closed non-market economy of the Soviet Union, combined with Georgia's favourable physical-geographical location, played a decisive role in the republic's economic development. After independence in 1991, when Georgia, like other post-Soviet states, found itself part of the

international economy, these advantages disappeared. In the international market, the inefficient Soviet legacy in agriculture and tourism made Georgia's produce uncompetitive compared with citrus fruits from Greece and Israel and its resorts uncompetitive compared with those in the Mediterranean. The loss of the Soviet market for Georgia's goods and services hit the republic's economy hard and the standard of living of its citizens plummeted.

After independence in 1991, there were significant changes in the economic situation of Georgia. In the nineteenth and twentieth centuries, Georgia's political and geographical situation was of little consequence. It could not be assessed independently or outside the context of the imperial state(s) of which it was a part. Georgia occupied a peripheral location, and it had limited transit connections to the centre during both empires, Russian and Soviet. The USSR developed Georgia's transport infrastructure, but the republic remained a "dead-end space" with no accessibility to the outside world. In these conditions, Georgia's location did not add significantly to its economic development. This situation changed dramatically after independence; the country became a focal point of east-west and north-south connections on an interregional scale. Today, Georgia's transit and geographical situation is one of its major advantages. Georgia is at a crossroads that connects Central Asia with Europe on the one hand and with the Middle and Near East on the other. Georgia's role as an energy corridor between east and west is significant; oil and gas pipelines carry energy supplies from Azerbaijan and Central Asia to Europe, bypassing Russia. The role of the Baku-Tbilisi-Kars railroad (Figure 2.1), which became operational in 2017, is one segment in the shortest rail route connecting China with Europe. In addition, Russia can maintain physical contact with Armenia, its major ally in the South Caucasus, only by using communication routes across Georgia's territory. Finally, Georgia is the only country in the South Caucasus and Central Asia that enjoys direct access to the open sea. For eight countries – Azerbaijan, Armenia, Turkmenistan, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Afghanistan – Georgia's ports are a maritime gateway to the eastern Mediterranean and western markets.

Improved economic, trade, and transit opportunities attract foreign powers and can create political problems for South Caucasia's new states. Georgia rarely managed its geographical location to its own advantage. Its existence on the edge of Europe and Asia between Christian and Islamic civilizations led to difficult and limited choices, which shaped the tragic character of Georgia's history, especially in terms of its relationships with its neighbours. Georgia frequently became the battlefield between neighbouring empires. It was only after the collapse of the Soviet Union that Georgia fully regained its importance and found its geographical

Figure 2.1. The Baku-Tbilisi-Kars Railway



Source: "Baku-Tbilisi-Kars rail project to be completed in 2015," *Daily Sabah*, 6 May 2014, online at https://www.dailysabah.com/asia/2014/05/06/bakutbilisikars-rail-project-to-be-completed-in-2015; map prepared by Temur Gugushvili.

strengths (and weaknesses). Located next to the authoritarian states of the Russian Federation, Turkey, and Iran, Georgia seeks Euro-Atlantic integration as its main geostrategic goal. This has been an obstacle to good relations and trade with Russia, which does not welcome Georgia's role as an energy-transit country. Russia considers the South Caucasus, as well as the entire post-Soviet space, as a Russian sphere of influence. In 2008, shortly after the Russo-Georgian War, Russia's president Dmitri Medvedev declared: "Russia … has [former Soviet] regions where it has its privileged interests … We will work very attentively in these regions."[2] Georgia's trade relations with Iran, meanwhile, are impeded by Georgia's commitment to the transatlantic alliance. In such conditions, it is difficult for Georgia to make full use of its economic and geographical situation.

Natural Resources: Rich or Poor?

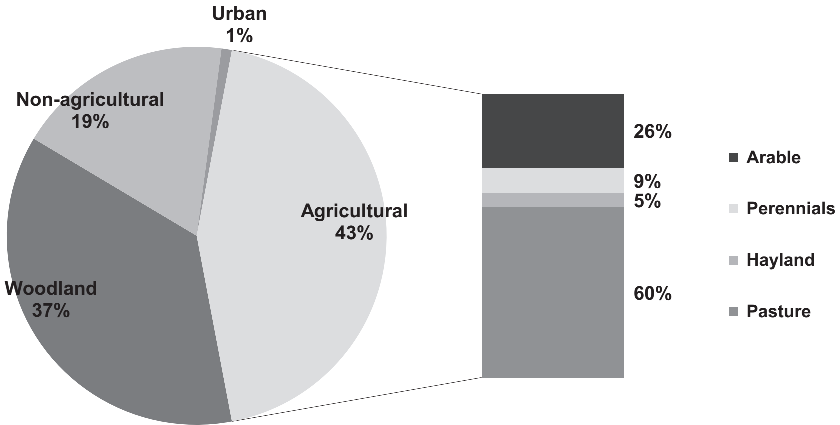
Traditionally, natural resources are seen as important assets for economic growth. More recently, however, scholars and experts such as Jeffrey Sachs[3] and Halvor Mehlum[4] have reconsidered the positive impact of natural resources on socio-economic progress. Elena Paltseva and Jesper Roine

note "that there is a robust negative relationship between a country's share of primary exports in GDP and its subsequent economic growth. This relationship is often referred to as the resource curse, that is, resource dependence undermines long run economic performance."[5] A resource windfall leads to the contraction of productive sectors, but can also fuel corruption and "state capture," and block democratic reforms in countries where institutions are underdeveloped and governance systems are weak.[6]

Georgia's industrial development in the USSR was based on imported resources, which declined or ceased after the Soviet collapse. Georgia could not build its economy with its own natural resources; this made its post-Soviet transition different from other resource-rich republics like Azerbaijan or Kazakhstan. Without its own supply of natural resources, such as oil and gas, Georgia was subject to rapid de-industrialization, high unemployment, and zero GDP growth. On the other hand, the Georgian government was forced to resolve the problems related to energy dependency and refocus on institutional and structural changes. This required working towards a corruption-free environment, deregulation, and democratic reform aimed at harmonization of its legal, political, and economic environment with that of the European Union. This was largely achieved by 2008. In that sense, Paltseva and Roine might be right.

But Georgia remains poor in crude oil and gas, as in many other mineral deposits. Coal is of limited market value, but copper and manganese ores are profitable. Copper is extracted in Madneuli and manganese in Chiatura, West Georgia. In 1900, manganese from Georgia made up 54 per cent of world production,[7] but the manganese extraction industry in Chiatura has declined, Georgia's manganese business is no longer economically attractive, and there is limited foreign investment. Neither does Georgia have many land resources. As part of the USSR, arable land per capita in Georgia, at 0.15 hectares, was the lowest of all fifteen republics and four times less than the Soviet average (0.56 hectares per capita versus the Soviet average of 1.9).[8] Today, only 43 per cent of Georgian territory is used for agriculture; the amount used as arable or perennial land is even more limited (Figure 2.2). Yet, during the Soviet period, Georgia was the major supplier of tea (95 per cent), wine (90 per cent of high-quality dry wine), and citrus fruits (almost 100 per cent) to the rest of the USSR. Fruits and vegetables produced by Georgian farmers were sold for significant profit in the food markets of Moscow and other large cities of the USSR. Georgian agriculture's adaptation to Soviet needs led to a significant increase in the production of these export goods, and dramatically changed the traditional internal structure of Georgian agricultural production and land use. Specialization became a decisive feature of Georgia's agriculture during

Figure 2.2. Land Use Structure, Georgia



Source: J. Salukvadze. "Rural Georgia: Trends of Socioeconomic Development," in *The LEADER Method: Transferring Experience of Visegrad Group Countries to Georgia*, ed. Ł.Sykała, M. Dej, and O.Wolski (Krakow: Institute of Urban Development, 2015), fig. 7.3.

the Soviet period. It led to the expansion of cultivated land but under fewer cultures. Traditional branches producing basic foods such as grain and meat sharply contracted. The country became dependent on imports from other Soviet republics, and basic food provision became especially vulnerable after independence, when income from exported goods severely diminished, and dependency on imported food remained high.

Georgia's unique climatic, bio-, and landscape diversity was the source of its economic importance to the Soviet economy, but this significance disappeared in the context of the international market. Georgia succeeded in reviving the production of mineral water and wine, and developed new tourist destinations in the mountains and along the Black Sea shore – tourism accounted for 7 per cent of GDP in 2018. But the potential of Georgia's natural assets is still underused – for example, only 10 per cent of the country's hydro-electric potential is utilized. Maximizing exploitation would make Georgia energy secure, but it would require large investments and the consensus of local communities and environmental activists. The beauty and diversity of Georgian nature cannot compensate for the deficit in strategically important resources, which Georgia is still forced to import.

Georgia is not suffering from a resource *curse*, but a resource *deficit*. Given its poor relations with Russia, Georgia has taken steps to diversify

its energy supply – reducing gas and oil imports from the Russian Federation and increasing them from neighbouring Azerbaijan and Iran. Local hydro-electricity contributes to a certain degree of energy independence, and Georgia has significant potential for the production of alternative energy, such as solar energy, wind, and biomass.

The Effect of Geography on Georgia's Economic Structure

The Soviet Union was a united territorial-economic complex. Economic sectors and regions were interdependent to such a degree that dissolution was extremely difficult for individual economies. The collapse of the USSR cut existing economic links, and led to rapid economic decline in all post-Soviet republics. In Georgia, this process was most dramatic, for several reasons.

First, Georgia's economy was strongly dependent on Soviet demand. A huge share of production in Georgia's industrial enterprises was directed to other parts of the USSR – for example, almost 90 per cent of metallic pipes produced in Georgia's Rustavi metallurgical plant ended up in the oil- and gas-extracting regions of the Russian Federation. The Soviet Union had a very low level of foreign trade – in 1985, exports accounted for only 4 per cent of the USSR's GDP – and it could draw upon a large energy and raw materials base.[9] Georgia's share of the USSR's export trade was negligible, and Georgian production was completely oriented to the Soviet market.

Second, the entire industrial production of Georgia, except for branches of the food and building material industries, was dependent on raw materials from other Soviet republics. Loss of contact ended production in most of Georgia's manufacturing industry, Georgia lacked the capacity to buy raw materials, and producing competitive goods was impossible in Georgia's chaotic political condition.

Third, under the Soviet Union, the Georgian economy was completely restructured. Agriculture shifted to plantation-type subtropical farming of crops such as tobacco and tea, and mass production of fruit and wine became dominant. Industry specialized in machinery production, such as metal-cutting machines, electric locomotives, and electro-technical devices.[10] After the collapse of the USSR, Georgia suddenly found itself short of grain, crude oil, natural gas, coal, electric power, fertilizers, and textiles, none of which was produced locally.

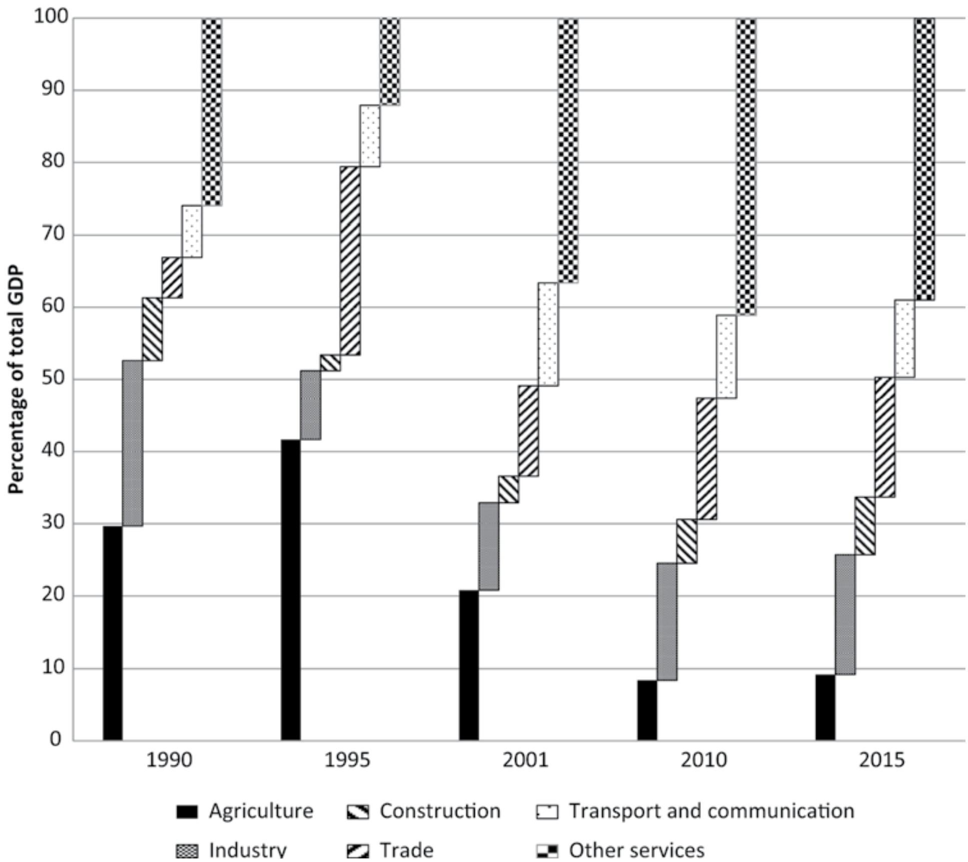
Fourth, Georgia experienced civil war, violent ethnic conflict, and uncontrolled corruption after independence. World Bank data show that Georgia's GDP dropped in just four years from US$7.8 billion in 1990 to US$2.5 billion in 1994,[11] and Georgia had to find new economic

bases for development. Massive structural changes were undertaken, which led to economic dislocation and rapid adjustment. Transition to the market economy and privatization of state properties were secretive and corrupt; the demolition of Soviet economic structures was not followed by their replacement with new ones. The dramatic contraction of GDP had serious social consequences. Between 1990 and 2000, the number of employees in the entire economic sector (agriculture, manufacturing, and services) declined from 2.8 million to 1.7 million people. The industrial sector received a massive shock, contracting 4.5 times over the same period. As a result, as Figure 2.3 shows, Georgia's current economic structure significantly differs from that of the Soviet period.

At the end of the Soviet period, Georgia's GDP was dominated by primary sectors such as agriculture, fishing, and forestry, as well as some branches of industrial production such as heavy industry, light manufacturing, and food production. Together, they provided more than half the country's GDP. Twenty-five years later, the Georgian economy is dominated by trade and services. The tertiary and quaternary sectors – such as tourism and the hospitality sector, real estate, social and private services, education, and health care – now make up 60 per cent of current GDP. Soviet-era plants have gone. Branches such as electro-technical machinery, agricultural machinery, ship and airplane building, metallurgy, textiles, and chemical industries stopped producing. Renovation or massive upgrading was too expensive for foreign investors. The spatial concentration of industries and investment intensified. Almost all of the processing branches of Georgia's modern industry are concentrated in the capital city of Tbilisi, along with Rustavi and Batumi, along with 70 per cent of all industrial employees. In smaller cities, industrial enterprises have either stopped producing or retain small plants of fifteen to twenty workers, more often than not involved in food processing.

The most dramatic changes occurred in the centres for extractive industries; manganese and coal production in Chiatura and Tkibuli drastically declined or, in the case of Tkvarcheli and Vale, stopped. The contraction of city-forming branches of industry resulted in high unemployment, decreased family incomes, and collapsed infrastructure and social services. This led to a mass outmigration of population. From 1989 to 2014, for example, Chiatura's population declined from 29,000 to 19,000 people, Tkibuli's from 22,000 to 13,000, Vale's from 7,000 to 3,500, and Tkvarcheli's drastically from 21,000 to 4,500, a decline strongly impacted by the expulsion of the Georgian population from this Abkhazian region during the ethno-political conflict there in the early 1990s.

Figure 2.3. Changing Shares of Economic Sectors in Georgia's Gross Domestic Product (GDP), 1990–2015



Source: Authors' compilation based on data from UN Habitat, *The State of European Cities in Transition 2013: Taking Stock after 20 Years of Reform* (Krakow: Institute of Urban Development, 2013); and Georgia, National Statistics Office of Georgia (https://www.geostat.ge/media/13676/Yearbook_2016.pdf).

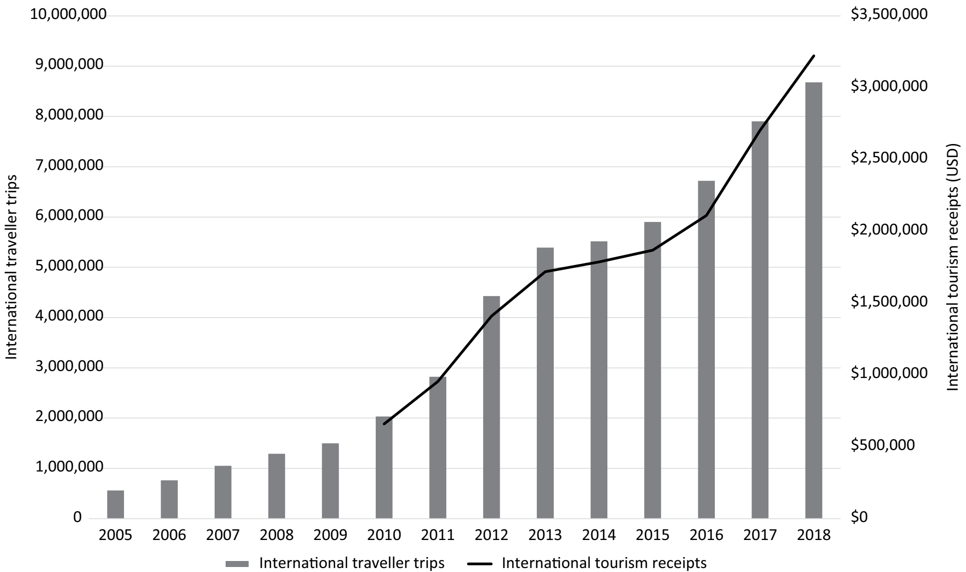
Changes to the agricultural sector were more dramatic. Land reforms based on the privatization of agricultural land changed farm structures and production patterns in Georgia. In the Soviet period, up to 90 per cent of rural land was occupied by fewer than two thousand large agricultural enterprises (*kolkhoz and sovkhoz*); only 5.5 per cent was occupied by small household parcels. Neither large farms nor the private sector faced problems regarding the sale of goods. After independence, from 1992 to 1999, 750,000 hectares of agricultural land was privatized;

land was given to hundreds of thousands of private households and families living in the villages. As a result, more than 700,000 small farms emerged, with an average size of less than one hectare. The privatization campaign caused the fragmentation of agriculture as land was given to farmers as several separate and often distant plots. Free agricultural land was the basis of food production for many rural families facing the threat of hunger in the 1990s, but government policy stimulated only subsistence agriculture, and complicated the development of agriculture as a viable and commercially profitable economic activity. Along with land fragmentation came farmers' limited knowledge about investment choices and lack of mechanization, fertilizers, and agricultural infrastructure. The unavailability of bank loans and state subsidies, and problems in marketing, made agriculture one of the most problematic branches of the Georgian economy. Over the past decade, local and foreign investors have shown interest in the more competitive branches of agriculture, such as wine production in Kakheti and hazelnuts in Samegrelo, but this sector remains inefficient. Agriculture's share of GDP was between 7.1 and 9.4 per cent from 2008 to 2017,[12] and it employs more than 30 per cent[13] of the occupied workforce.

Internal changes in the agricultural sector in the post-Soviet period were significant. Tea production lost its importance, largely replaced by hazelnuts, corn/maize, and some other cultures; citrus has retained its position in the local market, as well as in exports to post-Soviet countries, but vegetables and potatoes are produced only for the domestic market. The share of animal husbandry in agricultural production has increased, although the total number of livestock is significantly lower than in the Soviet period. Market instabilities, especially the unstable Russian market, have had a dramatic impact on the Georgian economy. Accusing Georgian producers of unsanitary products, Russia declared an embargo on Georgian goods such as wine, mineral water, and fruits from 2006 to 2013. This had a serious effect on Georgian production, and Russia's own economic woes reduced remittances from Georgian workers. The main problem in Georgia's agriculture remains the prevalence of small household farming. In 2013, the Georgian parliament adopted a law, "On Agricultural Cooperatives," which encourages local farmers to cooperate and voluntarily consolidate their land parcels to obtain state subsidies and other assistance.

The "geography of transport" in Georgia has also undergone major changes (Mamuka Tsereteli deals with this in more detail in Chapter 10). After seventy years of lost connectivity with the outside world, independent Georgia is a transit country again. Caspian oil and natural gas is transited across the country through the Soviet-era Baku-Batumi pipeline, the Baku-Supsa pipeline (completed in 1998), and the Baku-Tbilisi-Ceyhan oil pipeline (opened in 2006). Additionally, the

Figure 2.4. Growth of the Tourism Sector, Georgia, 2005–18



Source: Georgian National Tourism Administration, "Research," online at http://gnta.ge/statistics/.

Shah-Deniz-Tbilisi-Erzurum gas pipeline was constructed in 2006. The role of Georgian seaports has increased, and they serve transit cargo generated in Azerbaijan, Armenia, and Central Asia. Besides the ports of Poti and Batumi, a new large-scale project is under way at Anaklia, where a deepwater port on the Black Sea coast will attain extraordinary importance in Georgia's transit economy. Anaklia has a projected thirty-two berths and total capacity of 100 million tonnes of cargo per annum. This could make it the major seaport of Georgia and the main competitor of Russia's Novorossiysk. Currently, most of Georgia's transit cargo (including the entire volume of cargo from Armenia) is transported by truck; the railway line running through occupied Abkhazia from Russia no longer functions. The completion of the Akhalkalaki-Kars segment of the Baku-Tbilisi-Kars railroad will be crucial for Georgia, as it will be part of the rail route connecting China with Europe. Air transport's leading position, however, is unchallenged in international passenger transfers. Recently, new airports have been built in mountainous regions such as Mestia, in Svaneti, and Ambrolauri, in Racha, for improving internal connections. These projects are in line with Georgia's ambition to revive its importance as a major tourist destination in the region. Over the past decade, the number of foreign visitors to Georgia has grown tenfold,

and so have revenues from this sector, reaching US$2.7 billion in 2017 (Figure 2.4).

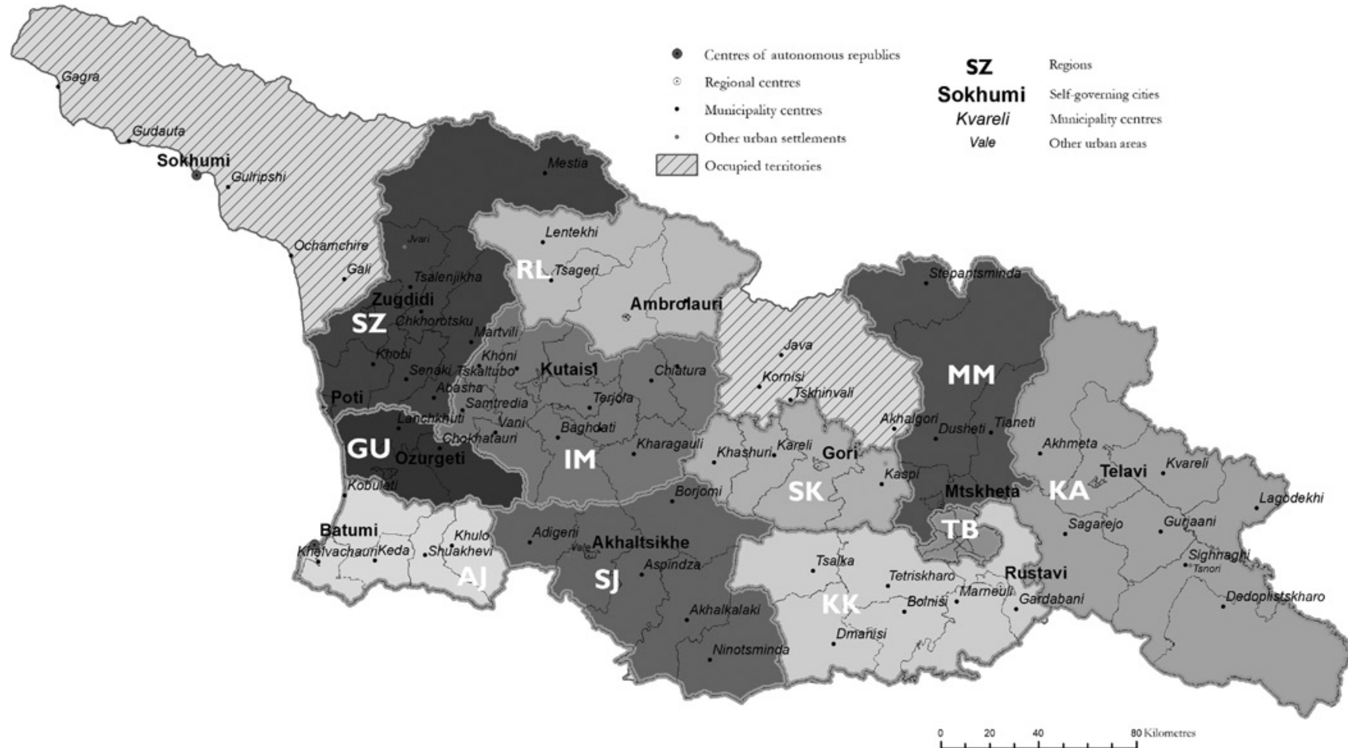
Tourists from Georgia's neighbours – Armenia, Azerbaijan, Turkey, and the Russian Federation – account for more than 80 per cent of Georgia's total, with more than one million persons from each country arriving annually. Other prominent sources of tourist traffic are Ukraine, Kazakhstan, Iran, Israel, and some European countries such as Poland and Germany. Tourists from the former Soviet Union prefer the Black Sea as a destination, while overseas visitors prefer mountain and cultural tourism. The post-Soviet Georgian economy is now dominated by the service sectors. There is nothing unusual in such a transformation, but for economically weak states like Georgia, such a situation is threatening to the economy. Underrepresentation of sustainable, tradable economic sectors makes the economy vulnerable. Today, Georgia, in terms of value, imports three and a half times more than it exports.

The Challenges of the Administrative-Territorial Arrangement

Georgia underwent significant territorial changes in the Soviet period. It lost its historical districts of Artvin, Oltisi (Oltu), and Artaani (Ardahan) to Turkey, while Zakatala district was transferred to Azerbaijan and Lore (Lori) to Armenia. Georgia's territory contracted from 93,000 to 70,000 square kilometres. Three autonomous entities were created in the Georgian Soviet Socialist Republic. One was the Acharan Autonomous Socialist Republic, based on religious affiliation (Georgians in Achara were, and partially still remain, Muslims) and on the demands of neighbouring Turkey in the Treaty of Kars in October 1921. Another new entity was the Abkhazian Autonomous Socialist Republic created in 1931, and the third was the South-Ossetian Autonomous District (*oblast*), which gave autonomy to Ossetians who had migrated to the Tskhinvali area in northern Georgia from the seventeenth through nineteenth centuries.

The territorial-administrative arrangement of Georgia was asymmetric: of the three autonomous entities, two were historical-ethnographic and one (South Ossetia) was created in response to growing ethnic consciousness among the local population. Other historical provinces, such as Kakheti or Samegrelo, received no separate status and were subdivided into smaller administrative units. The purpose of such multiple subdivisions was probably to ensure better control by creating centrifugal challenges to the growth of Georgian nationalism. Today, Georgia is divided into twelve administrative entities: nine regions, two autonomous republics (Abkhazia and Achara), and the capital city of Tbilisi (Figure 2.5). But the former Abkhazian SSR, as well as the territory of the South Ossetian Autonomous

Figure 2.5. The Administrative-Territorial Arrangement of Georgia, as of January 2017



Abbreviations: AJ – Achara; GU – Guria; IM – Imereti; KA – Kakheti; KK – Kvemo Kartli; MM – Mtskheta-Mtianeti; RL – Racha-Lechkhumi and Kvemo Svaneti; SJ – Samtskhe-Javakheti; SK – Shida Kartli; SZ – Samegrelo and Zemo Svaneti; TB – Tbilisi

Source: Produced by David Sichinava.

District (abolished by the Georgian Supreme Soviet in 1990), are currently outside the effective control of the Georgian government.

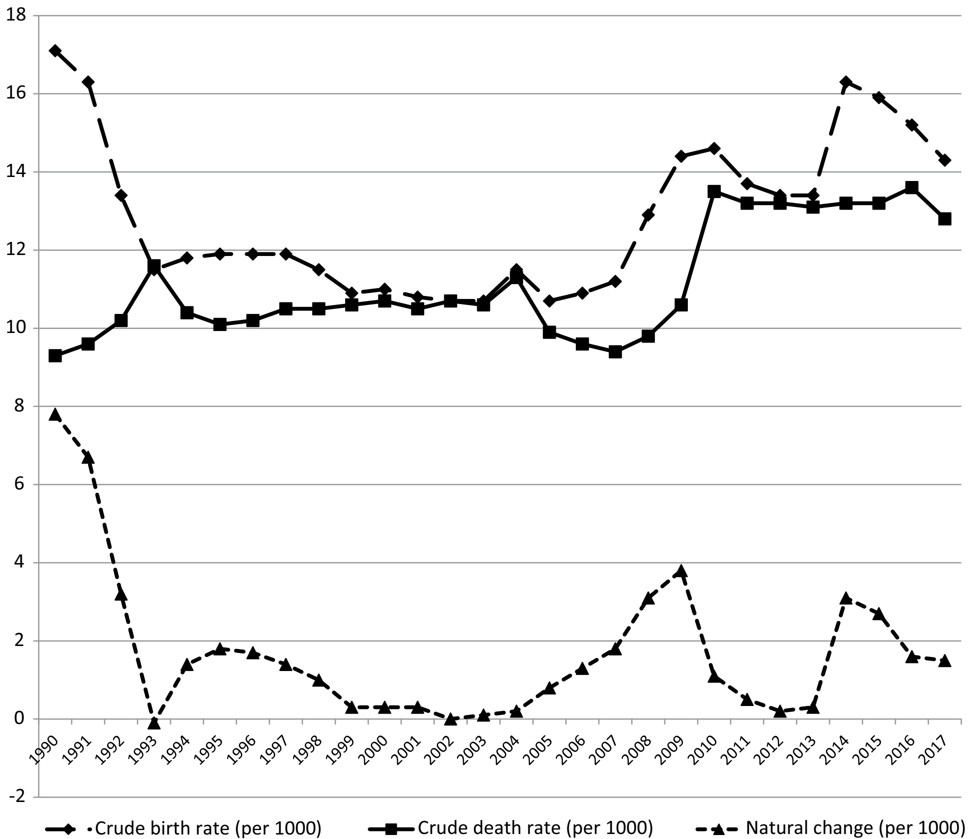
For more than twenty years, local administrative bodies at the regional level were under the control of the presidential office (after 2013, this switched to the prime minister's office) through appointed governors. The regional division of the country is still not constitutionally recognized. Regional division is associated in the Georgian mind with the potential of separation. Federal organization is viewed as a dangerous solution. No Georgian government has had the political courage to legitimate a new territorial arrangement of Georgia. As a result, sixty-nine Soviet-era *raions* (today called municipalities) remain core first-tier administrative units. This fragmented administrative arrangement is preferred over regional territorial divisions, although small territorial units do not possess sufficient economic strength or the capacity for effective governance. This is why, in 1994, a de facto regional division of the country was introduced, although there is no constitutional or legal framework for this model.

The Threat of Depopulation?

One of the major problems Georgia faces today is a dramatic reduction in its population; indeed, Georgia is one of the leading countries in the world in terms of population decline. In 2018, the National Statistics Office of Georgia reported a population of 3,729,000. In contrast, as part of the Russian Empire and the Soviet Union (1801–1990), Georgia enjoyed population growth: in the officially recognized state boundaries of the country, the population grew sevenfold from 785,000 in 1801 to 5,443,000 in 1989. This increase was determined by both natural growth and in-migration. Natural growth over almost the entire nineteenth century and the first half of the twentieth was 1.5–2 per cent annually. Up to the 1960s, Georgia had a positive migration balance determined by industrial expansion, especially in the 1930s, as well as by an official policy aimed at bringing different ethnic groups to Georgia and settling them in selected areas. From the 1960s, the migration balance became negative, although it was compensated by a natural increase in the population. The overall demographic situation remained healthy.

The situation changed in the 1990s. Economic collapse twinned with political unrest (civil war, ethno-political conflicts) led to mass emigration, which resulted in a dramatic reduction in the population (Figure 2.6). Between 1992 and 2004, the total population declined by almost 20 per cent. Such a decline took place mainly among the working-age groups (ages 15–64), including the population of active reproduction (ages

Figure 2.6. Rates of Birth, Death, and Natural Increase, Georgia, 1990–2017



Source: J. Salukvadze and G. Meladze, "Georgia: Migration, a Main Risk towards Demographic Future," in *Discovering Migration between Visegrad Countries and Eastern Partners*, ed. Ágnes Erős and Dávid Karácsonyi (Budapest: HAS RCAES Geographical Institute, 2014), 152.

20–29). The realization of fertility potential declined from 36.6 per cent in 1989 to 25.5 per cent in 2002.[14]

Based on official statistics, Georgia lost 1,729,000 persons, or 31.7 per cent of its population, between 1989 and 2014. The reduction of population by almost one third in just twenty-five years – an average annual decrease of 0.9 per cent – is unprecedented worldwide. Such a negative population dynamic is caused not only by a negative migration balance, but also by changes in natural growth, expressed by a reduction of births

Table 2.1. Net Migration, Georgia, 1990–2015

Year	Number (thousands)	Rate (per thousand)	Year	Number (thousands)	Rate (per thousand)
1990	–13.2	–2.4	2003	–27.5	–6.4
1991	–22.6	–4.1	2004	5.5	1.3
1992	–139.3	–25.8	2005	76.3	17.5
1993	–140.9	–27.4	2006	–12.1	–2.8
1994	–142.6	–29.3	2007	–20.7	–4.7
1995	–127.2	–26.9	2008	–10.2	–2.3
1996	–123.1	–26.7	2009	34.2	7.8
1997	–59.9	–13.2	2010	18.1	4.1
1998	–39.2	–8.7	2011	20.2	4.5
1999	–36.3	–8.2	2012	–21.5	–4.8
2000	–35.2	–8.0	2013	–2.6	–0.6
2001	–32.6	–7.4	2014	–6.5	–1.4
2002	–27.8	–6.4	2015	–3.4	–0.9

Sources: Salukvadze and Meladze, "Georgia: Migration," 153; and authors' calculations based on National Statistics Office of Georgia, online at http://www.geostat.ge/.

and increases in mortality. The emigration of young people abroad reduced the birth rate, and harsh political and socio-economic conditions further contributed to the negative impact on births. The age-sex structure of the population has deteriorated, and population aging has resulted in higher death rates. All these factors have caused stagnation in the natural growth of the population (Figure 2.6).

Trends regarding the migration of the population are equally pessimistic (Table 2.1). As a result of acute socio-economic crises and an unstable political situation, many Georgians have decided to leave the country, permanently or temporarily, in order to secure a livelihood. Between 1990 and 1997, there was a negative migration balance of 620,000–1,000,000 people, while official statistics reported 219,800 emigrants from Georgia over the same period.

Emigration peaked between 1992 and 1996, when the negative migration balance was 673,100. The migration balance remained mostly negative during the 1997–2015 period, but the rate declined significantly. The change in migration patterns in some years between 2004 and 2011 may be explained by the Rose Revolution of 2003, as hopes for employment pulled some back home. However, the positive migration balance was once again replaced by a negative one after 2012. In general, as a result

Table 2.2. Changes in the Ethnic Composition of the Population, Georgia, 1989–2014

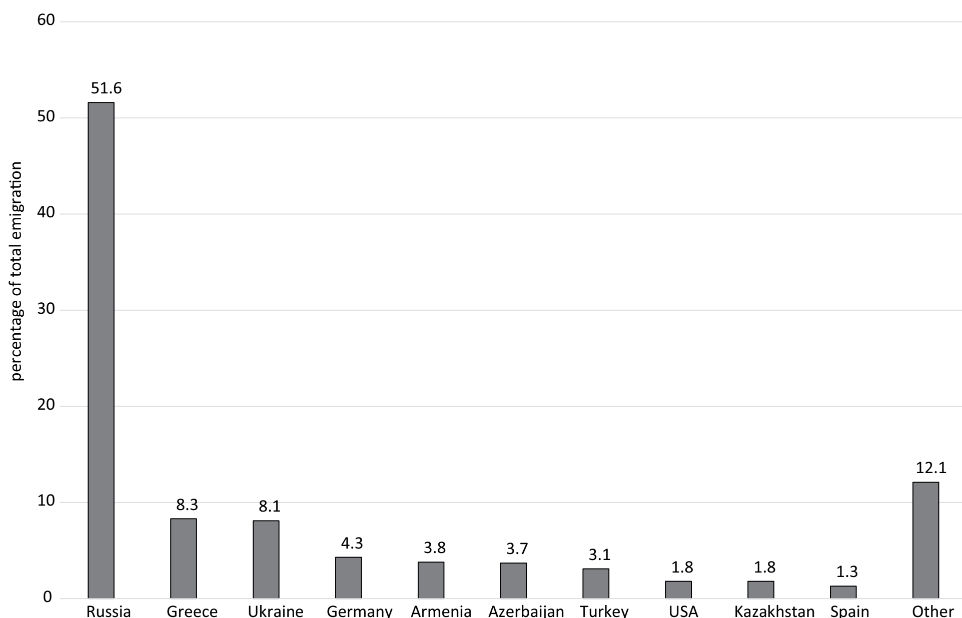
	1989		2014	
Ethnic Group	(thousands)	(per cent)	(thousands)	(per cent)
Georgians	3,787.4	70.1	3,224.6	86.8
Abkhazians	95.9	1.8	–	0
Ossetians	164.1	3.0	14.4	0.4
Armenians	437.2	8.2	168.1	4.5
Azerbaijanis	307.6	5.8	233.0	6.3
Russians	341.2	6.3	26.5	0.7
Greeks	100.3	1.9	5.5	0.1
Ukrainians	31.3	0.6	6.0	0.2
Jews	24.8	0.5	–	0
Yazidis	33.3	0.7	12.2	0.3
Kists	–	0	5.7	0.2
Assyrians	5.4	0.1	2.4	0.1
Others	56.6	1.0	14.3	0.4
Total	5,400.8	100	3,713.8	100

Note: Figures for 2014 do not include Abkhazia and South Ossetia.
Source: National Statistics Office of Georgia, *General Population Census, Main Results* (Tbilisi, 2016), 8.

of natural growth and international migration, population decline is the dominant characteristic of the entire period of independence.

Given the continuing unattractive socio-economic conditions in Georgia, negative trends in external migration will likely continue. The distribution of emigrants by country of destination presents an interesting picture. Russia remains the leading country for Georgian emigrants, followed by Greece. Most emigrants are representatives of Georgia's ethnic minorities, a process that has dramatically changed the ethnic composition of Georgia. The share of the ethnic Georgian population grew from 70.1 per cent in 1989 to 86.8 per cent in 2014, yet the absolute number of ethnic Georgians declined by more than a half million, or by 15 per cent (Table 2.2). The population of ethnic Azerbaijanis, meanwhile, decreased by 20 per cent, Armenians by 55 per cent, Ossetians by 80 per cent, Russians by 90 per cent, and Greeks and Jews by 95 per cent. If Armenians were the largest ethnic minority in 1989, followed by Russians, they have been replaced by Azerbaijanis, who by 2014 outnumbered Armenians and Russians combined. As Figures 2.7 and 2.8 show, the countries of emigration and immigration

Figure 2.7. Top Ten Countries of Emigration of Georgian Citizens, by Share, 2014

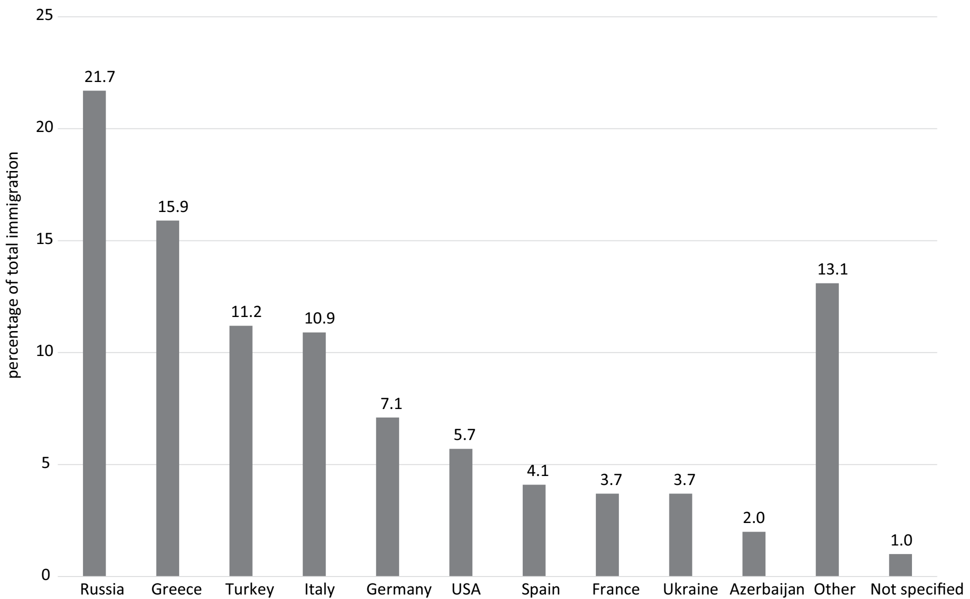


Source: National Statistics Office of Georgia, *2014 General Population Census: Main Results* (Tbilisi: Geostat, 2016), 14–16.

strongly correlate, which indicates a high rate of repatriation among emigrants. Emigration also has a gendered character: women, for example, are the majority of emigrants to Italy (86 per cent) and Greece (83 per cent), while emigrants to Russia and Ukraine are predominantly men (71 and 79 per cent, respectively). Internal migration, for its part, has an intensive character in Georgia. Between 2002 and 2014, 28.5 per cent of the population changed residence inside the country. One-third of the internal migration is towards Tbilisi – the population of the northern mountainous provinces significantly decreased, while Tbilisi was partially compensated for its losses abroad through internal migration.

Natural growth and migration have significantly changed the age and sex structure of Georgia's population. The tendency towards a decrease in births and the aging of the population has been apparent since the 1960s, but it has become a far greater problem since the 1990s. The share of the population below age fifteen fell from 24.8 per cent in 1989 to 18.6 per cent in 2014, while the percentage of people over age sixty-five grew from 8.8 to 14.3 per cent. In the period between the last two population censuses (2002 and 2014), the median age of the population grew by two years to 38.1 (35.9

Figure 2.8. Top Ten Countries of Immigration to Georgia, by Share, 2014

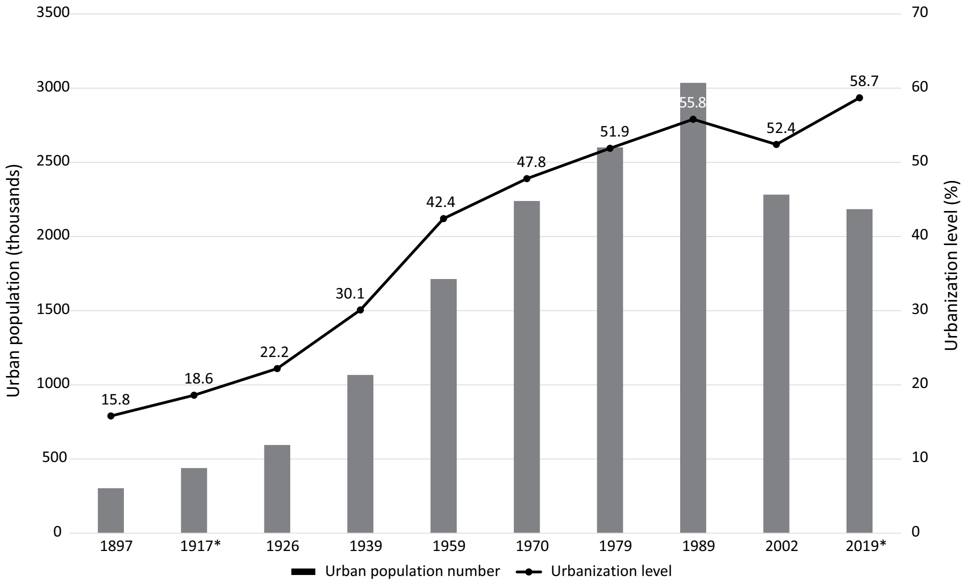


Source: National Statistics Office of Georgia, *2014 General Population Census: Main Results* (Tbilisi: Geostat, 2016), 14–16.

for men and 40.1 for women). The population of the "youngest" region of Kvemo Kartli has an average age of 35.6, while in mountainous Racha-Lechkhumi and Kvemo Svaneti, it is 48.2. Demographic aging is an acute problem for Georgia, and it will negatively influence many fields of public and private life. Georgia can expect further depopulation of mountainous regions and the shrinkage of economically weak settlements, a reduction in the workforce, a growth in the number of people dependent on the economically active section of the population, and increased state subsidies for pensions and health care. There will also be a reduction in numbers in secondary schools and higher educational institutions.

Demographic processes and migration have changed the territorial distribution of the population. Outside Tbilisi, the age and sex structure was distorted, which decreased birth rates and increased death rates; this, along with the negative migration balance, led to a population decline in all regions of Georgia between 2002 and 2014, from 10 per cent in Achara to the highest, 37.4 per cent, in mountainous Racha-Lechkhumi and Kvemo Svaneti. The exception was Tbilisi, where population growth was 2.5 per cent between 2002 and 2014.

Figure 2.9. Dynamics of Urban Population Change, Georgia, 1897–2019



Note: Data from non-census years (marked with an asterisk) are estimates.

Sources: Authors' compilation based on V. Jaoshvili, *urbanizatsiia gruzii: genezis, protsessi, problemi* (Urbanization of Georgia: Genesis, processes, problems) (Tbilisi: Metsniereba, 1978), 63; *sakartvelos geograpia* (Geography of Georgia), vol. 2, *sotsialur-ekonomikuri geograpia* (Socio-economic geography) (Tbilisi: media servisi, 2003, 27); and National Statistics Office of Georgia.

Urbanization, Cities, and the Underdeveloped Urban System

In 2018, 2.2 million people, or 58.3 per cent of the population, lived in Georgia's urban areas. Between the two censuses of 2002 and 2014, the absolute number of urban dwellers dropped by 145,000, but the share of urban citizens increased significantly, by 5.1 per cent, reaching a historical record. Figure 2.9 shows that, after relatively fast urbanization driven by Soviet industrialization in the 1930s through the 1950s, Georgia's urban population continued to grow at moderate rates, though it decreased in the 1990s. Only since the mid-2000s has the share of the urban population started to grow again.

Georgia's relatively low urbanization has had mostly negative implications for the country's economic potential and performance. It has also had a significant impact on the sociocultural traits of the

population. Declines in the urban population since independence "constitute a brain drain that had a particularly negative influence on human capital in urban areas. Whereas rural-urban migration made up merely partially for urban population losses, it compensated less for the deficit in qualified urban labour."[15]

The comparison of population numbers in Georgian cities recorded by the last three population censuses in 1989, 2002, and 2014 shows a troubling trend: almost all urban settlements lost population. There are a few exceptions, such as Batumi, Zugdidi, and Mtskheta, and a couple of smaller towns with fewer than 10,000 population (Tsalenjikha, Kareli, Tsnori, Tsageri), where we can observe population growth over this period. As well, the larger cities – Tbilisi, Rustavi, Batumi – showed positive population growth over the 2002–14 period. However, the majority of smaller towns and cities declined in population. Either stagnant demographic growth or population loss in many Georgian cities and towns reflects a number of anomalies in the national urban system, such as the hyper-dominance of the capital city, the uneven territorial distribution of urban settlements, and the lack of medium-sized cities.

Tbilisi is by far the largest city in Georgia. Its dominance grew during the Soviet period, when the capital cities of the smaller Soviet republics, such as Georgia, increased their industrial potential, infrastructural provision, and human capacity, while other cities were almost ignored. In the post-Soviet period, under a market economy, Tbilisi gained even more relative importance. Today, it concentrates more than half of Georgia's urban population and almost 30 per cent of the overall population, and has a very high share of economic and sociocultural potential.

The population gap between Tbilisi (population 1,171,000 in 2019) and other cities is very wide, with the three biggest cities following Tbilisi having populations of 100,000–200,000, and altogether containing less than 500,000 citizens. The difference between Tbilisi and Batumi, the second-largest Georgian city, is more than sevenfold. There is another wide gap in the distribution of cities: there is no middle-sized settlement with a population between 50,000 and 100,000; instead, all other towns are under 50,000, and most (thirty-one out of fifty-four) have fewer than 10,000. Urbanization in Georgia is further characterized by huge territorial disparities in that the country is unevenly covered by urban settlements. Almost 70 per cent of the urban population is concentrated on 1 per cent of Georgia's territory, creating vast differences in urbanization levels between different municipalities and regions of the country, and leading to significant inequality in population densities. In the regions, low urbanization rates are typical: except for Tbilisi, only Achara is predominantly urban, at almost 56 per cent of the population,

while more than one-third of the regions do not reach even a 30 per cent urbanization level.

The economic base of most urban settlements in Georgia is weak and unsustainable. In the post-Soviet era, many urban settlements unsuccessfully sought new economic sources to replace industries that had disintegrated after the fall of the Soviet economy. Obstacles to development included the lack of strategic support from the government, high unemployment, a labour skills mismatch, underdevelopment of the private sector, especially small and medium enterprises, and low labour productivity. All this aggravated the process of economic recovery and growth. Most towns do not have enough resilience for growth and development in a sustainable way. The economic structure, even in the advanced and larger urban settlements, such as Tbilisi, Batumi, Kutaisi, and Rustavi, is unsustainable for competitive economic growth in the coming years. Highly competitive knowledge-based branches, which require high labour qualifications, need to be promoted. This could include pharmaceuticals, information and communications technologies, chemical products, and high-level financial services for the region. The bigger cities, especially Tbilisi, need to stimulate and integrate the economies of the surrounding smaller urban settlements.

Good strategic planning, a vision for development, together with good governance are preconditions for improvement of the socio-economic situation in Georgia's urban settlements. This requires extensive spatial planning. Tackling regional disparities between urban areas at the national level should be the task of the central government in the coming years. The replacement of the traditional urban population by the population of smaller towns and rural settlements has reduced the overall quality of the urban labour force and reduced human capital in many cities. Tbilisi has experienced obvious sociocultural changes. Revaz Gachechiladze writes:

> Most emigrants are white-collar workers; some are representatives of the numerically few middle or even upper middle classes, all of them urbanized. The "substitute" population in Tbilisi is represented by in-migrants from small provincial towns or rural areas of Georgia … They are predominantly young, less educated people, who use Tbilisi as the arena of their commercial, and sometimes criminal, activities. Some of the IDPs [internally displaced persons] also attempt to settle in the capital … The recent in-migrants are substantial in number … They cannot adapt very rapidly to the urban way of life, because "urban activities" are restricted by the economic crisis.[16]

Although some aspects of urban life and culture are affecting rural areas, this process is still weak, and will need many decades to reach Western standards.

Conclusion: Georgia's Shifting Geography

Georgia's geographical image has cardinally changed over the past quarter-century as the country's geographical situation acquired different meaning and significance. Since independence, Georgia's geographical location has revealed positive and negative traits that were unimportant during the Soviet period, as they then had no practical meaning. With independence, geography has become the single most important asset determining Georgia's political and economic importance in the modern world, but it presents the country with a number of challenges.

First, Georgia's natural resources potential has been radically revised since independence. The impression of a country rich in resources and unique in natural beauty was replaced with a more realistic view of a country experiencing a scarcity of strategically crucial resources, such as oil and gas. Georgia's traditional market vanished with the end of the enclosed Soviet economic space, and the country has not become competitive in the open international market. Second, since the Georgian economy was highly dependent on the Soviet economic system, the collapse of the USSR led to the dismantling of Georgia's economy, deindustrialization, and massive and rapid changes in the sectoral and territorial structures of its economy. Third, Georgia found itself in a most unfavourable political situation, with 20 per cent of its territory occupied by the Russian Federation. This has hindered the implementation of a new territorial-administrative arrangement, an effective system of self-government, administrative and economic decentralization, and the development of an advanced technical, social and cultural infrastructure. Fourth, the country has encountered dramatic demographic problems expressed by huge population loss resulting from diminishing birth rates and mass outmigration. Almost one-third of the population was lost during the first twenty-five years of independence – several provinces and rural areas face severe depopulation – and the age and sex composition of the population was significantly distorted in ways that retard economic development. Finally, city life in the country has acquired pseudo-urban traits, in that many rural migrants do not share urban values or understand urban culture. Small cities and towns have lost their economic bases

for development, and are scrambling for a place in the national urban system.

Georgia faces many difficulties as its elites try to change its economic structure, shifting the country towards a private property–based market economy. These changes cannot be implemented without a cardinal transformation of the political and educational system and of state bodies. Georgia has chosen integration with the West. Its changed geography could help in the process as a link to the Middle East and Far East. Georgia has to secure its special place and role politically, economically, *and* culturally. If it were to do so, Georgia could become a strong, successful, and prosperous state, not an illusory one as it was in Soviet times. But this will require strategic thinking and regional peace, two requirements that right now hold little promise.

NOTES

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3 J.D. Sachs and A.M. Warner, "Natural Resource Abundance and Economic Growth," NBER Working Papers 5398 (Cambridge, MA: National Bureau of Economic Research, 1995).

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5 E. Paltseva and J. Roine, "Are Natural Resources Good or Bad for Development?" *Free Network*, 21 November 2011, online at http://freepolicybriefs.org/2011/11/21/are-natural-resources-good-or-bad-for-development/.

6 Mehlum, Moene, and Torvik, "Institutions and the Resource Curse," 116.

7 "Georgian Manganese – Company Profile," *Green Alternative Document*, 2017, online at http://greenalt.org/wp-content/uploads/2017/02/GM_Company_Profile_Geo_2016.pdf.

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9 See Wikipedia, "Foreign Trade of the Soviet Union," online at https://en.wikipedia.org/wiki/Foreign_trade_of_the_Soviet_Union.

10 *sakartvelos geograpia* (Geography of Georgia), vol. 2, *sotsialur-ekonomikuri geograpia* (Socio-economic geography) (Tbilisi: media servisi, 2003).
11 World Bank, "World Bank National Accounts Data and OECD National Accounts Data Files: GDP (current US$) – Georgia," online at http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=GE.
12 Georgia, National Statistics Office of Georgia, "Agriculture," online at http://www.geostat.ge/index.php?action=page&p_id=428&lang=eng.
13 It is remarkable that Georgian statistics consider people who own agricultural land parcel(s) as self-employed in agriculture.
14 G. Meladze, *sakartvelos demograpiuli gamotsvevebi* [Demographic challenges of Georgia] (Tbilisi: Universal, 2007).
15 UN Habitat, *The State of European Cities in Transition 2013: Taking Stock after 20 Years of Reform* (Krakow: Institute of Urban Development, 2013), 207.
16 R. Gachechiladze, *The New Georgia: People, Space, Politics* (London: UCL Press, 1995), 164–5.

3 Economic and Regional Factors in Georgia's Political Transformation

MIKHEIL TOKMAZISHVILI

Introduction

Georgia's economic and institutional development is determined by a complicated regional relationship with neighbouring countries: Armenia, Azerbaijan, Russia, and Turkey. Georgia has an important geographical and trade relationship with all these states, but is hampered in its economic development by its occupied territories in South Ossetia and Abkhazia, where the Georgian government has no jurisdiction. Georgia needs an open market with its neighbours to facilitate the free flow of goods and services, but many constraints at the intrastate and interstate levels have divided the South Caucasus region into one of conflicting states and an absent common market.[1]

This chapter looks at Georgia's regional and geopolitical role, with a particular focus on policies of economic cooperation in the region. What has been the effect of regional disintegration on foreign trade processes in the South Caucasus, and can Georgia' s economy thrive despite complicated relations with Russia and the secession of breakaway territories? Can we talk meaningfully of regional integration in the South Caucasus? Throughout its history, Georgia has been under the rule of various conquerors, including the Mongol, Ottoman, Iranian, and Russian empires. Georgia occupies an attractive strategic location, but as a result has been the subject of collisions between powerful empires, fighting for control over trade routes and tributaries of the Silk Road, which traversed the Caucasus, connecting China with the Mediterranean world.

Georgia became part of the Russian Empire at the beginning of the nineteenth century. For much of the second half of that century, a Caucasian viceroyalty united the regions of the Caucasus into a single economic and administrative unit. Transport communications were developed across the region, including a railway from the Caspian to the

Black sea and a kerosene pipeline from Baku to Batumi. Tbilisi became the commercial hub for all South Caucasian provinces and districts. But the complicated multi-ethnic character of the region and its economic backwardness, especially regarding internal communications, made integration of the peoples and territories of the South Caucasus difficult.

After the revolution of 1917, there was an attempt to create a Transcaucasian federation, the Transcaucasian Democratic Federative Republic, which was created on 22 April 1918, but collapsed after only a month, on 26 May. It was doomed to failure because of interethnic conflicts and contradictions that could not be resolved at a time of revolution and war. Georgia had territorial disputes with Azerbaijan and Armenia, both of which had territorial claims on Georgia's southern regions. One of the most pressing problems was Ottoman Turkey, which annexed Georgian territories under conditions laid out in the Brest-Litovsk treaty of March 1918. Throughout the period of Georgian independence (1918–21), Turkey maintained a hostile position towards Georgia's territorial claims in the districts of Artvin, Ardahan, and Batumi, in Georgia's southwest, and sponsored internal revolts and military incursions into the young state. Despite attempts to unite around trade, transit, and commercial agreements, the three South Caucasian republics all fell to Soviet annexation between 1918 and 1921 due to internal weaknesses, lack of a common front, and the Bolsheviks' own imperial ambitions.

After occupation by Soviet Russia in 1921, Georgia became part of the Soviet Union and was incorporated into a single regional political entity, the Transcaucasian Socialist Federative Soviet Republic (TSFSR, 1922–36), comprising the soviet republics of Armenia, Azerbaijan, and Georgia. The federation was one of the four constitutive republics of the USSR, and was designed to encourage interethnic cooperation and economic coordination of the region. It was supposed to be a model of economic efficiency and regional cooperation. The TSFSR permitted Armenia, Azerbaijan, and Georgia to maintain their own government and party structures, formally preserving their autonomy and right to self-determination. At the same time, the republics' separate monetary systems, railway management, foreign trade, and major industrial concerns were united under the TSFSR Council of People's Commissars. This fulfilled the Marxist goal of large efficient units, but it was also a method for creating greater economic efficiencies and maintaining multi-ethnic peace in the region.

There were major difficulties in coordinating government and decision making at the Transcaucasian level. A number of Georgian Bolsheviks, called "national deviationists" by Stalin, led resistance to the federation in the 1920s. Internal tensions between the Transcaucasian

republics, competition over resources, rivalries among leaders, and Moscow's desire to display to a foreign audience its largesse towards national minorities, led in the end to the creation of three separate republics in the South Caucasus in 1936, along with a new Soviet constitution. The Georgian Soviet Socialist Republic (SSR), the Armenian SSR, and the Azerbaijan SSR became union republics, although that did not give them any greater economic control, which remained in the hands of Moscow.[2] Abkhazia, which until 1931 was a member of the TSFSR as a "treaty republic" of Georgia, was made an Autonomous Soviet Socialist Republic (ASSR) within Georgia, along with the Acharan ASSR.[3]

After the collapse of the USSR and the restoration of independence in 1991, ethno-political tensions in Georgia encouraged centrifugal forces once again, leading to the secession of its Abkhazian territory in 1993. In neighbouring Azerbaijan, Nagorno-Karabakh, whose population was largely Armenian, seceded. During this anarchic post-imperial period of the early 1990s, the first president of Georgia, Zviad Gamsakhurdia, proposed greater unity among the Caucasian republics. He called for the formation of a "Common Caucasian Home," aiming to reach some degree of stability in the South Caucasus and union against Russia as the common enemy. The proposal was supported by Chechen president Dzhokhar Dudaev, but few others. As Stephen Jones notes (in Chapter 1 in this volume), there was neither the political will nor the administrative capability for such a union.[4]

The initiative was raised again in 1996, when Azerbaijan and Georgia signed a memorandum on "Peace and Cooperation in the Caucasus." Known as the "Caucasian Initiative," it was designed to achieve political and economic stability in the Caucasus through dialogue, with the active participation of Turkey and European organizations in establishing a "just peace" in the region. But conflicts remained unresolved, in part due to Russian meddling, and have since been "frozen" despite intermittent mini-wars and attempts at political reconciliation. President Eduard Shevardnadze, who came to power in 1992, launched a pro-Western foreign policy, but Russian pressure and control over the territorial conflicts in Abkhazia and South Ossetia forced Georgia to join the Russian-dominated Commonwealth of Independent States (CIS) in December 1993.

Georgia's Regional Identity and the International Context

The regional identity of Georgia is linked to its economic and political role in the South Caucasus, to its integration with the European Union, and to its economic and political relationship with neighbouring states. Georgia inhabits a region full of tensions, both among Caucasian

neighbours and between Caucasian states and Russia. The political, economic, and social challenges of Azerbaijan, Armenia, and Georgia are completely different. Economic integration as a policy for promoting economic growth, stability, and peace thus must accommodate widely different economic and political development in the South Caucasian states. Georgia's South Caucasian neighbours do not have the same goals and values regarding democratic development in the region, and there are no common economic strategies to deal with globalization and its impact on the region. The South Caucasus, in the words of Björn Hettne, is a "regional anarchic society"[5]; it contains more powerful centrifugal vectors than centripetal ones, and all three states have competing economic, political, and security orientations. Georgia is oriented towards the West, and wishes to become a member of NATO. It has an Association Agreement with the EU, part of which is the Deep and Comprehensive Free Trade Agreement (DCFTA), signed in 2014. Armenia, in contrast, chose to join the Russian-led Eurasian Economic Union (EAEU), has close relations with Russia, and has dropped its association negotiations with the EU. But since Armenia's Velvet Revolution in 2018, the country has moved closer to the EU once more. Azerbaijan has pursued a policy of balanced relations with Russia and the West, but it is a dictatorship dependent entirely on energy exports for foreign revenue earnings.

The role of Georgia in the South Caucasus is primarily as a regional node of economic activity, including giving Armenia and Azerbaijan access to Europe through its ports on the Black Sea. Georgia's geopolitical location is an important crossroads for Russia and its connections to its strategic partner Armenia, and for Azerbaijan for the transportation of its energy resources to Turkey. In addition, Georgia serves as a transit bridge between the West and South – the hydrocarbon resources of the Caspian Sea Basin are supplied to the EU across Georgian territory – and between the North and East, including Russia's trade with Armenia and Iran. Georgian governments have consistently aimed for trade liberalization with neighbouring states. Georgia has supported the removal of trade barriers on a global basis as a member of the World Trade Organization (which it joined in 2000), and its goal is to strengthen regional ties through bilateral and multilateral agreements.

Cooperation or Confrontation?

Since independence, Georgia has seen periods of growth and economic failure. In the Shevardnadze era, post-1995, Georgia started a large number of reform initiatives targeted at liberalization, privatization,

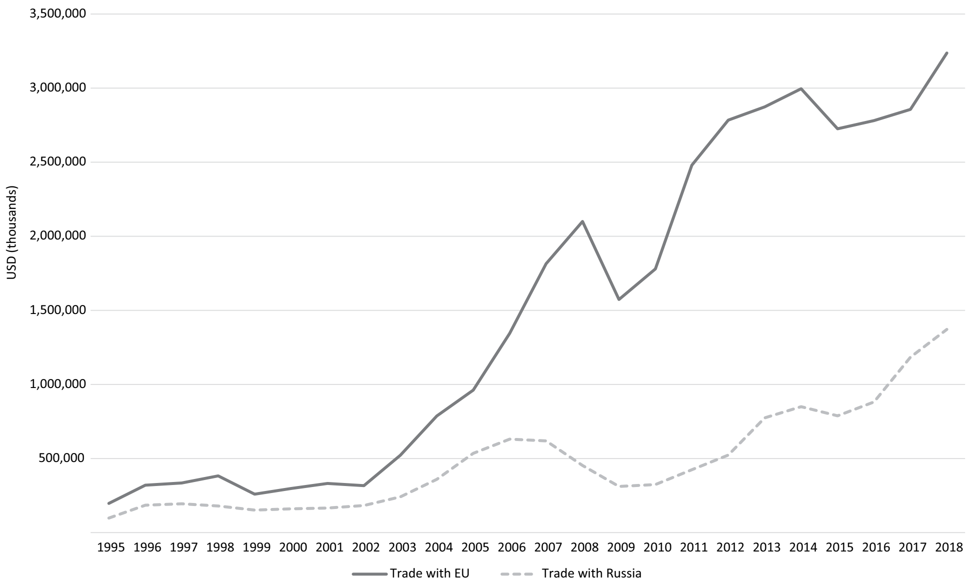
deregulation, and simplification of trade regulations. The reforms were supported by the World Bank and the International Monetary Fund (IMF). Georgia became a member of the World Bank Group in 1992. The first financial help from the West came in 1995, when the World Bank and the IMF granted Georgia a credit of US$206 million (Germany added another DM 50 million). Part of Georgia's total debt of US$800 million had to be cut. In 1995, after a four-year decline in growth, Georgia finally reversed the trend, and economic growth increased by 2.4 per cent.[6] Since then, World Bank credits, loans, and grants for infrastructure, education, health care, and economic reform have amounted to over US$1.68 billion.

Economic relations between Georgia and other counties in the Caucasus face many obstacles. Due in large part to ethnic and political conflicts, the South Caucasus is divided into isolated internal markets, which adds to the low competitiveness of the region as a whole.[7] The strategic and economic goals of countries in the region are often at odds. Georgia strives to abide by the EU's four freedoms: the free movement of people, goods, services, and capital. The National Security Concept of Georgia describes its integration into the European Union as one of the country's most important strategic goals.[8] During the 1995–2018 period, exports from Georgia to the EU increased by 37.2 times and imports by 14.1 times, while exports to Russia increased by 8.9 times. Over the same period, total trade with the EU increased by 17.5 times, while trade with Russia increased by 14 times (Figure 3.1).

Armenia and Russia, on the other hand, are members of a competing, but much weaker, Eurasian Economic Union, created in 2014. Turkey has become a major player in the Georgian market since the liberalization of foreign trade, but its allegiance to European values is under question, and illegal trade by Turkish businessmen with the breakaway region of Abkhazia has led to tension in its political relations with Georgia. Iran, too, with the easing of sanctions in 2016, has increased its presence in the region, although this might be reversed in light of the US withdrawal from the Joint Comprehensive Plan of Action (JCPA) with Iran, signed in 2015.

Iran wants access to Georgia's Black Sea ports through Armenia. Iranian trade with Georgia more than tripled during the 2006–15 period, even without the easing of sanctions under the 2015 JCPA agreement. Iran is attempting to increase its geopolitical role in the South Caucasus. Despite Iranian and Russian rivalry in the South Caucasus, both have managed to synchronize their electricity transmissions systems, which connect through Georgia and Armenia. Iran is considering building a

Figure 3.1. Georgia's Trade with the European Union and Russia, 1995–2018



Source: National Statistics Office of Georgia (www. http://www.geostat.ge/).

new railway infrastructure to Georgia through Azerbaijan, and recently talked of signing a free trade agreement with the Eurasian Economic Union.

Georgia is at the centre of an arena of powerful states. Due to the political conflict between Armenia and Azerbaijan, the Georgian market is the best place for mutual trade and economic relations in the South Caucasus. At the same time, due to the conflicts in Abkhazia and South Ossetia, Georgia's market is unattractive for many Western investors.

Georgian-Azerbaijani Relations

Trade relations between Georgia and Azerbaijan are solid, and Azerbaijan is Georgia's largest trading partner after Turkey. From Azerbaijan, Georgia receives oil and oil products, such as petroleum, gas, and gasoline, while Georgia's largest exports to Azerbaijan are cars, cement, and cattle. In 2006, 97 per cent of Georgia's gas came from

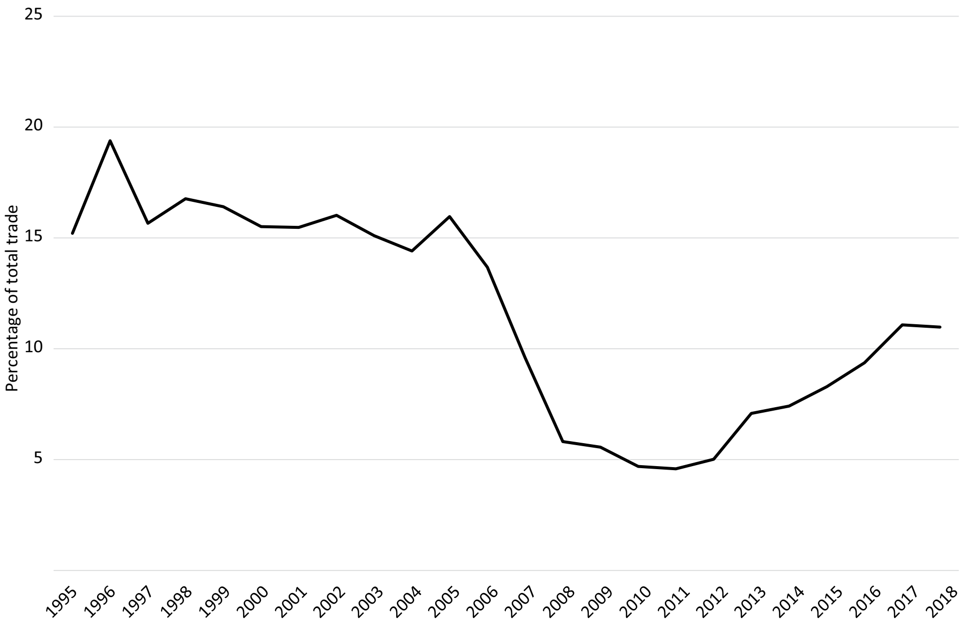
Russia, with a comparatively small amount from Azerbaijan and a tiny portion from Iran. At the end of January 2006, an explosion in the main pipeline in southern Russia, which supplied gas to Georgia and Armenia, triggered an energy crisis, leaving the Georgian population without heating for almost ten days in the winter. The Georgian government accused Russia of sabotage. Following this experience, and especially after the Russo-Georgian war of 2008, Azerbaijan become the main gas supplier to Georgia. According to a 2016 report of Georgia's Regulatory Commission for Energy and Water Supply, that year the country imported 89.9 per cent of its total energy consumption. Of the Azerbaijani gas that was imported, 37.5 per cent came as part of the BP-operated South Caucasus Pipeline, which transports gas from the Caspian Sea to Turkey via Georgia, and 52.5 per cent came as part of a separate contract with Azerbaijan. Georgia also receives, as a transit fee, gas shipped by Russia to Armenia through a pipeline running via Georgia.

Economic cooperation between Georgia and Azerbaijan is conditional not only on geographic proximity, but also on mutual dependence on the transit of energy resources from Baku to the West. Both countries need to cooperate to avoid the threat of Russian domination in the South Caucasus. This makes Azerbaijani-Georgian relations a strategic political alliance. EU countries are major economic partners with Azerbaijan, and imports from Russia play an important role in Azerbaijan's economy. But Russia's regional and political power in the South Caucasus is often expressed through the unresolved conflicts in Nagorno-Karabakh, Abkhazia, and South Ossetia. Foreign trade is vital to both Georgia and Azerbaijan to balance Russia's economic influence.

Georgian-Russian Relations

The process of political and institutional integration with the European Union has been accompanied by a significant decline in trade between Georgia and Russia, despite a traditionally strong economic partnership and mutually compatible markets (see Figure 3.2). Tense relations with Russia stimulated Georgia to look for alternative markets. After the Russo-Georgian military conflict of 2008, revenues from trade with Russia decreased by 7.3 times in comparison with 2005. Over the 2005–8 period, Georgia's exports moved mainly to Ukraine, with revenues from trade with Ukraine increasing by 3.6 times.[9] EU markets have also become an alternative to Russian markets as part of a long-run economic

Figure 3.2. Georgia's Trade with Russia as a Percentage of Total Georgian Trade, 1995–2018



Source: National Statistics Office of Georgia (www. http://www.geostat.ge/).

strategy, but Russia retains its leading role in the economies of Armenia and Azerbaijan.

Between 2005 and 2013, the Russian Sanitary Inspection Service banned most Georgian imports, which made the Russian market unreliable and risky. Russia wished to pressure Georgia, restore its own influence, and impede Georgia's movement towards NATO. Yet imports from Russia continued, even in the period of armed conflict in 2008. The ban has mostly ended. If in 2010 Russia's market share of Georgia's total exports was 2 per cent, in 2017 it was 10.4 per cent.[10] Recently, Georgia's relationship with Russia has gained a new dynamism. Georgia remains the only land link between Armenia and Russia – transiting Azerbaijan is politically impossible for Armenia – and so Georgia is central to Armenian-Russian trade relations. Georgia worried that greater integration with the EU would be followed by a severe reaction from Moscow. Moscow, it feared, would punish Georgia for signing the DCFTA, as it did with Ukraine. This has not happened[11] – products such as mineral water,

wine, vegetables, and fruits continue to reach the Russian market. Permission for other products to enter Russia still depends on the "behaviour" of the Georgian government. This uncertainty, and Russian manipulation of free trade, has forced Georgia to diversify its main export products to the EU and other countries. New markets should ensure better opportunities, and minimize the risks of the fluctuating foreign policy of Russia in the "Near Abroad." In this respect, the European market is vital for stabilizing Georgia's export revenues. Recently, the Chinese market has become important, and its share in Georgia's wine exports has increased significantly[12] – currently, it is the fifth-largest importer of Georgian wine, after Russia, Kazakhstan, the EU, and Ukraine.

Georgian-EU Relations

Georgia is increasingly tied to the West in terms of trade and economic policies. Economic relations with EU members have grown, and the share of EU countries in Georgia's total trade turnover has increased year by year. If in 2010 exports to EU countries accounted for 18.4 per cent of Georgia's total exports and 28 per cent of imports, in 2017 these figures were 24 per cent and 27.7 per cent, respectively.[13] The Association Agreement (AA) and the DCFTA are important steps in strengthening economic relations between Georgia and its European partners, but, as noted above, there is some scepticism as to the benefits of these two agreements. What opportunities do they really open up, and are there any consequences and risks for Georgia and the South Caucasus as a whole?

The free trade agreement between Georgia and the EU will increase Georgia's standing as a reliable place for investment. Under the DCFTA, Georgian companies will be able to set up a subsidiary or a representative office in the EU, and vice versa. For Georgian companies, it will be easier to enter the European market and promote their products directly. Duty-free trade will spur investment. It will be cheaper and easier to export and import goods, and easier to provide services between different types of businesses.[14] Investment opportunities for European countries will be enhanced, and Georgia's institutional ties with EU member states will be strengthened. The DCFTA, most importantly, is a strategic plan, which stimulates the implementation of institutional reforms for strengthening democracy and the rule of law. The DCFTA demands harmonization of legislative and regulation systems. It covers a wide range of trade-related issues – food safety, competition policy, intellectual property protection, financial services – and provides a gradual harmonization of

trade-related legislation with EU law. It encourages Georgia to adapt to the EU's internal market through the free movement of goods, services, and capital. On 28 March 2017, a visa-free regime with the EU countries entered into force.

In recent years, trade in agricultural products between the EU and Georgia has remained limited because of food safety issues. Under the DCFTA, the reform of Georgia's food safety regulations, including compliance with EU sanitary requirements, will ensure that its food products meet international standards. These measures will boost Georgia's exports of agricultural products. Under the free trade agreement, Georgian export of fruit juices to the EU more than tripled in the first six months of the DCFTA.[15] So-called technical barriers to trade are the main challenges for Georgia; they affect industrial products when different rules are applied – for example, on product labelling. Based on EU rules, however, the DCFTA reform will upgrade, step by step, the quality of goods made in Georgia. According to a joint survey by *Ecorys* (Netherlands) and the Center for Social and Economic Research (Poland), the DCFTA is expected to increase Georgian exports to the EU by 12.4 per cent and imports by 7.5 per cent.[16]

Free trade with the EU will not only affect the structure of the Georgian economy; it will also address the task of long-term development. It is not easy to change economic patterns that have been in place for many decades. Georgia currently exports mostly raw materials and chemicals from the mining and manufacturing sectors. Its most important agricultural exports are beverages and spirits, fruits and nuts, and animal products. The DCFTA is unlikely, however, to influence significantly the structural content of Georgia's trade balance with the EU itself. The DCFTA will not reduce or enhance the relative competitiveness of other countries' products in Georgia, and it is unlikely that products from the EU will swamp Caucasian markets. In the short and medium term, due to the radical difference in prices between the EU and CIS countries, the impact on Georgia's trade partners, such as Azerbaijan, Armenia, and Russia, should remain largely unchanged. There might be some benefit, however, for South Caucasian states, as their goods, including both semi-manufactured products and raw materials, can be reprocessed in Georgia, and such products could be brought to the EU market with the label "made in Georgia." In this way, Russia and Armenia, as well as Azerbaijan, could direct products reprocessed in Georgia to European markets.

The DCFTA, however, also creates obstacles for the Georgian economy. For one, the agreement requires higher standards. This will entail costs.

The export of agricultural products will be a major concern for Georgia's manufacturers due to EU compliance requirements. The deadline set for a country's fulfilment of the DCFTA commitment is ten years.[17] Other reforms are needed in areas of public procurement, customs, the regulatory framework for services, transparency, and intellectual property rights. Specific reform objectives are outlined in the political and justice, and freedom and security parts of the AA. Indeed, in the short term, the DCFTA's implementation poses more challenges to Georgia than gains. Increased imports from the EU might put additional pressure on domestic producers, including higher prices for goods and services, especially for key food products, a key concern when one-third of Georgians live below the poverty line.[18] The gap between the wages of skilled and unskilled labour could increase, with possible job losses and declining incomes overall.[19]

Other problems are related to access to markets. According to a study on EU-Georgian trade relations, "the costs of the transportation will be much higher for Georgia than for other Central European states because the CIS markets take a big portion of Georgia's trade, and these generally require use of non-EU technical norms. As a result, Georgian exporters will be torn between different sets of technical norms, the EU ones needed for the Georgian and EU markets, and the non-EU ones needed for all the other markets. Producing goods with different norms (EU, CIS, etc.) is unlikely to be affordable for many Georgian producers."[20]

Reforming the Georgian economy according to EU rules also brings risks regarding relations with members of the EAEU. Currently, the EAEU is an incoherent structure, with vague prospects; however, it will likely set high external tariffs or other non-tariff barriers for non-members such as Georgia, and by doing so create significant trade obstacles. The EAEU is designed to establish a closed, single-high-tariff zone to avoid competition from the EU and eventually to introduce a single currency, in order to reduce the power of the US dollar and the euro. This will lead to greater fragmentation of the Caucasian market.

The creation of trade zones, giving EAEU member states exclusive trade privileges, will negatively affect Georgia. It will also be painful for Azerbaijan, as rising tariff barriers will limit export trade with Russia. Trade between Georgia and Armenia will be affected, as the latter is an EAEU member state. Greater isolation and market fragmentation are a likely scenario in the Caucasus as the EAEU gains members and economic power. The unpredictability of the Eurasian market will force

Georgia to seek new markets and to reduce the risk of damaged trade relations with EAEU members.

For Armenia, the EAEU promises benefits such as low tariffs on gas and other hydrocarbon resources. However, since its only land trade route to Russia is through Georgia, any worsening of Georgia-Russian relations will negatively affect Armenia's economy. One of the difficulties of the EAEU for its members is Russian dominance: Russia has by far the biggest economy of any members of the zone, and is rich in energy resources. Russian economists recognize that the EAEU will eliminate non-tariff barriers, and as a result Russia's state budget could lose revenues from its hydrocarbon resources at a cost of about US$33 billion by the end of 2020.[21] But in exchange, Russia will gain geopolitical, security, and political dividends. A single currency space in the EAEU is unrealistic, as in all member countries the dollarization rate is high. Gaining popular trust in the new currency will be problematic.

The DCFTA and the EAEU are rivals in the South Caucasus. At present, there is no compatibility between the two trade zones. Georgia might be one of the losers in this competition, although Georgian enterprises exporting to countries that are not members of the EU will not be obliged to manufacture their goods in accordance with EU standards. Trade between Georgia and EAEU countries (such as Russia and Armenia) can still take place if compliance with the EAEU rules is successfully negotiated. For the most part, the European Free Trade Agreement has been able to speak with one voice while allowing individual members to decide their own bilateral policies.[22] If the DCFTA allows the signatories individually to review and manage trade issues with EAEU member states, this gives Georgia some options. Overall, however, the incompatibilities between the DCFTA and the Eurasian Union deepen the isolation of Caucasian economies and trade with one another in the region. The EAEU is not a good strategic option for Georgia.

Georgia's Secessionist Territories: Prospects for Cooperation

Before the 1992–94 conflict, Abkhazia had well-developed industrial, agricultural, tourism, and transport networks. Abkhazia's economic structure was shaped for the Soviet market. Important industrial sectors were coal mining, energy, and metal processing. Favourable climatic conditions led to spa tourism, and the subtropical climate stimulated agricultural development. Abkhazia's subtropical agricultural products include tea and tobacco, which held a dominant place in the Soviet

market. In Soviet times, Abkhazia met up to 20 per cent of the USSR's demand for tea.

Georgia was connected to Russia, Ukraine, and Belarus by railway and motorway through Abkhazia. These routes were the most efficient and cost-effective ones for the transportation of goods. This route was also beneficial for Armenia. After the conflicts in the 1990s, rail transportation stopped. This had a major negative impact on trade relations between Georgia and Russia, and between Russia and Armenia. South Ossetia was an additional transit route to Russia, and that too was restricted after independence.

The military conflicts in 1991–3 between Georgia and Abkhazian separatists displaced up to 250,000 Georgian civilians. Between 1988 and 1994, industrial production in Abkhazia fell by 93 per cent; agriculture dropped by 75 per cent, and income per capita by 90 per cent. In 1994, Abkhazia's gross domestic product was 5 per cent of the pre-war level in 1989.[23] In January 1996, a CIS economic blockade of the breakaway Abkhazian republic worsened the situation. After the 2008 conflict, Georgia's (and Armenia's) transit communications with Russia were suspended. Cooperation of Georgian regions with Abkhazia continued only in the energy sector. In March 2008, the Russian Ministry of Foreign Affairs announced its unilateral withdrawal from the 1996 decision by the Council of CIS Heads of State to install an economic blockade on Abkhazia. Georgia countered in late October 2008 with a Law on Occupied Territories, which declared illegal the entry of foreign citizens into Abkhazia and South Ossetia from Russia.

After the 2008 war, Russia re-established trade with Abkhazia, reopened the Russia-Abkhazia railway link, promoted tourism, and ended restrictions on residents of Abkhazia crossing Russia's border. But Abkhazia and South Ossetia have become essentially closed and economically stagnant. Economic relations are almost exclusively with Russia. Abkhazia has increased its economic trade with Turkey in recent years, but with over half of its population refugees or working abroad, Abkhazia's economy is experiencing a shortage of labour resources. Most of the region's revenue is received in the form of aid from Russia. Illegal trade from Georgian territory has significantly decreased due to tighter restrictions on the Georgia-Abkhazia administrative line.

After the 2008 conflict, several Georgian policies emerged on how to maintain or further economic ties with the secessionist territories. Legal cooperation is possible only in the sphere of energy supply. The two sides manage the Enguri hydropower plant together and share the electricity it generates. This is Abkhazia's main energy source. The dam is located on the Georgian side of the administrative border, while its

five generators are on the Abkhazian side, in Gali district. According to a long-standing informal agreement between Tbilisi and Sokhumi, 40 per cent of the electricity generated by the plant goes to Abkhazia and the remainder to Georgia.[24]

In 2004, following the electoral victory of the United National Movement, the Tbilisi authorities urged negotiations to improve investments in Abkhazia's economy; the government proposed joint participation in projects to improve the economic integration of Georgia with Abkhazia. Under Russian pressure, this was rejected, and attempts to resolve the conflict through economic regulations and trade – such as a proposed working group to realize a free economic zone in the Ochamchire and Gali regions in Abkhazia – failed.[25] A proposed oil pipeline linking Russia and Turkey through Abkhazia would be profitable for both the Georgian and Abkhazian economies, but the initiative has gone nowhere.[26]

Over one million Russian tourists visit Abkhazia every year. Tourism is the engine of Abkhazia's economy. Russia's financial injections into Abkhazia and South Ossetia include projects for socio-economic development, pensions, and a budget for defence. The news agency RIA Novosti reported in 2016 a Russian economic package for Abkhazia that included investment projects worth more than 9 billion rubles (about US$150 million), covering about two-thirds of the national budget of Abkhazia (11.8 billion rubles). Over the 2005–13 period, assistance from the Russian Federation exceeded 17 billion rubles (about US$500 million).[27]

Russia's biggest investment in both secessionist regions is defence. Today, Russia has four thousand soldiers in South Ossetia, and Russian soldiers patrol the Georgian-Abkhazian border along the Inguri River.[28] Russian expenditure on defence in Abkhazia and South Ossetia is higher than the entire budgets of these regions. According to one estimate, in 2012 Russian military spending in Abkhazia was 182.8 per cent of the Abkhazian budget and in South Ossetia, 240.5 per cent of its budget.[29] Military expenditure is the foundation of South Ossetia's economy. South Ossetia has practically no economy of its own. More than 90 per cent of budget revenues are made up of assistance from Russia. South Ossetia is one of the most heavily armed regions in the Caucasus, and suffers from significant criminal activity and smuggling.[30]

Conflict territories not only diminish the local quality of life; they also limit transportation routes, resulting in high business expenditures and a low logistical performance index for Georgia. Despite its location, transportation is problematic for Georgia's producers. Transportation costs are high, especially for products from Russia, Ukraine, and Belarus,

and from EU countries such as Bulgaria and Romania. Because of the conflict zones, Georgian businessmen ship to Europe, Moldova, and Ukraine by rail, or by ferry from Poti, rather than overland.

Georgia's economy was deeply affected by the armed conflict with Russia in August 2008. As a consequence, up to 15,000 Georgians from South Ossetia were displaced. According to World Bank data, the 2008 conflict added to the 222,000 displaced people already in compact settlements, shelters, or living with host families.[31] Internally displaced persons are a significant economic burden on the Georgian economy. Immediately after the 2008 conflict with Russia, at a joint conference hosted by the EU and World Bank in Brussels in October that year, thirty-eight countries and fifteen international organizations pledged US$4.5 billion – $2 billion in grants and $2.5 billion in loans – for the next three years to assist in the post-conflict economic recovery. Before the conflict, Georgia's economy had been growing at 8–9 per cent; after the war, it slowed to 3.3 per cent.[32]

The Georgian government has made a number of attempts to integrate South Ossetia's economy into Georgia's. In July 2005, President Mikheil Saakashvili announced a new peace plan for South Ossetia that offered substantial autonomy and a three-stage settlement, consisting of demilitarization, economic rehabilitation, and a political settlement. The South Ossetian leader, Eduard Kokoity, rejected the plan, asserting in October 2005 that "we [South Ossetians] are citizens of Russia."[33] Prospects for economic relations between Georgia and the secessionist regions have become even more difficult to conceive of in the near or even long-term future. Moscow's annexationist policy has led to growing military and infrastructural expenditure in the separatist regions. South Ossetia is a militarized zone.

Russia is looking at economic relations with Georgia separately from its interests in Abkhazia and South Ossetia. Yet, following the war with Georgia, Russia's financial injections into Abkhazia and South Ossetia were scaled up. Russian investments in these regions are not so much economic as military, determined by Russia's geopolitical interests. A multitiered military infrastructure has been created and, as a result, the right of citizens to free movement has been violated, along with civil stability and the ability to trade.

Georgia's economic integration and rapprochement with the West sparked some interest on the Abkhazian side. A degree of integration between Abkhazia and the West is possible within the framework of the free trade agreement between Georgia and the EU. This would significantly increase economic opportunities for Abkhazians. Western

investment and technologies would enter the republic, along with growth in its economy and living standards. Moscow's project for the self-sustainable "independent states of Abkhazia and South Ossetia" is unviable economically, and Moscow knows it. Today, Russian capital is well established in the two regions, but it is the Western vector in Georgia and the influence of the international community that could prove most decisive in creating closer economic ties between Georgia and the separatist regions.

The Regional Implication of Transit and Energy Corridors

The role of the "energy bridge" and transportation corridor in the South Caucasus defines the regional importance of Georgia to the rest of the world. Mamuka Tsereteli deals with this in Chapter 9 in this volume, but I want to illustrate how the energy supply route through Azerbaijan, Georgia, and Turkey impacts regional development as well as relations with Russia. Russia has tried to gain control over the region and over transportation of the Caspian Sea Basin's energy resources by every means, including military force, as the war in August 2008 in part showed. The cooperation of Georgia with Azerbaijan, Turkey, and the EU, based on common energy interests, is a threat to Moscow. Russia's fear of Georgia's integration with Western energy structures is crucial to understanding the volatility in Georgia-Russian relations. Paradoxically, Russia's aggressive challenges in the region add pressure on Georgia to seek stronger alliances with Western countries.

One of Russia's primary goals is the transit of gas through Iran, possibly through a "swap" deal, which is unacceptable to most Western states.[34] Iran wants to become active in the international gas market. Despite Iran's potential as a major competitor in the Caucasus region, Iran and Russia find each other as regional allies and try to strengthen their bilateral economic relationship,[35] and both Iran and Russia have deep-seated interests in the South Caucasus. They are both firmly opposed to NATO's missile shield, and wish to prevent the United States and the EU from controlling the energy corridors around the Caspian Sea Basin.[36]

Georgia is also at the heart of the cargo transport corridor from China to Central Europe. The so-called Trans-Caspian International Transport Route facilitates the principle of a "single window" for cargo transportation by rail and by sea transport through the ports and terminals of Central Asian states and Azerbaijan, Turkey, and Georgia. Georgia wants to become a trade-and-transport hub for the Belt and

Road Initiative. This counters Russian interests. The proposed Central Asia-West Asia Economic Corridor through South Caucasia would not cross Russia, and would compete with Russia's preferred northern route, the New Eurasian Land Bridge, which utilizes the Trans-Siberian railway.

New geopolitical axes are emerging in the South Caucasus, and are challenging Russia's geopolitical goals in the region. Today's energy environment will contribute further to the integration of Azerbaijan, Georgia, and Turkey into a South Caucasian economic region.[37] Georgia's transit function strengthens its importance in both the Black and Caspian seas. The transportation corridor is an important component of Georgia's security, and raises the significance for Georgia of deeper participation in European and transatlantic structures. The geopolitical balance between political forces and economic vectors in the South Caucasus is shaped in large part by Georgia and its ability to resist Russian pressure. To further its economic development goals, Georgia needs Europe, Turkey, and NATO. But Russia, too, should be part of the picture. Alexandre Rondeli reminds us:

> Everyone, in any region of the world, has to develop in cooperation with others … Geography dictates this, and it cannot be evaded. We know from international relations theory that the biggest disaster for small countries is to be a neighbor of a giant, and it's worse if that giant is your former master. It's in Georgia's interest to be friendly with Russia, to have it as a healthy and wealthy neighbor. This means that Russia can be a good market, a source of investments, even a protector, if it becomes democratic – a stabilizing factor in the whole region.[38]

Russia is currently a poor guarantee for regional stability in the South Caucasus. Russia's Security Concept (2000 version) sees the EU as a threat. It declares that "international threats to Russian national security are manifested by attempts from other states to counteract its increasing role as one of the centres of influence in a multipolar world, hindering the realization of its national interests and weakening its position in Europe, the Middle East, Transcaucasia, Central Asia and the Asia-Pacific Region." It goes on: "Ensuring the national security of the Russian Federation includes the necessity of a Russian military presence in certain strategically important regions of the world."[39] A new security concept, "National Security Strategy to 2020," was published in 2009.[40] In the new document, Russia's rhetoric remained the same. The goal is to transform the Russian Federation into a world power (item 21) and to keep NATO plans to extend the alliance's military infrastructure to

Russia's borders unacceptable (item 17).[41] This attitude has to change for Russia to benefit optimally from its own economic interests in South Caucasia.

Conclusion

The economic development of Georgia is dependent on a non-military vision. Economic prosperity is impossible without further integration and cooperation with the European Union. Georgia's Association Agreement with the EU is a check on Russia. Georgia must be able to balance its relationship with the West and Russia, and with other geopolitical players in the South Caucasus, to ensure regional stability and to preserve its role as a gateway to investment in the region.

The regional development of South Caucasia is challenged by the multiple and contradictory economic and political orientations among neighbouring states. But there is an established economic and political alliance among Azerbaijan, Georgia, and Turkey; and Georgia and Armenia have close trade relations. In the Russian-Georgian case, the interests of both countries limit opportunities for cooperation but do not eliminate them. South Caucasian states will be less competitive in foreign markets as long as trade routes pass through separate territories and transit cooperation is prevented for political reasons. The occupied territories of South Ossetia and Abkhazia significantly lower competitiveness and trade opportunities for the whole region. Economically, Armenia suffers most from such regional dissension. But despite recent conflicts, Russian markets remain vital for the Georgian economy. They are risky, however, for Georgian business, and Georgia must instead diversify its markets by strengthening ties with the EU, which, in turn will give Georgia the best impetus for economic development.

At the same time, Georgia's association with Europe (the AA and DCFTA) and Armenia's union with Russia (the EAEU) hinder regional integration. Consensus is possible through negotiation, but this is not on the agenda at present. South Caucasia's most powerful neighbours – Russia, Turkey, and Iran – have contradictory interests in the region. It will be very difficult to reach a compromise on regional cooperation among Georgia's nearest neighbours. Yet this is the only way Georgia will be able to reach its economic potential within a cooperative and integrated regional trading system in the South Caucasus that accommodates the interests of all three South Caucasian states and attracts investment from both Eurasia and Europe.

NOTES

1 The concept "South Caucasus" has a different meaning from "Transcaucasia." In the eighteenth and nineteenth centuries, when Russia conquered the Caucasus, the region was divided into Caucasia and Transcaucasia (literally "across the Caucasus"). The concept "Transcaucasia" was convenient for Russia because it united three republics – Armenia, Azerbaijan, and Georgia – into one territorial region. According to Vladimer Papava and Eldar Ismailov, the term "Transcaucasia" reflected a colonial attitude towards the conquered region; see Eldar Ismailov and Vladimer Papava, *The Central Caucasus: Essays on Geopolitical Economy* (Stockholm: CA&CC Press, 2006), 10. Today, in most scholarly writings on the region, the term "Transcaucasia" has been dropped for the more correct term "South Caucasus." The term "Transcaucasian," as Thomas Gamkrelidze notes, should denote only "a passing through the Caucasus in an East-West or North-South direction" (for example, "the Transcaucasian Transit Route" or "the Transcaucasian Corridor"); see Thomas V. Gamkrelidze, "Transcaucasia or South Caucasus?" in *Post-Communist Democratic Changes and Geopolitics in South Caucasus* (Tbilisi: International Research Center for East-West Relations, 1998), 40–2. Papava and Ismailov suggest the Caucasian region should be divided into Central Caucasus (Azerbaijan, Armenia, Georgia), Northern Caucasus (in the Russian Federation), and the Southern Caucasus, including parts of Turkey and Iran (Ismailov and Papava, *Central Caucasus*, 12).

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5 Björn Hettne, " Globalization, the New Regionalism and East Asia," in *Globalism and Regionalism*, ed. Toshiro Tanaka and Takashi Inoguchi, online at http://archive.unu.edu/unupress/globalism.html, accessed 18 April 2017.

6 Jones, *Georgia*, 144.

7 See also Mikheil Tokmazishvili, "New Realities in the South Caucasus: Georgia-EC, Armenia-CU: Contradictions and Opportunities for Cooperation," in *Russia-Georgia: Challenges and Perspectives in the Economic Sector* (Tbilisi: International Center on Conflict and Negotiation and Russian International Affairs Council, 2014), 20–5.
8 Georgia, Ministry of Foreign Affairs, "National Security Concept of Georgia," para. 5.2, online at http://www.mfa.gov.ge/MainNav/ForeignPolicy/NationalSecurityConcept.aspx?lang=en-US, accessed 18 April 2017.
9 National Statistics Office of Georgia; please note that the National Statistics Office provides statistical data in Excel format that can be accessed only through its weblogs. See https://www.geostat.ge/en/modules/categories/35/external-trade.
10 Ibid.
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12 Georgia signed a memorandum on free trade with China in December 2016. A free trade agreement between Georgia and China was ratified in May 2017.
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14 European Commission, "EU-Georgia Trade: Making It Easier to Invest," online at http://eeas.europa.eu/archives/delegations/georgia/documents/eap_aa/1dcfta_invest_2014_en.pdf, accessed 25 January 2019.
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/EU%20Trade%20Policy%20toward%20Georgia%20e-version.pdf, accessed 28 December 2019.

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20 Messerlin et al., *Appraisal of the EU's Trade Policy*, 63.

21 "The Ministry of Finance expects the leaders of the customs union will agree on the preservation of oil reserves" [in Russian], *RIA Novosti*, 24 April 2014, online at https://ria.ru/economy/20140424/1005311882.html#13983499335443&message=resize&relto=register&action=addClass&value=registration, accessed 18 March 2017; Alexander Knobel, "Eurasian Economic Union: Development Prospects and Possible Obstacles" [in Russian], online at http://www.forecast.ru/_ARCHIVE/Presentations/CMASF_SM/feb2015/Knobbel_m.pdf, accessed 16 March 2017.

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PART TWO

Georgia's Institutional Transformations

In the second part of the book, three authors deal with the institutional transformation of Georgia's judiciary, electoral system, and education. Our first contributor, Marine Chitashvili, is a "veteran" practitioner and policy maker who has worked in Georgia's educational and political system. Chitashvili, as a previous vice-rector of Tbilisi State University (TSU) and former director of the National Science Foundation, provides a comprehensive survey of Georgia's higher education over the past two decades. Education, she argues, has a vital role to play in Europeanization, democracy and state building, and economic growth. Georgia introduced an innovative higher educational reform in 2004, in an attempt to end corruption and "Europeanize" its universities and colleges. This was followed in 2005 with Georgia's accession to the Bologna Process. Both these reforms had some significant successes, especially in the elimination of corruption, but Chitashvili underlines four problems: first, they were isomorphic – using European and American models out of context; second, the methods of implementation were top down; third, they were underfunded; and fourth, they neglected the development of research. All this slowed down progress in Georgia's higher education, and with it the training of civil servants and professionals as instruments of improved state and economic performance.

State universities such as TSU, despite official autonomy (granted in 1992), remain dependent on the state budget and under the control of state-appointed administrators. The 2004 reorganization led to a precipitous decline in research, as funding for graduates was removed (some of it was restored in 2015) and the universities failed to connect in any strategic manner with the needs of the Georgian economy. Despite some positive structural and institutional reform, Chitashvili notes that persistent problems remain of equal access to higher education, curriculum content, teaching and learning methods, and the financing

of students based on merit and need. With no overall strategic plan for higher education, and one of the lowest rankings for government spending on tertiary education among former Soviet republics (0.4 per cent of gross domestic product in 2012), Chitashvili concludes that “legitimacy, rather than functional efficiency, is the major driving force of successful organizational change.” Isomorphic organizational change, she asserts, is ultimately “coercive,” and the present higher education model is unlikely to provide the engine for economic growth or greater accountability and transparency that Georgia needs.

Our next two authors, David Sichinava and Vakhtang Menabde, belong to Georgia’s younger generation of scholars. David Sichinava, based on a detailed analysis of voting patterns in Georgia’s local and national elections, examines the development of Georgia’s party system since the 1990s. He focuses, in particular, on the issue of weak political parties and voter volatility. Parties in Georgia have proliferated, but few are sustainable, and are disconnected from an amorphous electorate that has failed to identify political parties with a particular ideology or social group. In this context, Sichinava asks what determines voter affiliation, how has it changed over time, and what impact does the absence of socially embedded parties have on the consolidation of Georgia’s democracy? “The political preferences of Georgian voters do not run deep,” he writes, “and are easily overturned by the populist mantra of political parties or by the pressures of local elites.”

Sichinava’s data confirm that ethnicity, place of settlement, and regional residence are significant predictors of voter allegiance in Georgia. Georgia’s national minorities, for example, vote largely for the ruling parties – although Mikheil Saakashvili’s United National Movement retained national minority support in opposition, too. Georgian Dream’s base in 2012 was in Tbilisi, but in 2016 it shifted to middle and smaller urban settlements. Sichinava also identifies the impact of voter disillusion – in 2016, only 51 per cent of the voters bothered turning up to the polls. But despite shifting voting patterns, Sichinava argues, we can largely predict voters’ party preferences by measuring their support for the EU. Parties’ support of the EU, especially since 2016, has hinged on identifiable ideological cleavages. Pro-EU voters strongly support the United National Movement, the Republicans, and Free Democrats. Sichinava argues that “this suggests the emergence of issue-based voting in Georgia, and following from this, a move towards greater stability in the country’s party system.” A stable party system would enhance the role of the opposition, and with it, checks on the monopoly of power.

Vakhtang Menabde's discussion of the judiciary, however, suggests Georgia's institutional progress is intermittent. Regressive patterns are still working against democratic consolidation. Menabde wonders whether the Georgian judiciary can escape a long-standing custom of political manipulation from above. He writes: "Since independence in April 1991, every single Georgian government has threatened the independence of the judiciary." He comes to this conclusion by looking in detail at the institutional management of the judiciary – mainly through the Supreme Court and the High Council of Justice. Menabde's analysis illustrates the link between "[t]he way in which judges are appointed or dismissed" and "the preservation of judicial independence and constitutional protections for citizens." He highlights the state's ability to appoint, dismiss, and instruct members of the judiciary. Menabde argues that none of the attempts at legal reform since the 1990s has led to a properly independent judiciary. The executive still controls the judiciary's self-managing body, the High Council of Justice, by changing the rules on who gets appointed and how. Menabde describes the different methods of state control, from the attestation of judges (used to remove appointees of the old regime) to the creation of lifelong pensions to encourage judges to make way for new appointees. In 2005, for example, under strong pressure from the Saakashvili government, seventeen judges resigned.

Georgian Dream has introduced three waves of reform. A crucial issue, which quickly generated resistance to the new government in the non-governmental organization community, was Georgian Dream's decision to introduce probationary periods for judges, a method which would ensure unwillingness to challenge the government among the candidates for judgeships. Other instruments of control include the removal of judicial officials (those appointed under Saakashvili) from appointment to the High Council of Justice, or the reduction in the number of Supreme Court judges, aimed at producing a more deferential court. After a pessimistic evaluation of the effect of government manipulation on public opinion, Menabde draws a significant conclusion: "The low trust in the courts hinders the building of democratic and sustainable institutions to protect Georgian citizens' civil rights. No government in Georgia has yet set for itself the goal of supporting truly independent courts."

4 Higher Education and State Building in Georgia

MARINE CHITASHVILI

This chapter examines how effective higher education and its reforms have been in regards to the needs of Georgia's transition to democratic statehood in the twenty-first century. How has higher education contributed to the generation of professional elites and competent civil servants, able to protect and promote a democratic culture in Georgia? The analysis includes a discussion of the evolution of higher education policy and practice, as well as the obstacles to change. It examines the financing of education – how much, what it is spent on, and how the amount compares to other transitional states – and looks at Georgia's compliance with international standards (the Bologna Process).

Introduction

In 2016, Georgia celebrated twenty-five years of independence.[1] The post-Soviet era in Georgia represents a major social shift from a closed society and planned economy to democracy and the free market. Georgia is one of the more successful new states of the post-Soviet region in terms of democratic development. The transformation has not been easy. The years of independence involved a painful process of institutional change and the adoption of new laws and regulations, as well as new forms of governance in all sectors of social life, including higher education. Changes in higher education were driven by internal and external forces as well as by the institutions themselves. Georgia's higher education system today is a result of the country's policy of integration with the European Union. Georgia's goal is to create a model of "European" nation building. Georgia joined the European Higher Education Area (EHEA – Bologna Process) in 2005,[2] and has been an affiliated member of the European Network for Quality Assurance (ENQA) since 2013 and a full member since April 2019.[3]

It has been an associate member of Horizon 2020, the EU research and innovation program, since 2016.[4] However, there is no policy document from the government or parliament defining the vision, goals, and objectives of higher educational development. The only official document concerning the development of higher education, "Main Directions of Higher Education Development," was adopted by Georgia's parliament in March 2002.[5] This decree was the baseline for a new Law on Higher Education adopted in December 2004.[6] Since then, there has been no policy document concerning higher education and/or scientific development, except for a proposed new strategic plan by the Ministry of Education and Science (MES) for the education sector, released in December 2016.[7]

The 2004 Law on Higher Education led to major changes in higher education institutions in terms of funding and quality assurance, and introduced new regulations in private higher education. There has been no comprehensive evaluation of these reforms in higher education since 2004.[8] The most recent information on higher education in Georgia was provided by the European Commission, not by the Georgian government.[9] This chapter focuses on the development of higher education in Georgia since independence and on the organizational changes introduced after the 2004 Law on Higher Education and Georgia's entry into the Bologna Process in 2005. Within these two regulatory frameworks, Georgian higher education institutions have implemented major reforms, including the standardization of academic degrees and a quality assurance system.

The model of modernization in Georgian higher education is managerial, with the creation of sharply differentiated academic and administrative responsibilities. It attempts to implement regulations and templates for the administration that are isomorphic with European and American models. It is assumed that the new managerial models will help to build a modern educational system with academic institutions that are accountable, transparent, and of high quality. But the newly embedded organizational and institutional models of higher education at Georgian universities are not working. Why have Western models of "best practices" in higher education not led to high-quality higher education in Georgia overall?

State of the Art

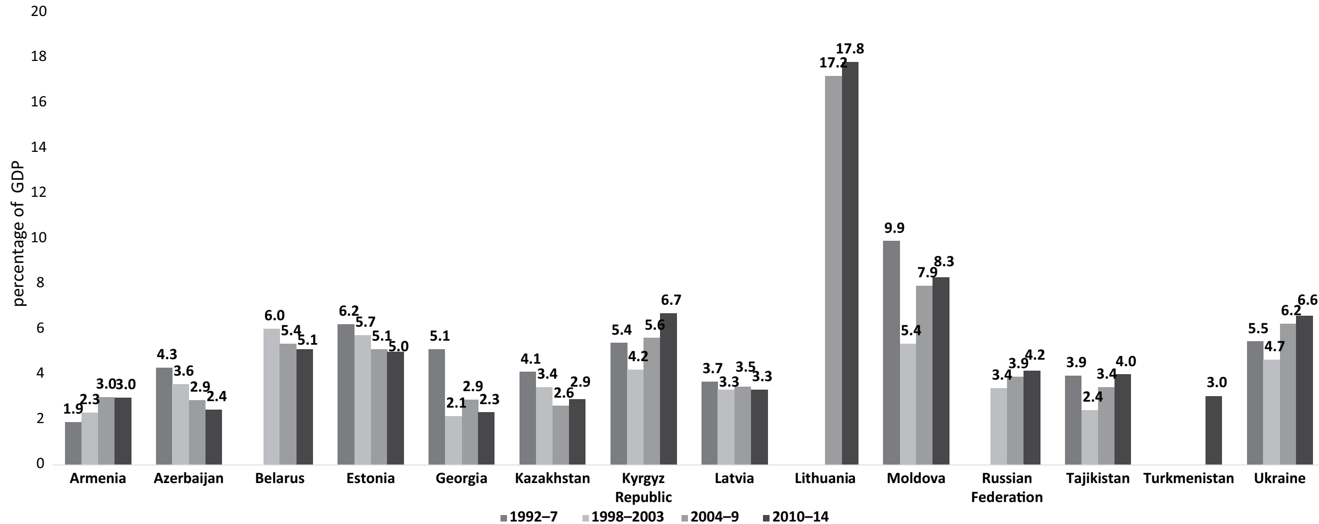
According to the constitution,[10] the state regulates higher education and accreditation, and implements policies for the further development of

the system. Since 1991, proposals to improve education and introduce reforms have become highlights of Georgian political and social life, particularly during election campaigns. The 2016 election was no exception. Former prime minister Giorgi Kvirikashvili (2015–18) took office in December 2015; he presented a four-point reform plan highlighting the connections between educational reform, economic reform, regional infrastructure development, and good governance.[11] The main emphasis was on new regulations in tertiary education – in particular, enhanced mobility from vocational to higher education – and a dual education model combining academic training at universities with apprenticeships in private sector companies.[12] Additional money for the MES budget was designed to increase teachers' salaries and to create a new program called "Study in Georgia," aimed at attracting international students. Any successful strategy depends on the proportion of gross domestic product (GDP) that the state is willing to invest in the educational sector. Higher education has been consistently underfunded since Georgia became an independent state. The first years of independence in the 1990s were absolutely critical to the survival of the country, and low levels of educational funding were understandable. Since the stabilization of the country, however, and despite significant GDP growth, higher education funding remains low.

A major challenge for any reform will be government funding. Figure 4.1 shows government expenditures on all types of education in former Soviet countries since independence. Over the period 1992–2014, Georgia invested an average 2.5 per cent of GDP annually in the educational sector, low compared with that of other former Soviet republics. Along with Armenia, Azerbaijan, Turkmenistan, Tajikistan, and Kazakhstan, Georgia spends only around 0.4 per cent of its GDP on tertiary education (Figure 4.2).

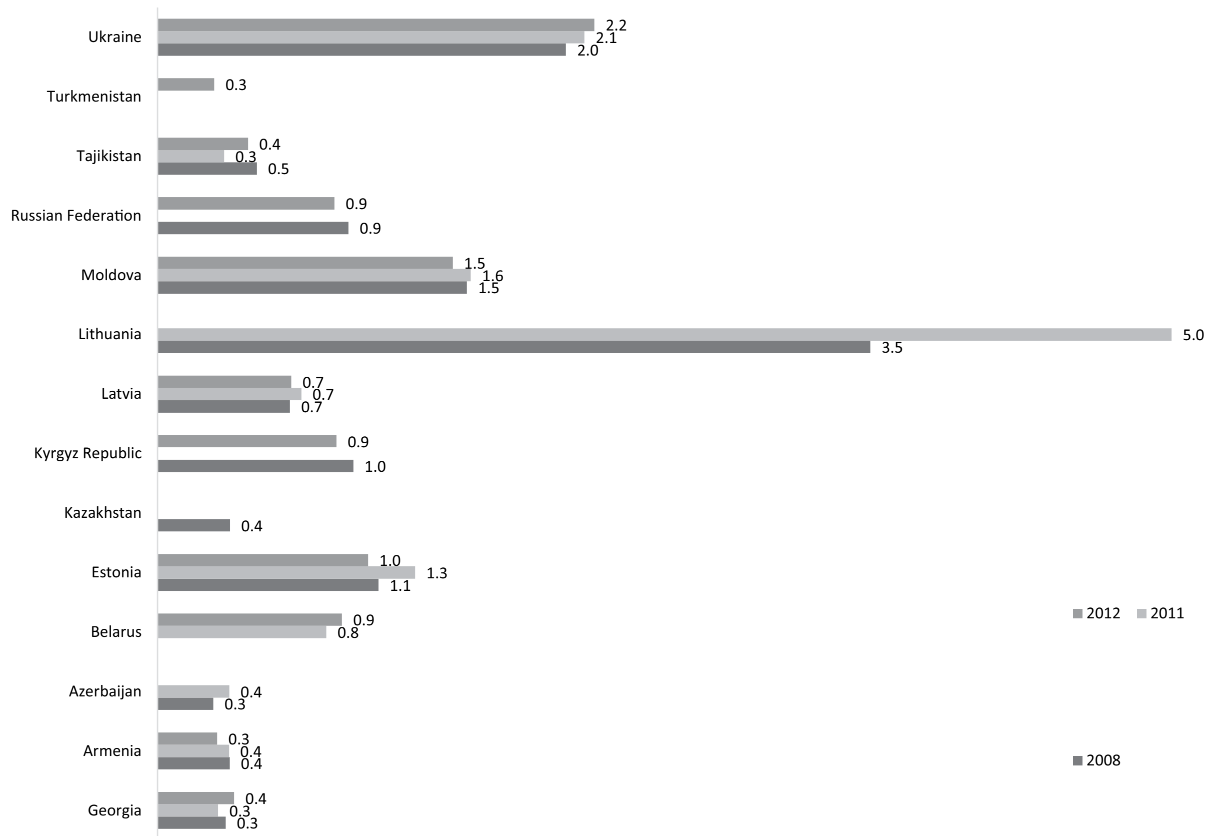
These figures show that higher education in Georgia is underfunded, and is likely to produce poor outcomes and serious consequences for the development of the country's science, technology, and innovation. Low funding has no effect, however, on the high number of universities and higher education institutions functioning in Georgia. Currently there are sixty-three higher educational institutions, of which thirty are research universities (twelve publicly supported and eighteen private)[13] accredited by the National Center for Educational Quality Enhancement (EQE). In the global competitiveness report for 2017–18, Georgia ranked 67th out of 137 countries overall, 87th in higher education and training, 70th in technological readiness, 107th for the quality of the educational system, 118th in innovation, and 116th in university-industry

Figure 4.1. Average Government Expenditure on Education as a Percentage of Gross Domestic Product, Former Soviet Republics, 1992–2014



Source: World Bank, World Development Indicators Data Bank, online at http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators&preview=on#, accessed 13 September 2016.

Figure 4.2. Government Expenditure on Tertiary Education as a Percentage of Gross Domestic Product, Former Soviet Republics, Selected Years



Source: World Bank, World Development Indicators Data Bank, online at http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators&preview=on#, accessed 13 September 2016.

collaboration in research and development (R&D).[14] The report identifies an inadequately educated workforce as the most problematic area for doing business; it also highlights the low quality of scientific research institutions (ranked 127th), the availability of scientists and engineers (125th), and company spending on R&D (122nd).

Georgian higher education, as a sector, focuses on generating professional elites as well as competent civil servants, but it is performing poorly. Joining the Bologna Process in 2005[15] has not produced higher quality. Funding is not the only problem: Georgia's attempts to reform the post-Soviet higher educational system have encountered substantial resistance.

The Soviet Legacy in Higher Education: 1922–90

Higher education institutions in Georgia were established at the beginning of the twentieth century. The first fully functioning university in the South Caucasus, Tbilisi State University (TSU), was founded in 1918. After the invasion of Georgia in 1921 and the establishment of the Soviet Union in 1922, the entire higher education system was centralized and all universities became subject to federal law. There were partial deviations from the general rules, one of which was the language of instruction: Russian remained dominant in most union republics, but in Georgia, Georgian retained its dominance in education throughout the Soviet period.[16]

The higher education model in the Soviet Union was universal: five years' undergraduate education and graduation with a diploma of "specialist" (currently equivalent to an MA), followed by three to four years' *aspirantura* (or PhD). Scientific degrees had two steps: *kandidat nauk* (PhD) and *habilitation* (Doctor of Science), which was a superior and final degree. The latter was required to become a tenured professor. The PhD was the minimal requirement for any academic position. Research was required from faculty, but very few universities could compete with the well-funded Academy of Sciences' own research institutes. The best graduates completed PhDs at research institutes, rather than stay at their alma mater. The only exceptions were well-established universities with a long tradition of research in certain fields with their own research institutes. There were none of these in Soviet Georgia except for Tbilisi State University.

This complicated system was run under the central authority of the Ministry of Higher and Specialized Education of the Soviet Union, with subordinate ministries in fifteen republics. The latter mediated between

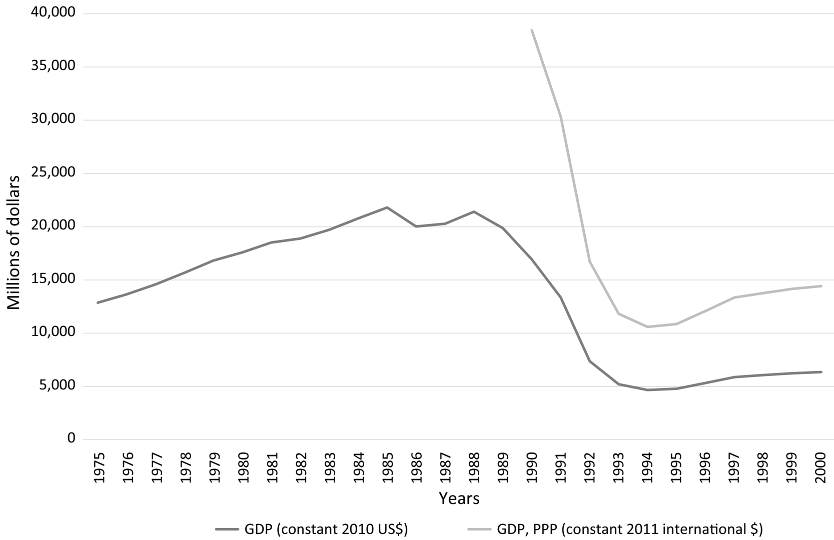
the central authorities and academic institutions. Universities were formally run by an elected rector and an Academic Council of professors. In practice, universities were managed by an Executive Council (board), comprising the rector, vice-rectors, deans, the chairs of Communist Party organizations and trade unions, the heads of human resources, and the KGB. Rectors were proposed by representatives of the government and party leaders, and were "elected" by an academic council of professors. The awarding of scientific degrees was also centralized. The Supreme Attestation Commission of the USSR, via its regional councils in all disciplines, administered the official regulations for the defence of theses. The Academy of Sciences and the big research universities had degree-awarding councils, as did the Academy of Sciences' institutes. The president of the Academy of Sciences and a group of vice-presidents and representatives of the Communist Party, trade unions, and the KGB were in charge of daily business.

In 1991, when Georgia gained independence, it inherited a declining Soviet system infested with corruption and nepotism. There were fifteen state higher education institutions and fifty-two research institutes of the Academy of Sciences. At the same time, Soviet Georgia was one of the more prosperous republics of the USSR, with one of the highest standards of living. But civil war and armed conflicts in the 1990s devastated the country and ruined its physical and social infrastructure. Some of the newly established universities adapted to the changed circumstances, but in the 1990s institutional success was not expressed in advanced teaching and research or in serving society's needs, but in even higher levels of corruption. Research institute funding was dramatically cut; the brain drain to the West in the fields of natural sciences and mathematics was colossal.

Higher Education in Georgia, 1991–2004

The period from 1991 to 2004 was characterized by corruption and inertia in higher education, despite a number of state initiatives. In 1992, universities were awarded autonomous status, and were freed from control by the MES. The intention was to restrict bureaucratic interference and to encourage innovation. The decree failed, however, to establish any requirements of accountability and transparency. Corruption (and hence incompetence) flourished. There was a decline in standards compared to those of the Soviet era. State financing of the education sector declined from 7 per cent of GDP in 1991 to 1 per cent in 1994. Overall, from 1991 to 1994, national GDP declined by 75 per cent, and by 1997,

Figure 4.3. Gross Domestic Product, Georgia, 1975–2000



Source: World Bank, World Development Indicators Data Bank, online at http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators&preview=on#, accessed 30 July 2017.

Georgia was spending only 1.7 per cent of its GDP on education. Figure 4.3 depicts the collapse of the country's economy after independence.

In 1992, a major reform legalized private higher education institutions. By the end of 2004, Georgia had over 240 such institutions, 26 of them state universities. Yet all universities, private and public, faced a major financial crisis. Official faculty salaries in 1994 amounted to between US$8 and $15 per month (in constant dollars). On the other hand, the demand for higher education remained high. Prestige and the hope of finding a better job drove students to enrol in the multiplying higher education institutes in exceptional numbers. In the Soviet Union, education had been free and fully financed by the state. The decline in state funding pushed public universities into a novel situation, forced to generate their own income. Many established links with the private sector. The disciplines most in demand – law, economics, business administration, journalism, foreign languages, and medicine – began to generate income from tuition fees. In 2004, TSU's budget was 16 million GEL, or US$8 million. From this total, only $500,000 was state funding. Universities further enhanced income by leasing or selling space. This was illegal – university officials had no authority to do so – but corruption

made it possible. Faculty were not involved in the management and administration of their institutions, and had to find additional jobs to maintain their families.

In 1994, the first attempts were made at curricular reform when the TSU Physics Faculty established a pilot 4+2 (BSc + MSc) program.[17] The university introduced a quota for MA studies without fees: 30 per cent of state-funded undergraduate students per academic year. The pilot project was considered successful, and after 1998 almost all TSU departments adopted a two-step education system, with the exceptions of law and medicine. But the shift was largely formal. Five years of undergraduate studies were squeezed into four, and the master's programs had very little coherence as advanced studies. The university curriculum became fragmented and, from the perspective of degree requirements and quality, quite out of control.

The institutional framework during this period gave full authority to university rectors and to a small group of officials at higher levels of administration, who managed the entire system. At the end of 1999, a Rectors' Council was established,[18] which became an advisory board for the president. The MES's control was limited to its authority over accreditation for higher education institutions. Private universities had no access to public money but were financed by students' fees. The public universities were financed directly by the cabinet of ministers. Their budget was dependent on the cabinet's good will and on the Rectors' Council and its relations with the president.

The Academy of Sciences of Georgia (ASG) and its research institutions collapsed during this period as economic constraints made it almost impossible for them to function. In 1994, an International Science and Technology Center started to support former military scientists and help them shift to civilian-based science and technology.[19] The Open Society Foundation began providing scholarships to scientists in basic sciences, a program that ended in 2001.[20] Several research institutes established private higher education institutions and started teaching. Some of these institutions survived until 2005. The awarding of PhD and Doctor of Science degrees remained centralized under the ASG. Higher education institutions and research institutes had degree-awarding committees, and the procedures regarding the defence of dissertations remained as in Soviet times. All final decisions were made by an experts' council at the ASG.

International organizations and foreign donors emphasized the need for modernization and institutional reforms of higher education in Georgia. The first successful attempt to respond to this demand was a parliamentary decree, "The Main Directions of Higher Education in

Georgia," on 1 March 2002. The decree was formulated in cooperation with the Council of Europe, and stressed issues of accessibility, equity, accountability, transparency, and quality. The decree did not, however, produce any changes in higher education; only in 2004, with the new Law on Higher Education, were changes implemented.

Higher Education in Georgia from 2004 to the Present

The Law on Higher Education, adopted on 21 December 2004, introduced a three-tier degree system (BA, MA, PhD), and established a quality assurance system and a new financial structure in which money followed the student. Universities were no longer directly funded from the state budget. Other reforms included a nationwide admission system for higher educational institutions, and mobility schemes for students and academic and administrative staff. The importance of lifelong learning was emphasized, and students' self-governance was introduced for the first time. The law emphasized training for employment and the connection between educational reform and economic growth. The reform created a new institutional setting for higher educational institutions. The period 2004–6 was intended as a transition to new institutional and regulatory changes. The process was top-down, as universities and higher education institutions had to follow government regulations created without their participation. There was no preliminary discussion with academics or any other stakeholders before the law was introduced. The philosophy underlying these reforms reflected the policy of the new government led by President Mikheil Saakashvili – namely, to fight corruption at all levels and to establish efficient, accountable, and transferable organizational models in Georgia. Laudable though these goals were, higher education institutions had to follow the policy of the president with minimal input of their own.

The new law also almost completely ignored the role of research, and did not recognize research staff at universities. Consequently, universities eliminated all research positions. According to the law, researchers would be paid scholarships equalling 50 GEL per month (about US$28) for three years, to be covered by the universities as lump-sum payments. This new law led to two serious consequences. First, research activities at the university level practically vanished; second, the legal requirement to integrate teaching and research was largely ignored. The sharp division between teaching and research inherited from the Soviet past had created a one-sided qualification for most academics. They were for the most part teachers or disseminators of knowledge, rather than active research scholars. This was clear in the humanities, social sciences,

law, medicine, and engineering. Mathematics and natural sciences were exceptions to this rule.

Since research activity in higher education was largely ignored, existing university research institutes lost their role in graduate education and were marginalized by the financial burden. The law downgraded the position of researcher to support staff. Only three academic positions were recognized at universities: full, associate, and assistant professor. All scholars and academics at the universities were dismissed, and an open search for new positions was announced. These changes caused multiple protests among academic staff, but the universities justified the policy as a result of Georgia's membership of the Bologna Process, which it joined in 2005. All Georgian government reforms were justified in terms of the fulfilment of obligations under the international agreement. The Bologna Process and Georgia's membership of the EHEA became instruments in the national government's attempt to radically streamline higher education in Georgia.[21]

An example of the instrumentalization of the Bologna Process was the issue of university autonomy. The 2004 law granted universities autonomous status, but this status was limited, particularly in the transition period. The new provisions left no place for autonomous decision making at the leadership level; instead, universities were required to follow the rules provided by law. This meant establishing a sharp division between administrative and academic positions, the creation of uniform quality assurance within the institution, and the abolition of all institutional research settings and their merger with faculties as supporting units and staff. The block grant system for universities was ended, and tenured positions were replaced with triennial competitions for academic positions.[22]

From 2005 to 2015, there were five evaluative reports on the Bologna Process in Georgia.[23] The first report, in 2005, described the position of higher education in Georgia after the new Law on Higher Education (2004). It acknowledged the government's intention to create a three-tiered structure of higher education by 2007, and it supported the government's aspiration to change the entire higher education system and structure, as well as to establish a mechanism to reduce the number of accredited higher education institutions. The biennial report for 2007[24] was more impressive. It described the implementation of the Bologna Process over two years, noting such changes as a new degree system, the introduction of the European Credit Transfer System, and the establishment of both a Georgian National Science Foundation and a national accreditation service, with the latter conducting three waves of institutional accreditation and closing down diploma mills.[25] The scale of

change was enormous, and one can argue that, without the top-down decision-making process and determined leadership of acting rectors, this could not have been achieved. In that sense, the first years of transition were successful. They established new institutional forms, but other academic and organizational problems of university life were ignored.

Persistent Challenges

If the reporting on the Bologna Process in Georgia suggested full congruence with required norms and regulations of the EHEA, in practice the reform struggled with resistance from academia and an archaic administrative system, as well as with deliberate misinterpretations of the concepts or goals of the EHEA. The first full report on reform outcomes in Georgian higher education was published in 2008 by the Institute for Education Policy, Planning and Management (EPPM).[26] The report indicated impressive results, but doubts remained in several areas. One was the financing of graduate studies. According to the law, a special financing scheme should have been developed by 2007, but the financial arrangements were not put in place.[27] Other concerns focused on quality assurance. Creating quality assurance units did not in itself enhance the quality of teaching and integration of research at universities, but such units were involved in formal procedures, using standardized regulations issued by the national accreditation service. This hardly touched the quality of research and teaching.

The EPPM report noted the decrease in research activity, and criticized the small ratio of researchers to academic staff, which showed a reduced focus on research performance within Georgian higher education. The report also indicated insufficient funding and a very low success rate for Georgian higher education institutions applying for research grants from local or international funding organizations. The implementation of the European Credit Transfer System had not changed curricula or teaching methodology; instead, it introduced a new calculation format for course delivery. Despite workshops and training seminars for university quality assurance units and professors, the European Credit Transfer System remained an unclear and vague concept for academics. More progress was needed in such areas as student self-governance, research capacity growth, the internationalization of teaching, and the development of a research and career path for university employees. The report noted minimal cooperation between academia and professional fields, and identified a clear need for an overall strategy for higher education development in Georgia, locally and in the context of the EHEA.

The formal MES report (the Bologna Country report, 2007) and the EPPM's own evaluation differ in emphasis. In the 2007 MES report, the government identified the strategic goals of ongoing reforms in higher education. It talked of democratization and involvement of society, and it promoted decentralization and the autonomy of educational institutions. It emphasized outcome-oriented management of the education sector through quality assurance schemes and better resource allocation. Finally, it stressed increased financing for the education sector and integration of education and research activities with the international community.[28] The EPPM report, in contrast, focused on the content and context of reforms, and identified obstacles that impeded the quality of education and the professional development of academics. These included conditional hiring for only a limited period, poor funding for graduate students and research, a formalized hierarchy of university management, the absence of a strategy for the development of the higher education sector as a whole, and the absence of a mission and a vision for future development. Both reports praised the first phase of reforms by pointing to a major shift from the former Soviet model to a new one assuring Georgia's educational integration into the EHEA. But neither report addressed the content and substance of knowledge delivery. They said very little about university autonomy, university governance, and decision making. In 2009 Georgia ranked ninetieth in the Global Competitiveness Index (out of 133 countries), and in the 2017–18 report on global competitiveness was sixty-seventh out of 137 economies. This suggested significant progress. By contrast, little improvement had been achieved in the higher education sector. For example, the 2018 competitiveness report points to an inadequately educated workforce as the most problematic factor for doing business.[29] Table 4.1 presents several indicators for higher education in Georgia over the 2009–17 period based on world competitiveness reports. The data show that ten years of development had no major impact on efficiency outcomes.

The evaluation of Georgia's higher education institutions should be based on substance, yet the current government barely comments on the evaluation of higher education reform outcomes. The unified strategy for education and science over the 2017–21 period, adopted by the government in December 2017, focuses on internationalization and quality enhancement without any indication of financial support from the state budget.[30] It lacks planned development in pursuit of identified priorities.[31] The very limited number of academic papers analysing the Georgian higher education system over ten years of reforms can be

Table 4.1. World Competitiveness Rankings of Higher Education Institutions, Georgia, 2009–10 and 2017–18

Global Competitiveness Index Indicators	Ranking	
	2009–10 (out of 133)	2017–18 (out of 137)
Quality of (higher) education system	97	107
Quality of management schools	106	113
Local availability of research and training services	122	131
Extent of staff training	82	125
Capacity for innovation	119	99
Quality of scientific research institutions	123	127
University-industry collaboration in research and development	122	116
Availability of scientists and engineers	96	125

Note: In the 2004–5 *Global Competitiveness Report*, Georgia ranks ninety-fourth out of 104 countries; no data are presented separately on higher education. See Michael E. Porter, Klaus Schwab, and Xavier Sala-I-Martin, eds., *The Global Competitiveness Report 2004–2005* (New York: Palgrave Macmillan, 2005).

grouped around several issues: university autonomy, finance, research and teaching, quality assurance, employability, access, and equity. I look at each one separately.

University Autonomy

According to the Lisbon Declaration,[32] the autonomy of universities has four main features: academic (curricula, programs, and research), financial (lump-sum budgeting), organizational (the structure of the university), and staffing autonomy (responsibility for recruitment, salaries, and promotion). By law, higher education institutions enjoy full autonomy in all these areas. In Georgia, however, the norms and regulations introduced by the national accreditation service and the limits set on students' enrolment through the national admission exams create limits on universities' ability to develop well-elaborated programs and curricula, and to set research priorities.[33]

The state financing system and the program costs are set at a student fee of 2,250 GEL per year at both the undergraduate and graduate levels. This constrains university planning of curriculum and program development, as well as research priorities for several reasons. There is no

clear expectation concerning levels of funding year over year, and short academic contracts are no motivation for academic staff. The negative effect on staff is strengthened by the lack of clear guidelines on career development, length of employment, and opportunities for promotion. High-cost programs such as medicine are created to attract students from abroad to generate additional income, rather than to develop PhD programs. The natural sciences are oriented more towards teaching than research. Inasmuch as research is pursued, it is through efforts to participate in international research projects or to obtain financing (meaning some form of income) from local and international donors.

Private universities have more flexibility in financial issues; they also develop new programs and set different fees for programs. State universities, in contrast, have autonomy only within the constraints imposed by the Law on Higher Education. The Rectors' Council is like an informal body that acts as a shadow entity determining the rules and laws of universities in practice.[34] University missions and visions are almost identical in terms of content, goals, and objectives, despite the differences between large research universities and teaching universities.[35] The few strategic development plans published are vague, and lack clarity on how to finance planning objectives and evaluate implementation through key performance indicators. The government has not developed mechanisms for funding universities on the basis of their achieving planning objectives. The absence of high-quality and efficient professional management at universities is a crucial example of the misuse of the limited resources available.[36] Universities treat the autonomy they have been granted as another state requirement to which they must respond with superficial compliance.[37]

Finances

The financing of universities in Georgia has changed since 2004 from direct funding to grant funding; money now follows the student, and there is minimal direct state funding. Higher education in Georgia is one of the least dependent on state funding of any education system in the world,[38] and funding for higher education in the national budget has increased the least of any budgetary sector. As Table 4.2 shows, there was little improvement in state funding for higher education and research over the 2005–11 period, the first years of the educational reform. The education system covers the tuition fees only of those students who receive the best scores in national university admission exams; the amounts vary according to the applicants' aptitude and on a funding scale of 50–100 per cent. Sixty-four per cent of students enrolled at both state

Table 4.2. State Funding for Higher Education and Research, Georgia, 2005–11

	2005	2006	2007	2008	2009	2010	2011
Funding as % of GDP	0.19	0.24	0.23	0.24	0.35	0.30	0.25
Research funding as % of GDP	0.17	0.13	0.13	0.16	0.15	0.14	0.08
Total funding as % of GDP	0.36	0.37	0.36	0.40	0.51	0.44	0.33

Source: Lela Chakhaia, "Funding and Financial Management of Higher Education and Research," online at https://drive.google.com/file/d/0B9RC0lzxlY4ZVnl4YTh5M01Ecmc/view, accessed 20 April 2017.

and private universities pay their own fees, which increases inequality in Georgian society, where poverty levels are very high, and overburdens household expenditures. There is no institutional mechanism in place to address accessibility and equity issues, and there is no quality control of fee-paying students. Instructors are frequently told not to fail them.

Funding based on need covers no more than 10 per cent of the student population, and does not meet the requirements of Georgia's poorer students. Universities do not provide aid to students from socially vulnerable and low-income families, even if they attain high academic success. In the best-case scenario, universities at their own expense have developed programs to provide longer-term tuition payment during the academic year. Even so, limited household income and high unemployment has led to above-normal dropout rates or to a postponement of graduation. The government has discussed the issue of student loans several times, but the matter has never been resolved. In 2013, an additional government funding scheme was introduced whereby several disciplines in the humanities, social sciences, agriculture, and natural sciences at eight state universities were classified as free, with full scholarships funded by the government directly. This was a step forward, but one feature undermined the quality of the initiative: in the 2016–17 academic year, 5,653 students were receiving assistance, but all of them were forced to attend one of the eight selected universities, thus undermining competition among universities. For example, Georgia's two premier universities, TSU and Ilia State University, have programs in physics, but TSU's program is funded, while Ilia State University's is not. There are no evident reasons one was chosen over the other.[39]

Universities did not receive direct funding for research over the 2005–10 period; state funding received by the Academy of Sciences covered only researchers' salaries and operating costs. There was no core funding available for the promotion of new areas of research in the sciences or for the development of large international collaborative research activities.

In 2006, a new entity of public law, the Georgian National Science Foundation,[40] was established under the Ministry of Education. Today, the foundation is the main source for funding research in Georgia, and the only Georgian body that finances research through grant competitions – the applicant success rate is around 33 per cent. The foundation's funding tripled between 2012 and 2017 to 32 million GEL per year, yet this level is still too low to support a big push in research performance. In 2016, Georgia became an associate member of the EU-funded Horizon 2020 program. As a full beneficiary state, Georgian scientists can now apply on the same basis as EU scientists. However, tough competition and twenty-five years of decay mean success is limited for Georgians.

The provision in the Law on Higher Education that required researchers to be counted as support staff devastated Georgia's research capacity. The merger of research institutes with selected universities in 2010 without a proper funding scheme further undermined the role of science and research. In 2015, however, the government reintroduced the status of researcher. Representatives of research institutes became members of university academic councils. Scientific staff could participate fully in graduate programs as MA instructors and thesis supervisors for PhDs. The salaries of researchers tripled, and the funding of research institutes increased by 23 million GEL, or 82 per cent. The MES, after neglecting research for so long, attempted to integrate it with teaching at universities. These changes are still in progress.

Limited state financing, especially in research and development, is one of the major obstacles for fulfilment of the government's plan of reforms in higher education, which include implementation of the dual education model and promotion of Georgia's Innovation and Technology Agency. Lack of finance is part of a bigger problem that threatens the country's potential for development. Occasional governmental generosity – for example, by introducing free higher education at eight universities or tripling the funding for research institutes – is insufficient to affect overall policy in higher education without an in-depth needs assessment and understanding of the priorities for future development. Limited funding of research has consequences for any research-based education policy development. Reductions in funding for universities has replaced smaller classes by larger ones, and the main focus at the undergraduate level is lectures; there is no focus on transferable skills at any level of the curriculum. High teaching loads might be acceptable at teaching universities and higher education institutions, but research universities are subject to the same pressures. The 2004 Law on Higher Education required that PhD programs be delivered only at universities. This put research and education back under one roof,[41] but the provision that PhD

students be financed by the state with the status of junior researchers was never implemented. PhD studies remain fee-paying programs. In 2013, the MES introduced PhD scholarships, with the grant competition run by the Georgian National Science Foundation; however, only 32 per cent of applications are funded on average. Although the number of PhD students in Georgia is growing, there are no statistics on the average time taken to complete the degree.[42]

The new PhD programs have a formal character, and are little different from the Soviet *aspirantura* format. The degree, to be useful, should be linked either to research fields identified in the country's strategy or to areas of university research excellence. Instead, in Georgia, accreditation is given to any PhD program that satisfies formal criteria, which contradicts European University Association standards for doctoral education. Only in 2018 was a requirement for transferable skills development or subject-related research seminars introduced by the EQE. There are no regulations for supervising and monitoring the progress of doctoral students; very often, students are left to take care of themselves. The first attempt to establish PhD schools started at the end of 2017 under the auspices of the Volkswagen Foundation – a joint project with the Georgian National Science Foundation – to develop structured PhD programs at universities. The creation of doctoral schools, one hopes, will ensure the teaching of transferable skills in grant writing, research projects management, teaching methodologies, and so on.

Quality Assurance

One of the most influential reforms of the 2004 law was the establishment of quality assurance units at universities and at the national level. The National Center for Education Quality Enhancement is a legal entity under the MES, and provides accreditation for degree programs.[43] Quality assurance is intended to develop better practices for teaching at all levels. However, "it is regarded as a punitive measure by Georgian academic society due to its excessive rigidity … or lack of transparency in some cases."[44] The evaluation of program accreditation is the same. In 2018, new regulations were introduced,[45] and international experts were asked to help evaluate higher education institutions. This led to a decrease in the number of institutions. There are currently 63 accredited higher education institutions in Georgia, compared with 75 in 2017 (there were 119 in 2005, 43 in 2010, and 64 in 2013).[46] Changes in EQE standards for evaluation, however, do not affect the main problem in higher education. When the money follows the student, it gives these institutions an incentive to increase the number

of programs to attract funded students and to create new programs that are attractive to the public, but with little attention to the need for proper qualified personnel.

The main purpose of quality assurance is to ensure a highly qualified workforce that contributes to the country's development. But after more than a decade of reforms, higher education remains one of the most problematic metrics in the world rankings of Georgia's competitiveness.[47] Currently, there are no adequate data concerning the relationship between higher education and employment in Georgia. The data do show that a higher level of education correlates with greater employment success, but there are no data on employment obtained due to qualifications. Half of the employers interviewed in various studies indicated that alumni competencies do not match the actual requirements of the labour market.[48] Data concerning the Georgian employment rate are inconsistent: according to the Department of Statistics, unemployment is around 12 per cent,[49] but data from the Caucasus Research Resource Center[50] and a recent survey by the Ministry of Health, Labor and Social Affairs suggest that the employment rate is around 36 per cent.[51] The mismatch of such data shows that there are no agreed and adequate indicators for measurement at the national level. In addition, no data on the employment rate of graduates are collected by any governmental agency, including the MES. There is no strategy for data collection, compatibility, and aggregation. A study of employment outcomes by the Center for Social Sciences indicates that there is no difference in employment opportunities for graduates before and after implementation of the Bologna reforms in Georgia.[52]

Access, Equality, Internationalization

The implementation of the Bologna reform was supposed to result in greater equality of access to higher education. The data show that this goal has not been achieved despite the introduction of national admission exams. The rural-urban dimension continues to play a significant role in access to higher education. If one takes two candidates of equivalent general aptitude, one from a rural mountain village and another from Tbilisi, the results show that the rural candidate is twelve times more likely to apply to a low-ranked higher education institution than the urban counterpart. Qualitative evidence shows that, when choosing where to apply, applicants and their families consider location, the cost of studies, and the prestige and availability of the study program. Applicants from mountain villages are eight times more likely to gain access to the least, rather than to the most, prestigious higher education

institutions, than are residents of the capital. In short, rural residents benefit less than urban residents.[53]

Internationalization is the only factor in the reforms that has been obviously successful. This is due to the mobility programs introduced by Tempus, and now by Erasmus plus. In terms of the uptake in mobility opportunities, Georgia ranks eighth out of 131 states involved in the program,[54] but the complicated bureaucracy at local universities and inadequate regulations concerning quality assurance units make it difficult for students to gain local credit for work done outside Georgia. This problem, however, is of local origin, rather than intrinsic to the Bologna Process, and could be easily managed.

Conclusion

The higher education system in Georgia has undergone tremendous institutional changes in the past fifteen years. The process is ongoing. To what extent do these changes address the major challenges of the state and its role in higher education? Do they focus on the need to generate professional elites, on the problems of access, equality, and employability? Do they advance the creation of a knowledge-based society? Internationalization and membership in the Bologna Process have contributed positively to transforming the system inherited from the Soviet past towards a new one more compatible with the European Higher Education Area. They have created opportunities for the mobility of students, academics, and staff across Europe and other parts of the world. The reforms have eliminated corruption in the higher education admissions process and established a merit-based system for access to higher education. The process has failed, however, to resolve the challenges of inequality and access for low-income households.

Joining the Bologna Process in 2005 in theory meant that reforms in higher education would be funded adequately to meet the requirements of Bologna and the EHEA and to enhance the learning and teaching process in Georgia. This included a shift to a student-centred learning process, a three-tiered degree system, research development, a high quality of teaching and research, the establishment of a robust quality assurance system, the introduction of a national qualification framework, and internationalization and inclusion in the global academic network. Some of these targets were met by reforms institutionalizing the new format of higher education, but the content and the funding remain questionable. The funding of higher education and research remains very low. The content of higher education has not been changed significantly. The employability of graduates remains a critical issue.

The Bologna Process became a political tool of government to eliminate corruption, enhance internationalization, and sever the Soviet past from the present. In the Georgian context, implementation has focused on managerial models, in the hope that such change would improve the quality of education and strengthen democratic institutions. In reality, the new institutional models do not address the main purpose, which is to enhance the quality of higher education. The question of efficiency in higher education and the effectiveness of business organizational models is being discussed from different perspectives and in a wide range of disciplines in Georgia. But the implementation of managerial models as a way to build entrepreneurial universities is not an adequate basis for the creation of more efficient and effective higher education institutions.

Changes in educational systems in the EHEA in general, and in Georgia in particular, occur within a framework of organizational development that accepts isomorphism in an institutional setting.[55] My central argument is that legitimacy, rather than functional efficiency, is the major driving force of successful organizational change. Isomorphic organizational change is coercive: organizations adjust their structures and procedures to the organizations on which they are financially or legally dependent.[56] In his writings on education, John Meyer argues that there is no evidence the implementation of isomorphism in organizational settings in education improves or enhances the quality of teaching and research. Instead, it encourages the restructuring of institutional activity around the expansion of modern models of organization.[57] The challenge for Georgia is to transform Georgian higher education into a system that meets the needs of the state and the goal of citizens to improve their lives through education based on modern standards and the creation of a knowledge-based society. The reforms over the past twenty-five years do not meet that challenge.

NOTES

1 Georgia was also reclassified as an upper middle-income country in 2016; see World Bank, "Georgia," online at http://data.worldbank.org/country/georgia, accessed 7 September 2016.

2 European Higher Education Area and Bologna Process, "National Report regarding the Bologna Process Implementation 2012–2015: Georgia" (Rome: EHEA, 2016), online at http://www.ehea.info/cid101171/georgia.html, accessed 10 October 2016.

3 European Association for Quality Assurance in Higher Education (ENQA), "Members," online at https://enqa.eu/index.php/enqa-agencies/members/full-members/, accessed 30 December 2019.

4 European Commission, "Georgia Joins Horizon 2020, the EU's Research and Innovation Programme," Press Release, 28 April 2016, online at http://europa.eu/rapid/press-release_IP-16-1630_en.htm, accessed 10 October 2016.

5 Institute for Education Policy, Planning and Management, "The Main Directions of Higher Education development in Georgia" [in Georgian] (Tbilisi: Nekeri, 2002), online at https://www.matsne.gov.ge/ka/document/view/41236?publication=0, accessed 10 October 2016. For background information in English, see https://docplayer.net/18550103-The-main-directions-in-higher-education-development-in-georgia.html.

6 The law has been amended with more than 500 different changes since adoption in 2004. The last amendments were made in December 2016; see Georgia, Ministry of Education and Science, *Law of Georgia on Higher Education*, online at http://www.mes.gov.ge/upload/text/geo/1196078343_legislation.pdf, accessed 30 April 2017. A final version of the law is not available in English.

7 Georgia, Ministry of Education and Science, "The Primary Directions Toward the Development of Education and Science," 27 December 2016, online at http://www.mes.gov.ge/content.php?id=6889&lang=eng, accessed 30 April 2017.

8 In 2000, the World Bank produced a comprehensive analysis of the Georgian higher education system. There has been no similar analysis since the 2004 reform. See Jochen Lorentzen, "Georgian Education Sector Study – The Higher Education System," online at http://www.mes.gov.ge/upload/multi/geo/1195720208_Higher%20Education.pdf, accessed 30 April 2017.

9 European Commission, "Overview of the Higher Education System: Georgia" (Brussels: European Union, February 2017), online at https://eacea.ec.europa.eu/sites/eacea-site/files/countryfiche_georgia_2017.pdf, accessed 20 April 2017.

10 The constitution was adopted in 1995. Two waves of major changes were introduced in 2010 and in 2018. Articles 5.6., 7.b., 20, and 27 regulate education, science and culture, intellectual property rights, legislation on obtaining the status of an educational institution, accreditation and academic degrees, as well legislation on the National Academy of Sciences, freedom of intellectual creativity, rights to education, and academic freedom. Harmonization with the international educational environment (article 35.2) was dropped from the 2010 version. See Georgia, Legislative Herald of Georgia, *Constitution of Georgia*, online at https://matsne.gov.ge/en/document/view/30346?publication=35, accessed 16 January 2019.

11 The new government plan was first discussed at the 11th meeting of the Consultative Council of the International Chamber of Commerce. See

"Four-point Governmental reform plan was discussed by Prime Minister," *Georgia News Day*, 29 January 2016, online at http://newsday.ge/new/index.php/en/component/k2/item/14351-four-point-governmental-reform-plan-was-discussed-by-prime-minister, accessed 7 September 2016. The topic was presented at an international conference, Georgia's European Way, Batumi, 14 July 2016, online at http://batumiconference.ge/2016/en/panelists/giorgi-kvirikashvili, accessed 7 September 2016.

12 The dual education system is common in a number of countries, among them Germany, Austria, and Switzerland, The model is geared towards technical specializations, and is considered a major force for expanding the skilled labour force and improving economic growth. However, there are concerns that such programs have only a short-term impact on employability, which decreases later in life due to rapid economic growth and technological change. A broader approach to vocational education and lifelong education is considered to be more efficient for lifetime employment. See Eric A. Hanushek, "Dual Education: Europe's Secret Recipe? Forum," *CES info* 13, no. 3 (2012), online at http://hanushek.stanford.edu/sites/default/files/publications/Hanushek.2012.CESifo%20Forum.pdf, accessed 7 September 2016.

13 National Center for Educational Quality Enhancement, "HEIs," online at https://eqe.ge/eng/static/89/register/heis, accessed 16 January 2019.

14 Klaus Schwab, *The Global Competitiveness Report 2017–2018* (Geneva: World Economic Forum, 2018), 124–5, online at http://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf, accessed 16 January 2019.

15 The Bologna Process started in 1999 with the signing of a joint declaration by the European Ministers of Education aiming to introduce a more comparable, compatible, and coherent system of European higher education. The process is an intergovernmental and voluntary undertaking by each signing country to reform its own educational system, and is currently active in forty-eight countries. The primary objective for the first ten years of the process was to establish a European Higher Education Area, which was launched in 2010 with the Budapest-Vienna Declaration. For the next decade, the objective is consolidation of the EHEA. See European Commission, Education and Training, "The Bologna Process and the European Higher Education Area," online at http://ec.europa.eu/education/policy/higher-education/bologna-process_en, accessed 20 April 2017.

16 Several republics – Armenia, Estonia, Lithuania, and partially Ukraine and Latvia – also maintained the national language as a language of instruction at universities. The status of the state language in the Soviet constitution from 1978 was granted only to Georgia. See Lenore A. Grenoble, *Language Policy in the Soviet Union* (Dordrecht: Springer Netherlands, 2003), 118.

17 I have tried to find any justification or rationale for why the two-degree program was introduced at Tbilisi State University, but without success. The Academic Council decisions to start a pilot program at the university are not accompanied by supporting material justifying this initiative. One can speculate that this was intended to produce additional income for the university. However, the faculties most in demand, medicine and law, maintained the old format after the extension of the reform to all fields in 1998. The faculties of economics, business, and foreign languages had increased the number of students by introducing graduate studies. Although I was not able to find any data concerning student numbers by discipline for that period, introducing the master's degree increased the number of students by 30 per cent.

18 Only state university rectors were represented in the council; they controlled around 200,000 students in the country, and were among the most influential figures in the state hierarchy, formally and informally.

19 Georgia was involved in the International Science and Technology Center from the very beginning as a beneficiary country. Nowadays, Georgia is a partner country. Over the 1994–2015, the Center provided US$32.6 million for 168 different grants and activities in different fields of science and technology. See International Science and Technology Center, *Annual Report 2015: ISTC Moving Forward to New Horizons* (n.p.: ISTC, [2015]), 12, online at http://www.istc.int/upload/files/37u8bd9dynk0oggc0ogo.pdf, accessed 20 April 2017.

20 It is not possible to find any relevant document on the website of the Open Society Georgia Foundation. The archive is available only from 2006.

21 Voldemar Tomusk, "European Higher Education Considering Gellner, Malinowski and Wittgenstein," in *The Bologna Process in Central and Eastern Europe*, ed. Tamas Kozma, Magdolna Rebay, Andrea Ohidy, and Eva Szolar (n.p.: Springer VS, 2015), 33–62; Jeroen Huisman, Clifford Adelman, Chuo-Chun Hsieh, Farshid Shams, and Stephen Wilkins, "Europe's Bologna Process and Its Impact on Global Higher Education," in *The Sage Handbook of International Higher Education, 2016*, ed. Darla K. Deadroff, Hans de Wilt, John D. Heyl, and Tony Adams (Thousand Oaks, CA: Sage, 2106), 81–100.

22 This was changed in 2010 to competition every six years.

23 European Higher Education Area, "Bologna Process National Report, 2005–2007: Georgia," online at http://www.ehea.info/Upload/document/members/georgia/National_Report_Georgia_2007_567021.pdf, accessed 20 April 2017.

24 Ibid.

25 By 2006–7, 227 higher education institutions were registered through the accreditation process. After one year, only 110 remained, some of them with conditional accreditation. See "Annual Report of Accreditation Center, 2006," online at http://eqe.gov.ge/res/docs/angarishi2006.pdf, accessed

20 April 2017, available only in Georgian. Three waves of the accreditation process reduced the number of higher education institutions to 43: 15 state and 28 private institutions. See European Higher Education Area, "Bologna Process National Report, 2005–2007: Georgia."

26 The EPPM is a local non-governmental organization spun off in 2002 from the Social Science Support Program and Education Mega-Project of the Open Society Georgia Foundation as an independent institution working on issues of education. The main findings of the report are based on the evaluation of reforms and describe the state of art after five years of reform in higher education. See "Higher Education Reform Outcomes" (Tbilisi: International Institute for Education, Policy, Planning and Management, November 2008).

27 The funding schemes for graduate students (master's) started in 2009 following the same format as the national admissions system. The money follows the student. The general test is administrated by the National Assessment and Examination Center, and the list of eligible students who can continue graduate studies is issued at the beginning of the academic year. High scores bring funding. Universities also organize admissions by program, and only those who passed the threshold of master's admission are eligible to participate. A PhD funding scheme was developed in 2013 as a grant competition for PhD studies run by the Georgian National Science Foundation. The aggregated success rate for the 2014–16 period is around 35 per cent. All others pay fees for PhD studies, which equal around 2,000 GEL per year.

28 European Higher Education Area, "Bologna Process National Report, 2005–2007: Georgia." In the five strategy goals, four are oriented towards management and only the last points to research and teaching development.

29 Schwab, *Global Competitiveness Report 2017–2018*, 124.

30 Georgia, Ministry of Education, Science, Culture and Sport, "Unified Strategy of Education and Science 2017–2021," online at http://www.mes.gov.ge/content.php?id=7755&lang=eng, accessed 16 January 2019

31 Institute for Education Policy, Planning and Management, *Strategic Development of Higher Education and Science in Georgia* (Tbilisi: EPPM, 2013), online at http://erasmusplus.org.ge/files/publications/Strategic%20Development%20of%20HE%20and%20Science%20in%20Georgia%20-%20en.pdf, accessed 20 April 2017.

32 European University Association, "The Lisbon Declaration," online at https://eua.eu/resources/publications/619:lisbon-declaration.html, accessed 20 April 2017.

33 Tamar Zaalishvili, "University Autonomy and Academic Freedom" (Tbilisi: Institute for Education Policy, Planning and Management, 2013), online

at https://drive.google.com/file/d/0B9RC0lzxlY4Zb1VWTEFnREJXVms/view, accessed 20 April 2017.

34 The Council has never discussed the issues of organizational autonomy, endowment planning, small and medium enterprise spinoffs and links with industry, or collaborative research projects, or evaluated existing infrastructure and rules of shared use. Rectors are, de facto, higher educational managers who implement the state's preferences, not creators and leaders of independent institutional strategic development.

35 Changes in the law on quality enhancement (7 March 2018) established new criteria for the authorization of higher education institutions. Seven separate criteria were introduced: mission and strategic development, organizational structure and management, academic programs, human resources, students' support system, research and development, finances and material infrastructure. See National Center for Educational Quality Enhancement, "Laws," online at https://eqe.ge/eng/static/121/education-system/legal-acts/laws, accessed 30 December 2019.

36 Lika Ghlonti, "From Public to Non-Commercial Legal Status – Universities in Georgia: Status Quo and Perspectives of Strategic Development" (Tbilisi: Center for Social Sciences, 2012), online at http://css.ge/?m=201206, accessed 20 April 2017.

37 Elene Jibladze, "University Autonomy – Yet Another State Requirement: Analysis of Decentralization Efforts in Higher Education of Georgia" (Tbilisi: Center for Social Sciences, 2012), online at http://css.ge/?p=602, accessed 20 April 2017.

38 According to Ministry of Finance data, spending on higher education and research at higher education institutions for 2012 was 1.8 per cent of the state budget and 0.5 per cent of GDP. See Lela Chakhaia, "Funding and Financial Management of Higher Education and Research" (Tbilisi: Institute for Education Policy, Planning and Management, 2013), online at https://drive.google.com/file/d/0B9RC0lzxlY4ZVnl4YTh5M01Ecmc/view, accessed 20 April 2017.

39 For a list of state-funded programs by universities and disciplines, see https://edu.aris.ge/news/images/doc/EXAMS/2015-upaso-fakultetebi.pdf [in Georgian].

40 The Foundation administers calls for research projects, organizes conferences and summer schools, and provides short-term travel grants. See the website of the Shota Rustaveli National Science Foundation of Georgia, http://www.rustaveli.org.ge/eng, accessed 16 January 2019.

41 Lali Bakradze, "Integration of Teaching and Research" (Tbilisi: Institute for Education Policy, Planning and Management, 2013), online at https://drive.google.com/file/d/0B9RC0lzxlY4ZSWtuUkdTQ0lBZlU/view, accessed 20 April 2017.

42 Degree programs provide exemption from obligatory military service, which might encourage delays in the completion of the degree and an increasing number of students enrolled in PhD programs who are not actually engaged in research.

43 Irine Darchia, "Quality Assurance" (Tbilisi: Institute for Education Policy, Planning and Management, 2013), online at https://drive.google.com/file/d/0B9RC0lzxlY4ZTnRpVEJ2NHBmWlU/view, accessed 20 April 2017.

44 EPPM, *Strategic Development of Higher Education and Science in Georgia.*

45 National Center for Educational Quality Enhancement, "Ministry Regulations for Authorization of HE Institutions," online at https://eqe.ge/res/docs/99_7.02.2018danarti.pdf (in Georgian), accessed 16 January 2017.

46 National Center for Educational Quality Enhancement, "List of Authorized HE Institutions in Georgia," accessed 10 May 2017, http://eqe.gov.ge/eng/static/89/register/heis.

47 Schwab, *Global Competitiveness Report 2017–2018*, 124.

48 Tamar Bregvadze, "Higher Education and Employment" (Tbilisi: Institute for Education Policy, Planning and Management, 2013), online at https://drive.google.com/file/d/0B9RC0lzxlY4ZWWxsWVdQRkpGTWM/view, accessed 20 April 2017.

49 Georgia, National Statistics Office of Georgia, "Employment and Unemployment," online at https://www.geostat.ge/en/modules/categories/38/employment-and-unemployment, accessed 30 December 2019.

50 Caucasus Research Resource Center, "Caucasus Barometer Time-Series Data-Set Georgia" (2015), online at http://caucasusbarometer.org/en/cb-ge/HAVEJOB/, accessed 10 May 2017.

51 Georgia, Ministry of Health, Labor and Social Affairs, "The Survey Report on Labour Market Demand Component" (Tbilisi, 2015), online at https://www.moh.gov.ge/uploads/files/oldMoh/01_GEO/Shroma/kvleva/4.pdf, accessed 6 January 2020.

52 Mariam Amashukeli, Diana Lezhava, and Nino Gugushvili, "Education Return, Labour Market and Job Satisfaction in Georgia" (Tbilisi: Center for Social Sciences, 2017), online at http://css.ge/?p=868, accessed 16 January 2019.

53 Maia Chankseliani, "Spatial Inequities in Higher Education Admissions in Georgia: Likelihood of Choosing and Gaining Access to Prestigious Higher Education Institution," *Caucasus Social Science Review* 1, no. 1 (2013), online at http://openjournals.gela.org.ge/index.php/CSSR/article/view/218, accessed 20 April 2017.

54 European Community, "From Erasmus to Erasmus+: A Story of 30 Years" (2016), online at https://drive.google.com/file/d/0B8EsOg5UNGftQWtqSVA5UkpDVEU/view, accessed 24 May 2017.

55 Institutional isomorphism describes a process in which organizations gain increasing similarity in structure. This process is assumed to be driven primarily by a desire of decision-makers to create organizations that conform and/or excel in their practice of social rules, ideas, and practice. See Tomas Karlsson, "Institutional Isomorphism," in *International Encyclopedia of Organizational Studies*, ed. Stewart R. Clegg and James R. Bailey (London: Sage, 2008), online at http://sk.sagepub.com/reference/organization/n233.xml, accessed 20 April 2017.

56 Michael Dobbins and Christopher Knill, "Higher Education Policies in Central and Eastern Europe: Convergences Toward a Common Model?" *Governance: An International Journal of Policy, Administration and Institutions* 22, no. 3 (2009): 397–430.

57 John W. Meyer, Gili S. Drori, and Hokye Hwang, "World Society and Proliferation of Formal Organizations," in *Globalization and Organization: World Society*, ed. Gili S. Drori, John W. Meyer, and Hokye Hwang (Oxford: Oxford University Press, 2006), 1–24.

5 Taming the Courts: Judicial Reform in Georgia, 1991–2018

VAKHTANG MENABDE

Introduction

In 1991, Georgia, like other post-Soviet states, inherited a court system in dire condition. Judges were not trusted by the public; the judicial system was corrupt, unprofessional, and incompetent. There was no understanding of the rule of law. Despite multiple reforms and some progress, the country is still struggling to eradicate these problems nearly three decades after independence. The drafting of a new constitution in 1995 under Eduard Shevardnadze was the starting point for substantial change towards judicial reform.

Shevardnadze's period in office (1992–2003) was followed by eight years of President Mikheil Saakashvili's administration (2004–12), a period characterized by both gains and losses in the judicial field. Overall, the team that came to power after the Rose Revolution of 2003 established complete control over the judiciary. In the parliamentary elections of 2012, Saakashvili's party – the United National Movement – was defeated by a coalition of parties called Georgian Dream–Democratic Georgia, under the leadership of billionaire Bidzina Ivanishvili. The defeat came in part because the Saakashvili regime failed to tackle the judicial question, which led to corruption and widespread public suspicion of the administration. Ivanishvili's new team introduced three waves of reforms designed to improve judicial independence. Each of these waves was preceded by extensive public debate, including the exercise of a presidential veto and dissenting opinions from the Council of Europe's Venice Commission.[1] However, the independence of the courts in Georgia, despite three waves of reform, remains problematic.

This chapter attempts to review and analyse the issues associated with judicial reform in Georgia since independence. Not all of the significant details can be covered in a short space, but I plan to describe the direction

of the reforms and to explain the major obstacles they encountered, pointing to both failures and successes. I focus on the structural arrangement of Georgia's judicial authority, on its relationship to other branches of the state, and on the rules governing the appointment and dismissal of judges of the first, second, and third instances.[2] I do not cover all significant elements of the Georgian judicial system, such as the Ministry of Justice, the General Prosecutor's Office, and the Georgian Bar Association, although I provide context when necessary. I am aware that any conclusion about judicial reform has to incorporate the interconnections between judicial and executive bodies. Such bodies, like the Ministry of Justice or the Chief Prosecutor's Office, naturally influence the way the court system functions. This chapter focuses on the formal structures of common courts as prescribed by law, which have been changed and used to weaken the independence of the judiciary. Since independence in April 1991, every single Georgian government has threatened the independence of the judiciary. There are two ways in which they do this: informally and formally. Informal methods – what we call judicial corruption – is a deep and pervasive problem in Georgia that goes back to the Tsarist and Soviet periods. It is often termed "telephone justice," and despite the reforms of the past decade and a half, it still shows its face in repetitive scandals.[3] In this chapter, however, I want to examine the structural changes introduced into the judicial system by Georgia's executive and legislative branches. In other words, I am interested in the reforms themselves. What are they designed to change, and how effective have they been? I examine, in particular, the role of the Supreme Court, the Council of Justice, and their staffing, legal authority, and practice. These institutions are constitutional bodies with great political weight: the Supreme Court determines the Georgian courts' case law, while the Council of Justice determines court policy. The control of these two institutions by other branches of government would mean a capture of the court system. I do not cover the third vital judicial institution, the Constitutional Court of Georgia, since it has undergone a different reform process than that of the common court system. It did not inherit the Soviet structural legacy, which has shaped Georgia's Supreme Court and the common courts system. Political pressure on the Constitutional Court was not systematically applied by the ruling elites, although the Court's relationship with the state is often scrutinized and criticized by civil society activists. It enjoys a relatively good reputation despite accusations of outside interference in sensitive political cases, and in recent years it has adopted more decisions that have challenged the government view.[4]

The Political Context

On 28 October 1990, after the first multiparty elections were held in the Soviet Republic of Georgia, the political bloc Round Table–Free Georgia came to power. On 28 December, the newly elected Supreme Council (the legislature) adopted a Law on the Arrangement of the Courts in the Republic of Georgia, and in 1991, the court system was reorganized with new judges appointed by the Supreme Court.[5] These reforms had little opportunity to develop, as a civil war broke out in Georgia in late 1991. The war ended in January 1992 with the overthrow of the president, Zviad Gamsakhurdia, and his government. Authority was seized by a three-man Military Council in January 1992, later replaced by a State Council under Eduard Shevardnadze in March 1992. President Gamsakhurdia in his short period in office failed to respond to the challenges faced by the state. Stephen Jones writes that he was "unable to bring the country's social and political forces into the state-building process … He could have begun its transformation by example and cooperation, but in the context of delirious slogans, revolutionary struggle, and hostile opponents, his only mechanisms of control were the customary forms of Soviet rule."[6] Gamsakhurdia's policies and authoritarian political style radicalized and united the opposition. Exhausted and divided into two warring camps, society needed a mechanism for state and national consolidation. The 1995 constitution was one such mechanism. It provided the basis of the new post-Gamsakhurdia Georgian state, defining its institutional structure, its values, and its ideological goals. On 19 February 1993, a constitutional commission was formed, chaired by the new head of state, Eduard Shevardnadze,[7] while a judicial working group was headed by the chairman of the Supreme Court, later a judge of the European Court of Human Rights, Mindia Ugrekhelidze.[8] Central issues in the judicial working group were the following:

- Who would elect or appoint judges?[9]
- What would be the term of judges?[10]
- What was the place of the Council of Justice within the constitution; what was its authority, and how would it be staffed?[11]
- What was the place of the Supreme Court within the judicial system,[12] and who would appoint its judges?[13]

These questions are still active today. They are critical to the nature of judicial authority and its independence. Nearly three decades have passed since the 1991 revolution and the first amendments to the Georgian

Soviet constitution. Several reforms have been undertaken within the court system, but none of the issues determining judicial independence has been resolved, and there is persistent domestic and international criticism of the Georgian court system despite improvements.

The First Attempts at Reform

On 24 August 1995, the parliament of Georgia approved a new constitution. Chapter V concerns judicial authority. Amendments and addenda have been introduced to Chapter V eight times since 1995; four of the amendments directly concern the system of common courts (the rest relate to the new Constitutional Court, created by the 1995 constitution, and to the Prosecutor's Office). Subsequently, the legislators adopted the Organic Law on Common Courts (on 13 June 1997) and the Organic Law on the Supreme Court of Georgia (on 12 May 1999). The former was amended forty times, the latter twenty-six times before both laws became invalid on 4 December 2009. I discuss the most important of these changes below.

The 1995 constitution noted the independence of the courts, and underlined the principle that judicial authority was possessed exclusively by the courts.[14] This is an important protection of civil rights: the courts must not be unduly influenced by other executive bodies, such as the Prosecutor's Office or the Ministry of Justice, always a problem in Georgia. According to the Supreme Law or constitution, common courts exercise justice in criminal, civil, and administrative cases. The Organic Law on Common Courts determined the organization of Georgian courts. It created five levels: District (including city courts); Circuit; Appeals; the High Courts of the Autonomous Republics of Abkhazia and Achara; and the Supreme Court of Georgia.[15]

The Supreme Court

In the 1995 constitution, the Supreme Court was defined as the institution that, "in defined procedural form, supervises the rendering of justice in the common courts of Georgia."[16] The issue of "supervision" raised important questions during the drafting of the constitution. In the constitutional commission, some members argued supervision went beyond cassation and included administrative supervision.[17] The constitution refers to procedural forms of supervision, which suggests that only cassation is included. This is an important point for two reasons: first, the question of supervision raises the issue of the standing of the Supreme Court in the common court system; second, it influences

the organizational independence of the lower instance courts. If the Supreme Court has the right to organizational supervision, then it would create a court system as a single vertical hierarchy headed by itself. This should not be the case, nor is it the case. All the courts are institutionally autonomous, and the Supreme Court only has the right to review the decisions of these courts, not their organization and work.

The manner in which the Supreme Court is elected and staffed is critical to its independent function. It was decided in 1995 that the chair and judges would be elected by an absolute majority of the parliament, after the nomination of candidates by the president.[18] This was to ensure checks and balances. The Supreme Court would be staffed based on agreements between the executive and legislative authority – the president and the parliament. The head of state required the consent of the legislative body for specific judicial candidates, while the parliament could not nominate candidates on its own without the president's involvement. The president and the parliament are elected directly, which means that both have independent sources of legitimation. This diminishes the risk of their being controlled by a single political group.

A Supreme Court judge, based on the 1995 constitution, was appointed "for no less than 10 years."[19] The ten-year term represented progress towards judicial independence, but such wording implies that legislators have discretion to extend the appointment or to define the appointment as indefinite.[20] The parliament needs to define this term more precisely. According to the original wording of the Organic Law on Common Courts, the number of judges of the Supreme Court was defined by the president of Georgia, based upon nominations from the Council of Justice of Georgia.[21] Supreme Court judges, in certain cases could be dismissed by the parliament, but only after the request of the president.[22] The Supreme Court chair could be impeached,[23] but the impeachment rule should also apply to Supreme Court judges. It is unclear why the head of the Supreme Court is subject to special rules, as that person is an ordinary judge who has additional organizational and representative functions. This should not elevate his/her status above that of other judges.

In 1999, the parliament adopted the Organic Law on the Supreme Court of Georgia, the most important issue of which was the attestation of members of the Supreme Court. Failure in the attestation would result in the termination of the judge's authority, but the termination required the consent of the president and the parliament. This was a controversial provision, since it presented a potentially significant threat to the judiciary's independence. The examination of the qualifications of the appointed judge, and then the dismissal of the judge at the discretion

of the president and the parliament, weakened the institutional independence of the court, as I discuss later.

The Council of Justice

The Council of Justice always held an important role in the judicial system. It was equipped with rights, such as involvement in judicial appointments or terminations, court reforms, and court management, which kept it at the centre of events. The Council of Justice was established based on the Organic Law on Common Courts and played the role of the president's advisory body.[24] It had twelve appointed members, with the right to occupy their positions for three years, but for no more than two consecutive terms[25] – except for *ex officio* members, which included the chairperson of the Supreme Court of Georgia and the chairpersons of the High Courts of the Autonomous Republics.[26] Four members of the Council of Justice were appointed by the president of Georgia, one by the Supreme Court of Georgia, and four were elected by the parliament.[27] In other words, each branch of the state – the legislature, the executive, and the judiciary – was represented by four members.[28] This proportion has changed many times since, but the rule that the three branches of state must be represented in the Council has been preserved. It is seen as part of a checks-and-balance system. In other words, the court system cannot make decisions regarding itself independently; it is the function of the Council of Justice to make a decision regarding the court. This means that other branches of government are involved in judicial decision making. Thus, the authority to dismiss appointed and elected members of the Council of Justice belonged to the body which appointed them.[29] Grounds for dismissal or replacement were mostly related to death or transfer to another position based on the member's own volition.[30] The main problem was the Council of Justice's attachment to the president's office. This institution served as the advisory body of the president, and provided him with advice on the judicial system. Such a model put the judicial system under the influence of the head of state, which threatened its independence.

The Appointment and Dismissal of Lower Court Judges

The 1995 constitution defined the main criteria for appointment of judges: they had to be a Georgian citizen, age thirty or older, and have a higher legal education and five years' experience.[31] These criteria have not been changed significantly, although the age limit was reduced to twenty-eight[32] before being raised to thirty once more later on.[33] The

Organic Law on Common Courts added three further requirements: knowledge of the state language, passing the qualification examination, and having no criminal record.[34] The Council of Justice appointed judges based on the results of the examination and on an evaluation of the candidate's business and moral reputation, as well as work experience.[35] The nomination of judges for all instances (except for the Supreme Court) was based in theory on an open competition,[36] which was announced by the Council of Justice after vacancies appeared.[37] The Council then decided on which candidates to propose to the president for appointment as judges. The decisions had to be made with a 50 percent + 1 quorum, or by the majority of votes of those in attendance.[38] The president could refuse to confirm nominated candidates, however,[39] since the Council was only an advisory body, whose advice the president could reject without explanation.

The way in which judges are appointed or dismissed is central to the preservation of judicial independence and constitutional protections for citizens. Dismissal could come as a result of the judge's own wishes, or because of a failure to execute his/her powers over a period of six months. Other reasons included loss of citizenship, a felony conviction,[40] or a decision by the Disciplinary Collegium – for example, for committing acts degrading to the authority of the court and judges or for a violation of labour discipline.[41]

Members of the Disciplinary Collegium play an important role as preservers of the independence of judges. They are elected by a self-governing body of judges[42] known as the Georgian Judges Conference.[43] Initially, its structure and rules of conduct were defined by a presidential order, which the parliament later transformed into law. The body's decisions could be contested at the higher level of a Disciplinary Council.[44] Decisions taken by the Collegium and the Disciplinary Council were submitted to the Council of Justice, which passed them on to the president.[45] Decisions on the dismissal of judges by the Council of Justice, in the end, were made at the president's discretion. This process was a threat to judicial independence, since it gave the president the power to decide the fate of any individual judge, which could be used to strengthen the loyalty of judges to the president.

Soon after the adoption of the Organic Law on Common Courts, on 3 September 1997, an amendment was introduced declaring that all judges, except those appointed in compliance with the new law, would be terminated on 1 May 1998.[46] This deadline was extended several times, but it was an indication of how the executive continued to try to shape the judiciary in its own favour.[47] The amendment was contested in the Constitutional Court by one of the dismissed judges, who considered

the provision violated his labour rights, which were guaranteed by the constitution of Georgia and by the Labour Code. The Constitutional Court agreed with the plaintiff's arguments, and decided that "requirements, established by the new law, should not concern acting judges and should not become the grounds for termination of authority of judges before expiry."[48] Nevertheless, the Collegium did not exclude "the attestation (or examination of knowledge by other means) of acting judges, based on the results of which the issue of termination of the authority of separate, but not all judges before expiry, could be raised."[49] The Court deemed unconstitutional the mass dismissal of judges, rather than the dismissal of individual judges before the expiry of their term. The legislators, based on the Constitutional Court's ruling, introduced amendments to the Organic Law, so that all judges appointed before enactment of the law became subject to attestation.[50] As a result, almost 75 per cent of the judges were dismissed and replaced.[51]

These processes had a considerable impact on political events in Georgia. Members of Shevardnadze's government, who wanted changes in the judicial system and the removal of former judges, condemned the decision of the Constitutional Court and accused it of delaying the Court's renewal. However, the Constitutional Court's decision was a reasonable one, and clearly supported the stability of the judicial system and the independence of individual judges. This issue over dismissal and attestation ended the first part of Eduard Shevardnadze's presidency (1995–2000), and there were no significant changes in his second term (2000–3).

Shevardnadze's second term finished abruptly due to massive protests over the falsified 2003 parliamentary elections. Shevardnadze had inherited a corrupt and poorly resourced judicial system, unprepared for its new role as monitor of the state and defender of the citizenry. Shevardnadze made some effort, spurred on by Western non-governmental organizations (NGOs) and governments, but in the end he too succumbed to the usual way of doing things. In his second term, he was no longer capable of overcoming the Soviet legacy, afraid it might create the instability he wished to avoid. This legacy was expressed by at least three major factors. One was the custom of bribery and corruption stemming from the Soviet past, reinforced during the early period of independence by governments that insisted on increased executive powers to ensure stability. A second factor impeding the transformation of the judiciary into a strong institution was the absence of independent institutional experience. The Soviet legacy left a judicial system, and the judges staffing it, dependent on the state. There was no concept or experience of independent judicial bodies. The third factor was the issue of

competence: judges were raised in a fiercely accusatorial legal system in which the rights of citizens or of the defence were traditionally ignored.

The Rose Revolution and Reforms under President Saakashvili

In the final years of President Eduard Shevardnadze's government, the country was in deep stagnation and tough reforms were necessary. The ruling party had neither the desire nor the ability to change direction. The main challenge was corruption. The final straw was the 2003 parliamentary election, rigged by the government. This was followed by protests and by the popularly based Rose Revolution. Power was taken by a new team – the National Movement (UNM) – led by Mikheil Saakashvili, determined to modernize the system, end corruption, and reform the courts. Despite some successful steps towards judicial reform, control of the judiciary by the Chief Prosecutor's Office and the network of regional prosecutors continued under the new government. Before the 2012 elections, when the UNM lost power, the executive branch, and especially the Prosecutor's Office, exerted power over the judiciary, defending the government. This was a pressing problem that seeped into government manipulation of the economy. The courts were not independent, and criminal and administrative cases were marred by government manipulation and by systematic flaws in the legislation.[52] Political and structural factors undermined the institutional independence of the judiciary and the system of separation of powers.

After the Rose Revolution, extensive amendments to the constitution were introduced – especially rapidly and easily during the Saakashvili government, in a period of weakness of the legal system as a whole. Constitutionally, the political system was changed from a super-presidential system to a semi-presidential system. The post of prime minister was introduced, with modest powers. The establishment of the government as a collective body responsible to the prime minister added a new political dimension to forms of parliamentary oversight. Government became responsible before the president and the parliament for its actions.[53] At the same time, President Saakashvili had a constitutional majority in the parliament, which in effect led to a super-presidential model. Law was used as an instrument of political change.

The chapter in the constitution on the courts was modified, and the jury system introduced for criminal cases.[54] In 2005, however, the high courts of appeal and councils of justice in the Autonomous Republics were liquidated.[55] This step was based on politics, rather than on legal arguments. The central government seized power in the Autonomous

Republic of Achara in 2004 from its authoritarian leader, Aslan Abashidze, but the higher judicial institutions were barriers to central government control; Achara accordingly was integrated into the national system. In December 2006, however, the status of the Council of Justice was fundamentally altered, changing the relationship between judicial and executive authority (more on this below). In December 2009, the parliament of Georgia introduced a new Organic Law on Common Courts (twenty-two amendments to the law have been introduced to date). This law covered many issues related to the role and powers of the Supreme Court, but did not introduce any substantive changes.

Changes in the Supreme Court

The Georgian president has the power to appoint judges to the Supreme Court, but this was not sufficient for eliminating the old appointees appointed by Shevardnadze. Saakashvili found other mechanisms. In 2005, he signed a law giving lifelong pensions to Supreme Court judges in case of termination of their authority through voluntary resignation.[56] De facto, this was strong government pressure for cassation instance judges to resign. Saakashvili wanted to appoint new judges who favoured the government, rather than tolerate the judges from the Shevardnadze period. The scheme worked, and several judges resigned, while others refused to participate in the process. Despite resistance, the authority of most judges was terminated before the expiry of their terms, using disciplinary proceedings or other pressure. In 2005, seventeen judges resigned, while two others withdrew from the system because of disciplinary violations and two more because of criminal convictions.[57] To aid recruitment of new judges, the age limit for all three instances was lowered from thirty to twenty-eight.

On 27 December 2005, the government introduced a major change to the constitution, awarding cassation functions only to the Supreme Court.[58] This meant that the Court no longer considered cases of the first instance, but would only decide whether or not the lower courts had made the correct interpretation of the law. The old system did not comply with accepted practice, according to which the function of the Supreme Court is only to evaluate the law, not assess the facts. Based on the 2006 changes to the status of the Council of Justice and reflected in new amendments in 2007, the power to terminate the authority of both Supreme Court judges and lower court judges was transferred to a new High Council of Justice, as the Council of Justice was renamed in 2004.[59] This, however, opposed the principle and the spirit of the

Georgian constitution, according to which, save for exceptional circumstances, the body in charge of appointments should also be responsible for dismissals. As for the judges of the lower court, the removal of the president from the process was the right decision, but the 2007 amendments did not reduce significantly the president's power to determine who sat on the judge's bench, as government control was still possible through appointments to the High Council.

Changes to the High Council of Justice

In 2004, amendments were introduced to the normative regulations on the Council of Justice. "High" was added to its title, although its status and objectives remained unchanged. Its period of authority was increased from three years to four,[60] while the number of members was reduced from twelve to nine. The chairperson of the Parliamentary Committee on Legal Issues and the Minister of Justice were added to the High Council as *ex officio* members.[61] The number of members appointed by the president and the parliament (of which only one could be a legislator) was reduced to two.[62] In this way, parity between the different branches of authority was preserved. Based on these changes, however, the authority of acting members of the High Council of Justice was terminated. This increased Saakashvili's ability to shape a new judicial cadre.[63] The Council was supposed to be self-regulating and theoretically independent of the executive, but the president's continuing dominance over the executive and legislature and his powerful influence on the nomination of candidates to the Supreme Court – which in turn controls the majority of nominees to the High Council – ensured that the president continued to have a dominant influence over who got to sit on the bench. The role of the president in the judicial system under Saakashvili was maintained through such appointment powers, direct and indirect.

Subsequent reforms under Saakashvili increased the number of members of the High Council of Justice to eighteen. *Ex officio* members no longer included the chairpersons of the High Courts of Appeal of the Autonomous Republics, due to the liquidation of these courts, although the Prosecutor General of Georgia was added.[64] The number of appointments from the parliament was increased to five (three of whom could be MPs), while the Conference of Common Court Judges, the self-governing body of judges, was awarded the right to elect eight members.[65] In short, four members from executive authority and five from the parliament were added to the nine from the judiciary. Shortly afterwards, the composition of the Council changed again to fifteen members comprising nine judges, four members appointed by the parliament, and two by

the president. These reforms were supposed to encourage the Council's emancipation from the executive authorities, but an NGO report on the changes noted that MPs as members of the Council, and those appointed by the president with the potential for recall at any time, would take politically motivated decisions.[66] As a result of these changes under Saakashvili, the High Council of Justice became less independent; however, more constitutional amendments in 2007 relieved the president of the power to dismiss judges from their positions, while the High Council of Justice was defined as the body exercising this authority.[67] These later amendments amounted to a significantly progressive step in strengthening judicial independence.

Georgian Dream: Three Waves of Reform

In 2012, the Bidzina Ivanishvili–Georgian Dream coalition came to power after winning the parliamentary elections. The coalition was led by Georgian billionaire Bidzina Ivanishvili, who united the opposition against President Mikheil Saakashvili and his party, the UNM. The UNM, at this stage, given the changes and amendments listed above, had the courts under its control. The judicial system held an important place in Georgian Dream's election program, which focused on the need to preserve individual judges' independence, to ensure judges managed their own court system, and to make sure judicial institutional structures were transparent and free from executive influence. Georgian Dream approved three waves of judicial reform that went against certain promises in its election program. This led to significant resistance from the Venice Commission and a coalition of civil society organizations called *For Independence and a Transparent Judiciary*. The Constitutional Court and the new president elected in 2013 also presented challenges to the new reforms.

Constitutional Amendments

Georgian Dream's innovations concerned, first of all, judges and their appointment. In 2010, the minimum age was returned to thirty,[68] and lower instance judges could now be appointed for an indefinite term.[69] The new constitution declared, however, that, "before the appointment of judges for an indefinite term, the law may envisage appointment for a defined term, but no longer than 3 years."[70] In other words, the parliament was not obliged to introduce in legislation an appointment for a definite period – there could be a three-year probationary period. This provision was criticized from the very beginning. The Venice

Commission evaluated it negatively, and advised the government to reverse it,[71] noting that "setting probationary periods can undermine the independence of judges, since they might feel under pressure to decide cases in a particular way."[72]

The Georgian Constitutional Court had come to the same conclusion in 1999, when a government amendment introduced an eighteen-month probationary period for judges.[73] Then, the Court argued that "appointing judges for probationary periods, whichever form this assumes, direct or disguised, will be an act contradicting the constitution … Appointment of judges for lengthy or indefinite terms is a mechanism for protecting themselves from illegal interference into their activities. Term of service, in this case, is the factor which strengthens the judge's awareness of independence, precisely due to the fact that his/her activities are inviolable during a lengthy time period."[74]

The Saakashvili government introduced probationary periods in the 2010 constitution. This prevented the Constitutional Court from enforcing its opinion, although the Court stuck by its arguments. This might explain why probation became the main topic of discussion again in 2014 when Georgian Dream, pointing to the 2010 constitutional provision, supported the idea of a three-year probation. The Venice Commission evaluated two more issues related to reform of the Supreme Court by Georgian Dream. It criticized both the ten-year term of service of Supreme Court judges and the nomination of judges by the president, calling for an indefinite term for Supreme Court judges[75] and the nomination of candidates by the High Council of Justice.[76]

The First Wave of Reform

The first wave of judicial reform was approved by the parliament on 1 May 2013 and signed by the parliamentary chairman, since President Mikheil Saakashvili – who did not finish his term until November – refused to exercise his privilege due to his disagreement with the content of the reforms. The first wave was launched by an addendum to the Organic Law on Common Courts, which gave the parliament the power to terminate the authority of Supreme Court members before their term was over.[77] This change was, arguably, positive, as it meant the parliament would make the final decision on the dismissal of Supreme Court judges.

The main motivation of the first wave of reform was to change the rules of the High Council of Justice to make it more independent. This was to be achieved by increasing the professionalism of the people appointed, not by focusing on their loyalty. Limiting the number of judges in the different administrative positions of the judicial system in the Council

was also important. This move was meant to protect the judicial system from the consolidation of power in the High Council by one clan or group. Members would now be elected for four years. The Conference of Common Courts Judges would elect eight out of the Council's fifteen members, one of whom would be the secretary of the Council of Justice.[78] According to the amendment, the individuals elected would be common court judges.[79] The law also introduced certain restrictions – for example, Council members could not be members of the Supreme Court disciplinary chamber or chairpersons of any courts, except when they occupied these positions as collegium or chamber chairs.[80] The aim of the amendment was to include as many judges as possible in the management of the judiciary.

The parliament was given the authority to elect six members of the Council with a required two-thirds majority. If that could not be achieved in the first round of voting, a simple majority would be enough.[81] The nominees had to be lawyers with a master's degree and teaching experience at higher education institutions in Georgia.[82] Although the Venice Commission did not see the two-thirds majority as problematic, it criticized the way the government resolved this problem by transforming a qualified majority into a simple majority. This anti-crisis mechanism, the Commission argued, could hinder agreement among opposing parliamentarians.[83] If the majority knew that, to achieve its goal in the second round it would not have to reach agreement with opposing groups, it would not favour a consensus in the first round. The Consultative Council of European Judges noted in its comment that, "if in any state any non judge members are elected by the Parliament, they should not be members of the Parliament, should be elected by a qualified majority necessitating significant opposition support, and should be persons affording, in the overall composition of the Council for the Judiciary, a diverse representation of society."[84] In compliance with the constitutional amendments, the right to appoint one member to the High Council was given to the president.[85]

Even more problematic was proposed legislation to end the authority of certain members of the High Council of Justice appointed under the Saakashvili regime. This would be done by excluding certain members from election or appointment, such as the head of the parliament's legal affairs committee, members elected by the parliament and appointed by the president, judges who were chairpersons in the chambers of the Supreme Court for one year, and the chairperson of the High Council. This led to resistance. Clearly, the new government wanted to form a new High Council of Justice without members appointed by the previous administration. Georgian Dream hoped that by eliminating their

election in the High Council of Justice, it would weaken their influence within the system.

A coalition of NGOs called upon the government to renovate the High Council of Justice stage by stage,[86] stating that termination of all members at once was unjustified, as it meant that judges and High Council members who failed to satisfy the government's new criteria would be terminated. The Venice Commission argued that the blanket termination of acting members of the High Council was inadmissible, and suggested a more flexible model. It noted: "it would seem possible to apply transitory measures which would bring the current Council closer to the future method of composition, for example by providing that incumbent chairmen of courts should resign as chair in order to remain on the Judicial Council."[87]

The Constitutional Court, very soon after these discussions, published a decision that, although not directly related to the High Council of Justice, made it clear political independence of any regulatory body from government influence was connected to the length of appointments and the conditions of dismissal. The Court's decision concerned an act adopted by the parliament that ended the authority of members of the Board of Trustees of the Georgian public broadcaster before their contract was up.[88] The Court emphasized that institutions which require a high quality of political independence should be protected from interference by political bodies, considering that "a necessary condition for ensuring their independence is the term of authority, determined by law."[89] In order to justify the termination of these officials before their terms expired, the Court demanded evidence of the existence of extensive public interest in doing so, "otherwise this may assume a permanent, irreversible character, which may not only make appointment of individuals to posts for defined periods senseless, but will also undermine the institutional independence of these bodies."[90] The Court considered such public interest to be cases when "valid norms are so flawed, that they contradict the purposes of specific public office positions, and changing them is an urgent necessity."[91] The Court did not see such interest in this specific case of the Georgian public broadcaster, and consequently deemed termination of the authority of members of the Board of Trustees unconstitutional. One can only assume that the Constitutional Court would make a similar decision if faced with the case of the blanket dismissal of members of the High Council of Justice, whose place in office both the Venice Commission and the NGO sector demanded be preserved. President Saakashvili vetoed this draft Law on the High Council[92] precisely because of its provisions on dismissal.

Regarding the number of votes required for the appointment and dismissal of judges, it was defined as two-thirds, or ten members, of the High Council by secret ballot.[93] To dismiss any judge, a relevant conclusion of the disciplinary body was necessary,[94] which was then submitted to the High Council of Justice. The Venice Commission argued that this decision should not be at the discretion of the High Council of Justice but at that of the disciplinary body, otherwise the disciplinary body lost its significance.[95] The Commission also considered that the two-thirds majority necessary for dismissing a judge should be reduced to a simple majority, which would make disciplinary proceedings more flexible.[96]

The Second Wave of Reform

The second wave of reform started with the law of 1 November 2013 creating a qualification requirement for judges: a master's or equivalent degree in law.[97] On 1 August 2014, the parliament adopted the main act, On Introducing an Amendment to the Organic Law of Georgia on Common Courts, completing the second wave of reform. Despite the Venice Commission's recommendations, the three-year probationary period was retained. The High Council of Justice would decide which judges would be appointed for indefinite periods; until then, judges would be evaluated annually.[98] The new criteria for appointment and reappointment were listed as conscientiousness and competency.[99] This is a very complicated evaluation,[100] and is decided by open ballot (the ballot on appointment for a probationary term is secret) requiring a two-thirds majority of the High Council of Justice.[101] The NGO coalition monitoring judicial reform argued that the retention of the probationary period and the mechanism for evaluation of judges threatened their independence, and called upon the government to end the probationary period.[102] A similar statement was made by the chair of the Supreme Court.[103]

The second wave of reform also created a "qualification chamber" within the Supreme Court. This chamber, elected by the Supreme Court plenum, is composed of three members who serve for a term of two years[104] to consider complaints regarding a refusal to appoint judges for an indefinite term,[105] but only on limited grounds,[106] and not concerning the appointment of judges for the three-year probationary period. The third wave of reform took this flaw into account; currently, appointments for both probationary and indefinite terms can be contested in the qualification chamber.[107]

The Third Wave of Reform

The third stage of reform was the most difficult for the ruling team. The parliament had not approved the draft laws of the second wave when draft laws of the third wave were sent by the Ministry of Justice to the Venice Commission for expert inspection in 2014. The final vote on the third wave of reforms was held at the beginning of February 2017, overriding the president's veto.[108] The reforms included further amendments to the appointment and dismissal of Supreme Court judges, High Council of Justice members, and others.

Again, the focus was on the role of judges. Different opinions always existed on the number of Supreme Court judges relating to the organization of the work of the Court. Anyone who thought that judges should write the decisions themselves was in favour of increasing the number of judges; those who thought judges should only oversee the decision-making process put more emphasis on funding for the office. Not only the number, but who has the right to define the number, has been a subject of continual arguments. According to the latest law, this decision now belongs to the Supreme Court plenum itself.[109] Between 2010 and 2013, there were nineteen judges; in 2013, the Supreme Court plenum reduced this to sixteen. This move, according to some, was politically motivated: the terms of several judges had expired, and the Supreme Court did not want the ruling coalition – Georgian Dream – to have the opportunity of filling the vacant posts.

The third wave of changes did not alter the number of Supreme Court judges, but the plenum was given the authority to increase it.[110] The Venice Commission, however, showed little enthusiasm for the novel approach of allowing the plenum to determine the number of judges, arguing that the competence to define the number should be with the parliament. In the Commission's view, since the representative body was better informed on budgetary issues, and the addition of judges would increase expenses, it should be up to the legislators to define how many individuals wear Supreme Court judges' robes.[111] The NGO coalition also rejected giving this function to the plenum, arguing it could lead – through the Supreme Court – to government manipulation by increasing or reducing the number of judges. The coalition demanded that the number of judges be defined by the constitution.[112] The presidential veto focused on this issue. President Giorgi Margvelashvili shared the Commission's arguments, and proposed that the parliament define both the maximum and minimum number in order to set a limit on the discretion of the Supreme Court. The president also considered this would be insurance against unexpected increases in budgetary spending.[113]

A change also took place concerning the qualified majority rule for election of the High Council of Justice, with the number of votes required reduced to a simple majority. The NGO coalition disapproved of such an approach, claiming, "this initiative completely contradicts the meaning of consensus, which is an essential guarantee that individuals, appointed to the Council, will not represent specific political forces. Instead of proposing an improved model of election of Council members, … the proposed version weakens the quality and level of democracy of the process even further."[114] The president added his own veto to this part of the law, which removed the barriers to membership of the High Council of Justice for chairs of the Supreme Court as well as their deputies. The veto, however, was overridden.[115] By way of this amendment, the government partly restored a rule that had been abolished in the first wave of reform. The president also attempted to veto the proposed discretion given to the parliament by the constitutional amendment to introduce three-year probationary periods for judges.[116] The Venice Commission also expressed severe criticism of the three-year rule, characterizing it as undermining the independence of judges.[117] Probation was finally abolished in 2017, but only for former judges of the Supreme Court and Constitutional Court.[118] Soon after this decision, the Constitutional Court ruled as unconstitutional the use of a probationary period for former judges of all kinds.[119]

Significant changes have taken place in Georgia's judicial system more recently. In March 2018, the constitution was amended to accommodate a new parliamentary system – in effect, since that date, the country has had a completely new constitution, which came into force in December 2018. Among the changes were a number of important amendments to judicial clauses. The chief justice, for example, no longer automatically chairs the High Council of Justice. This, in theory, continues the process of depoliticizing the judicial system, and reduces control over the High Council by the ruling party. Now, members of the High Council of Justice – who are not judges – must be elected by three-fifths (90 members) of the parliament. This increases the need for consensus, especially after the introduction of a system of full proportional representation in 2024, which, it is argued, will weaken the dominance of a single party.

Judges are now appointed for life, and the three-year probation period for judges, which had serious implications for the independence of the judiciary, has been removed, at least until 2024. The new constitution increases the number of Supreme Court judges to a minimum of twenty-eight, whose appointment is now controlled by the High Council instead of by the parliament, although the latter still must approve the candidates.[120] Ostensibly a step towards depoliticization of the court,

this change quickly has become controversial. At the end of 2018, in an attempt to fill some of the eighteen vacancies on the Supreme Court, the High Council of Justice, without any broad discussion, and with a distinct lack of transparency, presented ten candidates.[121] The list contained persons who had participated in courts or in court decisions – many in the Saakashvili era – which were politicized and highly unpopular among the citizenry. Three members of the High Council rejected the list, and its publication led to loud protests among civil society organizations and the Public Defender's Office and to the resignation of Eka Beselia, chair of the parliament's Legal Affairs Committee. Complaints focused on the lack of transparent and clear procedures for selection. It was suggested that the High Council was dominated by a select group of judges with strong connections to the government. Any decisions on the list and review of High Council procedures were postponed to the spring of 2019. Finally, in 2018, an important decision was taken to further remove the chief prosecutor from executive control by transforming the post into one elected by the parliament.[122]

Conclusion

This chapter has analysed the way Georgia's judicial system has changed since independence in 1991, looking at issues of institutional independence with a focus on the Supreme Court and the High Council of Justice. I did not discuss in detail the role of the Ministry of Justice, the Prosecutor's Office, the Constitutional Court, and the Bar Association, although these were included in the discussion of the overall judicial reform process. I have illustrated the legal methods applied by the executive and legislative branches to attempt to control the judicial system. A vivid example of this was the use of the High Council of Justice as a consultative body for the president; another was the direct participation of executive officials in the functioning of the High Council. Most legislative amendments, which constitute a threat to judicial independence, are still formulated in the hallways and corridors of the Ministry of Justice.

Georgian democracy has had to deal with multiple problems in the judiciary throughout its nearly thirty years of independence. Governments have attempted to establish control over the judicial branch under the pretext of liberating the courts and protecting the justice system and the rights of citizens. Each government that came to power faced a court system staffed by the previous government, which it considered to be an obstacle. Efforts accordingly were made, as a rule, to replace the old system, regardless of the requirements of legal impartiality.

Georgia still faces the problem of establishing independent courts. Defining the number of Supreme Court judges, the staffing of the High Council of Justice, the criteria and terms of appointment for judges, the rules for their appointment and dismissal, the question of political pressure on the Constitutional Court – all of these issues remain problematic. The Venice Commission and the NGO sector do not necessarily offer the best solutions, but their critiques have been frequently ignored by Georgian governments that want to retain their influence over the judicial system. Such manipulations by the executive in the end reflect on the quality of justice and the trust of citizens towards this system. The low trust in the courts hinders the building of democratic and sustainable institutions to protect Georgian citizens' civil rights. No government in Georgia has yet set for itself the goal of supporting truly independent courts. The history of the judicial system in Georgia is a story of governments' constant attempts to subdue them.

NOTES

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1 The European Commission for Democracy through Law – Venice Commission is the Council of Europe's independent advisory body on constitutional law issues. For more information, see Council of Europe, Venice Commission, "Recent and Current Events," online at http://www.venice.coe.int/webforms/events/, accessed 16 April 2017.

2 I focus on the institutional level. For more details, see Human Rights Education and Monitoring Center, Georgian Young Lawyers' Association, and Transparency International Georgia, *Analysis of the Judicial Liability System (National Legislation, International Standards and Local Practices)* (Tbilisi, 2014), online at http://coalition.ge/files/analysis_of_the_judicial_liability_system_en.pdf, accessed 7 February 2017.

3 For more information, see Ekaterine Popkhadze, Ekaterine Khutsishvili, and Giorgi Burjanadze, *Legal Analysis of Cases of Criminal and Administrative Offences with Alleged Political Motive* (Tbilisi: Georgian Young Lawyers' Association, 2011), online at https://bit.ly/33fT6fT, accessed 7 August 2019; Eka Khutsishvili et al., *Legal Analysis of Cases of Criminal and Administrative Offences with Alleged Political Motive, Part II* (Tbilisi: Georgian Young Lawyers'

Association, 2012), online at https://bit.ly/2yERXk3, accessed 7 August 2019; and Coalition for an Independent and Transparent Judiciary, "Nongovernmental Organizations Call for Reforming the Repressive Drug Policy and the Police System," 15 June 2017, online at http://coalition.ge/index.php?article_id=159&clang=1, accessed 7 August 2019.

4 "Constitutional Court chair speaks of 'alarming pressure,'" *Civil.ge*, 21 July 2016, online at https://civil.ge/archives/125640, accessed 11 June 2017; Transparency International, Georgia, "Assessment of the Georgian Judicial System (2012–2016)" (Tbilisi, 2016), 13–26, online at https://www.transparency.ge/sites/default/files/post_attachments/assessment_of_the_georgian_judicial_system_2012-2016.pdf, accessed 26 June 2017.

5 Decision of the Constitutional Court of Georgia #2/80–9, 3 November 1998, *Avtandil Chachua v. Georgian Parliament*, 3, online at https://constcourt.ge/ka/judicial-acts?legal=80, accessed 15 June 2017.

6 Stephen Jones, *Georgia: A Political History Since Independence* (London: I.B. Tauris, 2015), 71–2.

7 Wolfgang Babeck, *Adoption and Drafting of the Constitution in Georgia (1993–1995). Results of International Legal Assistance in a Transitional State*, 2nd Georgian ed. (Tbilisi: GIZ, 2013), 14.

8 Ibid., 18.

9 Ibid., 271.

10 Ibid., 270.

11 Ibid., 266–70.

12 Ibid., 243–6.

13 Ibid., 242.

14 "The Judiciary's Power Is Independent and It Is Only Exercised by the Courts," Constitution of Georgia, Article 82, para. 3.

15 Organic Law on Common Courts, 13 June 1997, Article 2, para. 1, original version. Initially, first instance status was awarded to district (city) and circuit courts. Later, only district (city) courts were defined as first instance courts, while courts of appeal became circuit courts (Organic Law of Georgia, 5 March 1999, On Introducing Amendments and Addenda to the Organic Law of Georgia On Common Courts, amendments to Articles 19 and 21). The circuit courts and high courts of the Autonomous Republics were made into second instance courts, while the Supreme Court was named a cassation court (Article 39). In certain cases, the Supreme Court was given the right to consider cases of the first instance (Article 38; Article 90, para. 1, Constitution of Georgia (original version)), which says that "the Supreme Court … considers first instance cases defined by law"; online at https://matsne.gov.ge/ka/document/view/31684?publication=0, accessed 26 June 2017.

16 Constitution of Georgia, para. 1, Article 90, original version.
17 Babeck, *Adoption and Drafting of the Constitution in Georgia*, 243–6.
18 Constitution of Georgia, Article 90, para. 2.
19 Ibid.
20 The same was applied to judges of the lower courts. Unlike the Supreme Court, however, where there were arguments for a ten-year appointment (to ensure renewal of the court), such arguments could not be sustained at the lower level.
21 Organic Law on Common Courts, 13 June 1997, Article 36, original version.
22 Ibid., Article 53, para. 3, original version.
23 Ibid.; and Constitution of Georgia, Article 64, original version.
24 Organic Law on Common Courts, 13 June 1997, Article 60, para. 1, original version.
25 Ibid., Article 60, para. 6, original version.
26 Ibid, Article 60, para. 2, original version.
27 Of this number, MPs were not to exceed three, and only two of the three could be representatives of the parliamentary majority; ibid, Article 60, para. 3, original version.
28 Babeck, *Adoption and Drafting of the Constitution in Georgia*, 268.
29 Organic Law on Common Courts, 13 June 1997, Article 62, para. 2, original version.
30 Ibid., Article 62, para. 1, original version.
31 Article 86, para. 1, original version.
32 Constitutional Law of Georgia, 27 December 2005, “On Introducing Amendments to the Constitution of Georgia,” amendment to Article 86, online at https://matsne.gov.ge/ka/document/view/25324, accessed 24 June 2017.
33 Ibid., 15 October 2010, “On Introducing Amendments and Addenda to the Constitution of Georgia,” amendment to Article 86.
34 Organic Law on Common Courts, 13 June 1997, Article 46, para. 1, original version.
35 Ibid., Article 47, para. 4, original version.
36 Ibid., Article 47, para. 1, original version.
37 Ibid., Article 47, para. 2, original version.
38 Ibid., Article 45; Article 47, para. 5, original version.
39 Ibid., Article 47, para. 7, original version.
40 Ibid., Article 54, para. 1, subparas a, b, f–j, original version.
41 Ibid., Article 53, para. 2, original version.
42 Ibid., Article 77, para. 1, original version.
43 Ibid., Article 78, original version.
44 Ibid., Article 69, original version.

45 Ibid., Article 77, original version; see also ibid., Article 53, para. 1, original version.

46 Organic Law on Common Courts, 3 September 1997, "On Introducing Amendments and Addenda to the Organic Law of Georgia on Common Courts," amendment to Article 86.

47 Decision of the Constitutional Court of Georgia #2/80–9, 3 November 1998.

48 Ibid., 3.

49 Ibid., 11.

50 Organic Law on Common Courts, 3 September 1997.

51 Babeck, *Adoption and Drafting of the Constitution in Georgia*, 14.

52 Transparency International, Georgia, "Dream Court Anatomy," 23 February 2019, online at https://www.transparency.ge/en/blog/dream-court-anatomy, accessed 31 July 2019.

53 Vakhtang Menabde et al., *Twenty Years without Parliamentary Control* (Tbilisi: Cezanne, 2017), 24.

54 Constitutional Law of Georgia, 6 February 2004, "On Introducing Amendments and Addenda to the Constitution of Georgia," amendment to Article 82.

55 Organic Law of Georgia, 25 November 2005, "On Introducing Amendments and Addenda to the Organic Law of Georgia on Common Courts," addendum to Article 88, online at https://matsne.gov.ge/ka/document/view/27424, accessed 26 June 2017.

56 Organic Law of Georgia, "On Introducing Amendments and Addenda to the Organic Law of Georgia on the Supreme Court of Georgia," amendment to Article 40, para. 7.

57 For complete statistics for the 2004–13 period, see Human Rights Education and Monitoring Center, Georgian Young Lawyers' Association, and Transparency International Georgia, *Analysis of the Judicial Liability System*, 93.

58 Constitutional Law of Georgia, 27 December 2005, "On Introducing Amendments and Addenda to the Constitution of Georgia, amendment to Article 90, para. 1.

59 Organic Law of Georgia, 19 June 2007, "On Introducing Amendments and Addenda to the Organic Law of Georgia on the Supreme Court of Georgia," amendment to Article 23.

60 Ibid., amendments to Article 60, para. 6.

61 Ibid., amendment to Article 60, para. 2.

62 Ibid., amendment to Article 60, para. 3.

63 Ibid., Article 2.

64 Organic Law of Georgia, 25 November 2005, "On Introducing Amendments and Addenda to the Organic Law of Georgia on Common Courts," amendment to Article 60, para. 2.

65 Ibid., amendment to Article 60, para. 3.
66 Coalition for an Independent and Transparent Judiciary, "The Judicial System in Georgia" (Tbilisi, 2012), online at http://coalition.ge/files/the_judicial_system_in_georgia.pdf, accessed 6 February 2017.
67 Organic Law of Georgia, 9 June 2007, "On Introducing Amendments and Addenda to the Organic Law of Georgia on Common Courts," amendment to Article 53.
68 Constitutional Law of Georgia, 15 October 2010, "On Introducing Amendments and Addenda to the Constitution of Georgia," amendment to Article 86, para. 1.
69 Ibid., amendment to Article 86, para. 2.
70 Ibid.
71 European Commission for Democracy through Law, *Final Opinion on the Draft Constitutional Law on Amendments and Changes to the Constitution of Georgia*, Opinion 543/2009, CDL-AD (2010) 028 (Strasbourg, 15 October 2010), 91, online at http://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2010)028-e, accessed 6 February 2017.
72 European Commission for Democracy through Law, *Report on the Independence of the Judicial System*, part 1, *The Independence of Judges*, Study No.494/2008, CDL-AD (2010) 004 (Strasbourg, 16 March 2010), 37, online at http://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2010)004-e, accessed 6 February 2017; and idem, *Final Opinion on the Draft Constitutional Law*, 90.
73 Organic Law of Georgia, 5 March 1999, "On Introducing Amendments and Addenda to the Organic Law of Georgia on Common Courts," addendum to Article 85. It should be noted that, before amendments to the constitution, a decision by the Constitutional Court had discussed exactly this issue of probationary periods for judges. At the beginning of 1999, an amendment was introduced that permitted the appointment of judges for eighteen months if, despite necessary measures, vacant seats remained in the courts. When, after the expiry of this term, a judge was considered for a ten-year appointment, the performance of his or her duties in the course of the previous eighteen months was considered.
74 Decision of the Constitutional Court of Georgia #1/1/138,171,179,209, 26 February 2003, on the case *Citizens of Georgia – Irakli Lekveishvili, Koba Gotsiridze, Koba Kobakhidze and the Ombudsman v. the Parliament and the President of Georgia*, I and IV, online at https://constcourt.ge/ka/judicial-acts?legal=118, accessed 15 June 2017.
75 Ibid., 86.
76 Ibid., 87.

77 Organic Law of Georgia, 28 December 2012, "On Introducing an Amendment to the Organic Law of Georgia on Common Courts," amendment to Article 42, para. 3.
78 Organic Law of Georgia, 1 May 2013, "On Introducing an Amendment to the Organic Law of Georgia on Common Courts," amendment to Article 65, para. 1.
79 Ibid., amendment to Article 43, para. 4.
80 Ibid.
81 Ibid., amendment to Article 43, para. 7. The number of members elected based on such a quorum was not to exceed four.
82 Organic Law of Georgia, 1 November 2013, "On Introducing an Amendment to the Organic Law of Georgia on Common Courts," amendment to Article 47, para. 6.
83 European Commission for Democracy through Law, *Opinion on the Draft Amendments to the Organic Law on Courts of General Jurisdiction of Georgia*, Opinion 701/2012, CDL-AD (2013) 007 (Strasbourg, 11 March 2013), 53, online at https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2013)007-e, accessed 6 February 2017.
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85 15 October 2010, "On Introducing Amendments and Addenda to the Constitution of Georgia," amendment to Constitution of Georgia, Article 73, para. 1, subpara. e.
86 Coalition for an Independent and Transparent Judiciary, "Statements of December 14, 2012, regarding extensive reforms to be implemented in the judicial system," online at http://coalition.ge/files/coalition_letterhead_press_release_final.pdf., accessed 6 February 2017.
87 European Commission for Democracy through Law, *Opinion on the Draft Amendments to the Organic Law on Courts of General Jurisdiction of Georgia*, 74.,
88 Decision of the Constitutional Court of Georgia, #1/2/569, 11 April 2014, on the case *Citizens of Georgia – Davit Kandelaki, Natalia Dvali, Zurab Davitashvili, Emzar Goguadze, Giorgi Meladze and Mamuka Pachuashvili v. Parliament of Georgia*, I.5,6., online at https://constcourt.ge/ka/judicial-acts?legal=1081, accessed 15 June 2017. It should be noted that, unlike the High Council of Justice, the Georgian public broadcaster does not have constitutional status but was created by legislation.

89 Ibid., para. II.53.
90 Ibid.
91 Ibid., para. II.54.
92 "The president vetoed the law on courts," *Civil Georgia*, 23 April 2013, online at http://civil.ge/geo/article.php?id=26803, accessed 6 February 2017.
93 Organic Law of Georgia, "On Introducing an Amendment to the Organic Law of Georgia on Common Courts," amendment to Article 50, paras 3 and 4.
94 Organic Law of Georgia, "On Disciplinary Responsibility of the Judges of Common Courts of Georgia, and Disciplinary Proceedings," Articles 77 and 80, version currently in force. The Disciplinary Collegium consists of five members, of whom three are judges elected by the conference, while the two non-judges are elected by the Parliament. See Organic Law of Georgia, 1 May 2013, "On Introducing an Amendment to the Law of Georgia on Disciplinary Responsibility of Judges of Common Courts of Georgia and Disciplinary Proceedings," amendment to Article 24, para. 1, online at https://matsne.gov.ge/ka/document/view/1922274, accessed 26 June 2017.
95 European Commission for Democracy through Law, *Joint Opinion on the Venice Commission and the Directorate of Human Rights of the Council of Europe on the Draft on Making Changes to the Law on Disciplinary Liability and Disciplinary Proceedings of Judges of General Court of Georgia*, Opinion 774/2014, CDL-AD (2014) 032 (Strasbourg, 14 October 2014), 69, online at https://www.venice.coe.int/webforms/documents/?pdf=CDL-AD(2014)032-e, accessed 6 February 2017.
96 Ibid., 72.
97 Organic Law of Georgia, 1 November 2013, "On Introducing an Amendment to the Organic Law of Georgia on Common Courts," amendment to Article 34, para. 1.
98 Ibid, addendum to Article 36, para. 4^1.
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100 For more details on this issue, see: Vakhtang Menabde, "Demise of Politics: Selection of the Composition of the Supreme Court on the Existing Notions of Status Quo and Prospects of the Reform," *Constitutional Law Review* 8 (2015): 46–68, online at http://iliauni.edu.ge/uploads/other/43/43936.pdf, accessed 12 February 2017.
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online at http://coalition.ge/index.php?article_id=105&clang=1, accessed 6 February 2017.

103 Coalition for an Independent and Transparent Judiciary, "Coalition calls Georgian parliament for suspension of making amendments to the Law on General Courts," 3 October 2013, online at http://coalition.ge/index.php?article_id=104&clang=1, accessed 6 February 2017.

104 Organic Law of Georgia, 1 August 2014, "On Introducing an Amendment to the Organic Law of Georgia on Common Courts," addendum Article 19, para. 2.

105 Ibid., addendum to Article 19^1.

106 Ibid., addendum to Article 36^5.

107 Organic Law of Georgia on Common Courts, 4 December 2009, Article 19^1, para. 1, current version.

108 For a statement supporting the president's veto, see Coalition for an Independent and Transparent Judiciary, "Coalition calls on parliament to consider president's objections in relation to the 'third wave' judicial reform bill," 31 January 2017, online at http://coalition.ge/index.php?article_id=144&clang=1, accessed 6 February 2017.

109 Organic Law of Georgia on Common Courts, 4 December 2009, Article 15, para. 1, original version.

110 Ibid., Article 14, para. 3, current version.

111 European Commission for Democracy through Law, *Joint Opinion of the Venice Commission and the Directorate of Human Rights of the Directorate General of Human Rights and Rule of Law of the Council of Europe on the Draft on Amendments to the Organic Law on General Courts of Georgia.*

112 Coalition for an Independent and Transparent Judiciary, "Opinion about the third wave of judicial reform," 15 July 2015, online at http://coalition.ge/index.php?article_id=63&clang=1, accessed 11 February 2017; and idem, "Considerations of the Coalition on the 'third wave' of the judicial reform," 14 March 2016, online at http://coalition.ge/index.php?article_id=69&clang=1, accessed 6 February 2017.

113 Remarks by the President of Georgia Regarding the Draft Law on Introducing Amendments and Addenda to the Legislation of Georgia on Common Courts, adopted by the Parliament of Georgia on 29 December 2016 and submitted for signing, online at http://www.parliament.ge/ge/ajax/downloadFile/54520/07-1.2_veto, accessed 6 February 2017.

114 Coalition for an Independent and Transparent Judiciary, "Opinion about the third wave of judicial reform"; see also idem, "Considerations of the Coalition on the 'third wave' of the judicial reform."

115 Organic Law of Georgia on Common Courts, 4 December 2009, Article 47, para. 4.

116 Remarks by the President of Georgia.

117 European Commission for Democracy through Law, *Joint Opinion … on the Draft on Amendments to the Organic Law on General Courts of Georgia*, 21–3.
118 Organic Law of Georgia on Common Courts, 4 December 2009, Article 35, para 22[1].
119 Decision of the Georgian Constitutional Court, #3/1/659, 15 February 2017, on the case *Georgian Citizen Omar Jorbenadze v. the Georgian Parliament*, II, 44, 64, 66, online at https://constcourt.ge/ka/judicial-acts?legal=916, accessed 15 June 2017.
120 "Parliament to develop new rules for selecting Supreme Court judges," *Civil.ge*, 12 January 2019, online at https://civil.ge/archives/273620, accessed 14 January 2019.
121 High Council of Justice of Georgia, "The High Council of Justice Named Candidates of the Supreme Court," online at http://hcoj.gov.ge/ge/iustitsiis-umaghlesma-sabchom-uzenaesi-sasamartlos-mosamartleta-kandidatebi-daasakhela/3368, accessed 14 January 2019.
122 "The Prosecutor's Office shall be led by the General Prosecutor, who is elected for a term of 6 years upon nomination by the Prosecutors' Council by a majority of the total number of the Members of Parliament, in accordance with the procedures established by the organic law"; see Constitution of Georgia, Article 65.

6 Elections, Political Parties, and Social Change in Georgia, 2003–2018

DAVID SICHINAVA

Introduction

Political parties in post-communist polities are often described as volatile,[1] a proposition which holds for Georgia.[2] Mogens Pedersen speaks of electoral volatility as "the net change within the electoral party system resulting from individual vote transfers," or the flight of voters from one political party to another through subsequent rounds of electoral cycles.[3] Stable party systems are important prerequisites of democratization[4] since political parties help consolidate the interests of groups into institutionalized form.[5] Unstable and fragile party systems are therefore more easily undermined by non-democratic institutions and actors such as the military, the church, populist political movements, and powerful oligarchs.[6]

The study of how party systems evolve over time, and what leads people to vote for particular parties, is central to understanding the development of democracies. Since independence in 1991, elections in Georgia have led to the disappearance of older political parties and the emergence of new ones. As a result of this volatility, both new and old political parties in Georgia were characterized as unstable and as failing to communicate their agendas to voters.[7] Many came to be seen as representatives of elites and of the old *nomenklatura*,[8] rather than as reflections of the country's ideological divisions.

Recent public opinion data demonstrate, however, that policy issues are becoming more salient to Georgian voters.[9] Surveys by the National Democratic Institute between 2012 and 2018 indicate that almost one-third of the country's population would prefer that Georgia develop closer relations with Russia than with the European Union or NATO. According to the same source, Georgians with such opinions are inclined to support more conservative parties, such as the Alliance of Patriots of

Georgia, the Democratic Movement for United Georgia, and Industry Will Save Georgia (Industrialists), over more centrist and pro-Western parties.

In this chapter, I argue that there is a correlation between the attitudes of Georgian voters towards the country's pro-Western foreign policy and their sympathies towards particular political parties. This suggests the emergence of issue-based voting in Georgia, and following from this, a move towards greater stability in the country's party system. Party organizations can appeal to weak, yet evidently emerging, social divisions. I investigate how party systems stabilize over multiple election cycles, with specific reference to Georgia since independence. I explore the potential ramifications of ideological attitudes on party systems, and analyse how political parties have developed over the course of the past three decades. I argue that, alongside voting decisions based on cultural and regional characteristics, we see Georgian voters beginning to align with political parties based on the country's foreign policy orientation. Three decades after independence, Georgia's major political parties remain volatile, as was demonstrated in the 2016 parliamentary elections with the fragmentation of the United National Movement, the Republicans, and the Free Democrats. In the next election cycle, debates on the country's foreign policy could serve as mechanisms to promote greater party stabilization.

Party Structures and Voting in Post-communist Europe

The question of how political parties would emerge in post-communist Central and Eastern Europe was a topic of particular interest in the years immediately following the collapse of communism in the early 1990s. The political landscape was deemed a *tabula rasa*[10] – a clean slate on which observers could identify how new democratic institutions form and grow. It was initially assumed that the party landscape of Eastern Europe would be free from past cultural and institutional legacies.[11] At the same time, voters in the region lacked what Piotr Sztompka has called "civilizational competence"[12] – that is to say, they were not exposed to the rules and institutions key to the liberal democratic model. These assumptions, however, were quickly questioned.[13] Geoffrey Evans, for example, has showed that variables such as life experience during the communist era, demographic patterns, and regional differences all had ramifications on party cleavages in post-communist societies.[14] In addition, the design of political and electoral institutions during the transition was an important contributor to the stability of party systems, since the design ultimately determined the trajectory of multiparty systems.[15]

Although the effects are interactive, a directly elected president and the presidential system in general were associated with increased volatility.

The societal cleavages model of Seymour Martin Lipset and Stein Rokkan[16] remains a useful analytical framework to explain the bases of party competition in Eastern Europe. As Russell Dalton and Kevin Deegan-Krause point out in their work, however, even in well-developed democracies, the traditional pillars of party formation, such as ideological and class issues, have been in decline since the 1980s.[17] Ideological divisions are identifiable in post-communist societies, but they originate as much in pre-communist legacies and in the peculiarities of the transition from communist rule as they do in contemporary social experiences and identities.[18] As a result, traditional expectations of ideological party cleavages in Eastern Europe were challenged by weak social structures and confusion between the meanings of "right" and "left."

The cleavage structure of society in post-communist polities is intertwined with institutional design and elite behaviour.[19] Margit Tavits argues that societal cleavages play a role in developing stable party support only in the case of economic downturns, when "leftist" economic promises become attractive for voters.[20] Institutional design, according to other students of electoral systems,[21] is the most vital impetus in the learning and sophistication of both voters and politicians in post-communist systems.[22] Lise Herman argues that democratic consolidation is largely agent induced, where political parties, not institutions, are the drivers of the democratic process.[23] Treating parties as agents of greater voter sophistication challenges the dominant institutionalist approaches to democratic consolidation, which consider institutions chosen during the transition as crucial to party and voter strategies.[24]

Recent "earthquake elections" in Eastern Europe[25] that diminished or even wiped out traditional political parties have added to the discussion on volatility and whether party systems are in fact stabilizing or destabilizing.[26] Tavits claims that elite behaviour, rather than voting, is the trigger of party splits, defections, and schisms.[27] The origins of volatile party politics also can be linked to economic instability, although this claim has been subject to serious critique.[28]

What, then, drives voters to support particular political parties in post-communist societies? Can we detect a pattern? Can we treat Eastern Europe as a separate analytical category? Societal cleavages continue to be important: religion and social class are significant predictors of party affiliation,[29] as is the nature of voters' exposure to the communist past.[30] Sociocultural, spatial, and historical dimensions of voting are vital variables, but they also might coincide with voters' alignments based on traditional or newly emerging societal cleavages.[31]

In Georgia, very few of the ideological pillars that hypothetically allow parties to identify and seek support from their voters are apparent.[32] Distinctive voting patterns of Georgia's ethnic minorities, such as Azerbaijanis, or sections of the urban population, are products of the relatively recent past, and are in line with the ideas formulated by Herbert Kitschelt, Geoffrey Evans, and Stephen Whitefield.[33] Specifically, the ethnic conflicts of the 1990s and the particularities of Georgia's urbanization during the Soviet period influenced the centre-periphery and urban-rural electoral cleavages, although the role of sociocultural and regional identities cannot be ignored as important contributory factors.[34] The political preferences of Georgian voters do not run deep, and are easily overturned by the populist mantra of political parties or by the pressures of local elites.[35] The emergence of powerful figures – such as ex-prime minister and billionaire Bidzina Ivanishvili – can easily sway voting based on popular economic expectations of a "trickle down" effect.[36]

Political Parties in Georgia: A Survey

The current arrangement of Georgia's political landscape is the result of the country's divisive and volatile political history. Eduard Shevarnadze's Citizens' Union of Georgia (CUG), a parliamentary majority from 1995 to 2001, was the cloth from which much of Georgia's political class emerged. Georgia's former president, Mikheil Saakashvili, served as both minister of justice (2000–1) and as the leader of the CUG's parliamentary faction,[37] while Prime Minister Giorgi Kvirikashvili (2015–18, Georgian Dream), was a member of parliament from 1999 to 2004 as part of the CUG's party list.[38] Shevardnadze, after his return to Georgia in 1992, sought legitimization through a sustainable party base. His newly established CUG was a multifarious coalition of former communist bureaucrats and apparatchiks, along with emerging young politicians, all with diverse backgrounds and ideological sentiments.[39] The CUG was a catch-all party of the old and new establishments, and the president's authority was the single unitary force that kept it together.[40]

The CUG started crumbling in 2001 as internal tensions inside the party as well as public dissent intensified. The government and the CUG were accused of corruption, of mishandling the economy, and of trying to shape the constitution to their own needs.[41] That year, a splinter group of the CUG formed the New Rights Party, and prominent figures such as Mikheil Saakashvili and Zurab Zhvania followed this example the following year, peeling off CUG members to form the United National Movement (UNM) and the United Democrats, respectively.

After a disastrous performance in the 2002 municipal elections,[42] the CUG tried to regroup for the 2003 parliamentary elections, forming a new electoral bloc with other parties, such as the National Democratic Party, and the Socialist Party. The elections, however, which led to the Rose Revolution and the resignation of President Shevardnadze on 23 November 2003, transformed Georgia's party landscape. Saakashvili's popularity as the leader of the youthful UNM, compared to the tired and corrupt faces of the CUG, led to the electoral annihilation of Georgia's former ruling political groups. This included Shevardnadze's important ally, Aslan Abashidze, and his Democratic Union for Revival Party, which was the dominant force in the Autonomous Republic of Achara. Other opposition parties were significantly diminished, such as the Labour Party and the National Democratic Party. The electoral bloc of the New Rights and the Industry Will Save Georgia parties narrowly managed to pass the high 7 per cent threshold in the repeat parliamentary elections of 28 March 2004 (Table 6.1).

The United National Movement was more effective as a party after the merger of Saakashvili's National Movement with Zhvania's electoral bloc of United Democrats, and a political group led by Nino Burjanadze. The new party, National Movement-Democrats, espoused staunch pro-Western (and anti-Russian) sentiments. This became the UNM's most consistent ideological stance. The UNM was in the centre-right of Georgia's political spectrum, but it advocated for more social spending as well as neoliberal economic policies.[43] From the electoral perspective, the bulk of the UNM's support came from rural settlements and Georgia's ethnic minority population.

The UNM government introduced vital reforms in the economy, public finances, defence, and the security and education sectors; it eradicated petty corruption. The reforms were placed in a neoliberal framework,[44] and despite economic growth, failed to tackle rising income inequality.[45] The party quickly merged with the state, and incorporated large businesses into its policy-making circles. Several government employees were suspected of lobbying for important sectors of Georgia's economy,[46] while two prominent bankers, Vladimer Gurgenidze and Nikoloz Gilauri, headed the UNM-led Georgian government for almost five years.

Dramatic events changed the UNM's fortunes in late 2007, which helped Georgian opposition forces consolidate and challenge the ruling United National Movement. Massive protest rallies in Tbilisi, which initially started in support of former defence minister Irakli Okruashvili,[47] were dispersed brutally by the police. In order to end the emerging political deadlock, Saakashvili called for snap presidential elections. In the

Table 6.1. Distribution of Seats in the Georgian Parliament Elected through Party Lists (PLs) and Single-Member Districts (SMDs), 2003–16

	2003 (annulled)		2004 (repeated)		2008		2012		2016	
	PL	SMDs	PL	SMDs*	PL	SMDs	PL	SMDs	PL	SMDs
For New Georgia	38	19		19						
Democratic Union for Revival	33	6		6						
Saakashvili-National Movement	32	10		10						
Burjanadze-Democrats	15	4		4						
National Movement-Democrats		1	135	1						
United National Movement					48	71	33	32	27	
Labour Party	20	3		3	6					
New Rights	12	4		4						
Rightist Opposition-Industrialists			15							
Industrialists		4		4						1**
United Opposition (incl. New Rights)					17	2				
Giorgi Targamadze-Christian-Democrats					6					
Republican Party						2				
Georgian Dream Coalition							44	41	44	71
Alliance of Patriots of Georgia									6	
Independents		21		21						1***
Delegation of Abkhazia****		12								

* Majoritarian MPs elected in 2003 elections retained their seats, according to the decision of the Georgian Supreme Court.

** In the parliament of 2016, the Industrialist MP caucused with Georgian Dream.

*** Salome Zurabishvili, Georgia's future president, ran as an independent. Georgian Dream did not nominate a contestant in her district, informally supporting her nomination.

**** The delegation of Abkhazian MPs was elected in the 1992 elections and they automatically retained their seats in the 1995, 1999, and 2003 parliaments.

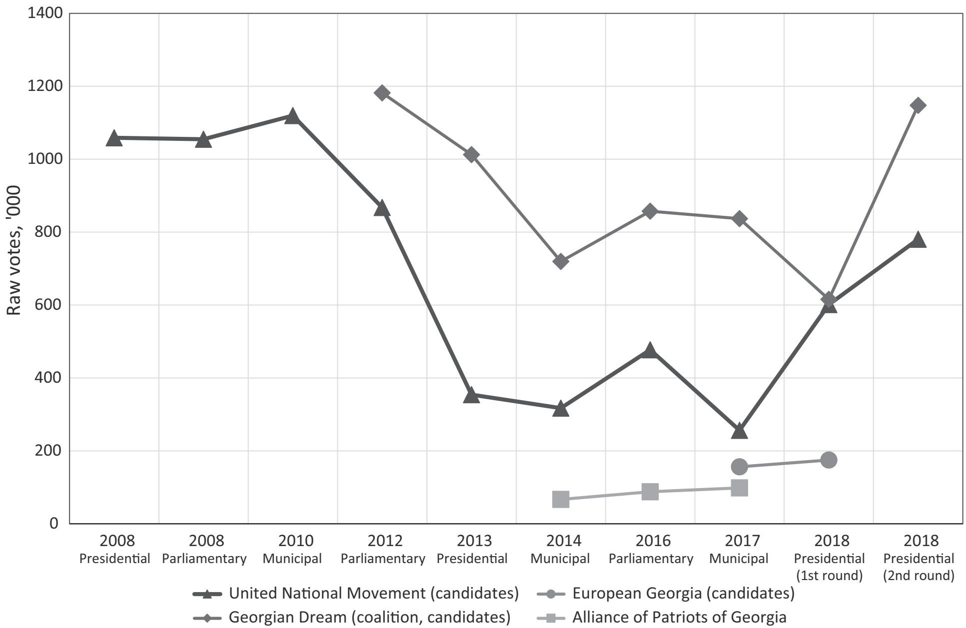
Source: Inter-Parliamentary Union, "IPU PARLINE Database: Georgia, Election Archives," 2012, online at http://www.ipu.org/parline-e/reports/2119_arc.htm, accessed 5 July 2017.

2008 presidential elections that followed, the opposition almost managed to force a runoff. In the first round, President Saakashvili squeaked through with 53.47 per cent[48] of the vote, compared with 25.69 per cent for his major rival, Levan Gachechiladze. However, the opposition failed to gain the same support in the parliamentary elections, and two major opposition groups, the United Opposition and the Labour Party, refused to participate in the parliamentary process altogether.

The August 2008 war with Russia was an important watershed in the political history of Georgia. Although it did not significantly affect the Georgian political landscape, the incompetence of the government during the war intensified public dissent over the conduct and policies of the ruling party. In early 2009, oppositional forces organized street protests in Tbilisi, and began polling at the same level as the UNM in public opinion surveys.[49] The opposition failed, however, to turn public support into political gains, and was unable to pressure the government into early parliamentary elections. The opposition polled poorly during the 2010 municipal elections and its public support diminished as it failed to display a common front.[50] Remaining fractured, the opposition was loosely coordinated by a national council that contained representatives of almost a dozen political parties. At various times, the council included established organizations such as the Republicans and Labour Party, as well as relative newcomers such as the National Forum and the Movement for United Georgia. But the council was ideologically amorphous, its members focused only on removing Mikheil Saakashvili from power. It never formed a stable alliance, and it finally disintegrated on the eve of the 2010 municipal elections.

When billionaire Bidzina Ivanishvili emerged as the leader of a new opposition movement in 2011, it led to a crucial turnaround in Georgia's political landscape. He consolidated the opposition's fragmented political forces into a single coalition called Bidzina Ivanishvili–Georgian Dream, and used his financial resources to lead it to a remarkable and unexpected victory in the 2012 parliamentary elections. Ivanishvili's reputation as a successful businessman and philanthropist drew a certain portion of voters towards Georgian Dream in 2012.[51] In addition, his radical rhetoric and posture as the only real alternative to the UNM consolidated the opposition vote. Video clips of prison torture under Saakashvili shown widely on television before the election, and the televised case of the killing of a minor, Barbare Rapaliants, as alleged retribution for her parent's political involvement, added to Ivanishvili's victory in 2012.[52] Political parties such as the more ideologically liberal Free Democrats and Republicans, and the more right-wing and isolationist Industrialists, joined a Georgian Dream coalition in the parliament.

Figure 6.1. Raw Votes Received by Current Parliamentary Parties, Georgia, 2008–18



Note: In the 2018 presidential elections, Georgian Dream did not nominate its own candidate but supported that of Salome Zurabishvili.

Source: Freedom of information request from the Central Elections Commission of Georgia.

Ivanishvili was a polarizing figure, temperamentally uncomfortable with governing, and after one year as prime minister announced his retirement from politics. But Ivanishvili is still a powerful political figure in Georgian politics, and his informal influence over government policy is one of Georgian democracy's weakest points.[53] Although Georgian Dream put significant effort into creating a party structure separate from Ivanishvili, the party is still strongly associated with its former leader, who currently chairs it.

The Georgian Dream coalition held together until the eve of the 2016 parliamentary elections, when it rapidly disintegrated. Old coalition members such as the Industrialists, Republicans, Free Democrats, and the National Forum were dismissed from the coalition. Other constituents, such as the Conservatives and left-leaning Social-Democrats, were directly incorporated in the parliamentary party lists and among the ranks of Georgian Dream's majoritarian caucus. Georgian Dream also gained a

comfortable majority in the legislature, which ensured the passage of widely debated and controversial constitutional amendments, including the abolition of direct presidential elections.[54]

The UNM's relatively poor results led to a split among its parliamentary members that trickled down to the mass membership. The party managed to sustain a steady voter base even after moving into opposition, and retained a strong regional structure. Internal divisions among party factions became visible, however, almost right after the polls were closed in October 2016. UNM members loyal to Saakashvili supported a boycott of the parliamentary process,[55] a move resisted by the party's dominant figures and leaders. The former president's controversial comments accusing his old teammates of playing "Ivanishvili's game"[56] added fuel to the fire, and had a negative impact on the party's electoral performance. Division among the ranks of the UNM led to the defection of almost its entire parliamentary delegation to a splinter political party, the Movement for Liberty–European Georgia (MLEG).

Uncertainty about the future of both the UNM and the MLEG might have prevented potential voters from supporting either party in the October 2017 municipal elections. Nationwide, the UNM received only 256,000 votes, while 156,000 voters supported the MLEG. In total, this was about a 65,000 decline from the previous parliamentary elections. In contrast, Georgian Dream lost only 20,000 votes in the same period.

The UNM ran a successful campaign in the 2018 presidential elections. Its candidate, Grigol Vashadze, received 601,000 votes (37.74 per cent of the total), more than double the number the party had been able to mobilize in the previous municipal elections. Davit Bakradze, the MLEG's presidential candidate, finished third after Salome Zurabishvili, the candidate supported by Georgian Dream, and Vashadze by garnering 175,000 votes (10.97 percent of the total). In the runoff, the MLEG endorsed Vashadze.

In 2016, the Alliance of Patriots of Georgia (APG) was a new addition to Georgia's party constellation. The group emerged after the 2012 parliamentary elections, presenting itself as a patriotic centre-right party.[57] The APG has declared its support for Georgia's integration into EU structures, but public opinion surveys show that its electorate shares more pro-Russian sentiments than do the supporters of other parties.[58] The increase in the party's popularity – although it only squeaked into the parliament by reaching the 5 per cent barrier – could be attributed to a successful and active campaign in the media, accompanied by strong anti-Turkish, and conservative-populist views on social issues. The party had a decent result in the 2017 municipal elections, supported by 98,000 voters, compared with 88,000 who did

so in the 2016 parliamentary elections. The Alliance did not nominate its own presidential candidate for the 2018 presidential poll, but announced that it would support Salome Zurabishvili, the Georgian Dream candidate, in the runoff.[59]

Georgian politics is still dominated by a single ruling party, although oppositional voices are present in the legislature and in the political arena outside the parliament. Political events in 2018 revealed internal divisions within Georgian Dream. Its largely technocratic government failed to address political crises quickly, such as protest rallies organized by the supporters of aggrieved fathers Zaza Saralidze and Malkhaz (Vakha) Machalikashvili, who had lost their children in clashes with the government.[60] This crisis was followed by a reshuffle in the cabinet: the sitting prime minister, Giorgi Kvirikashvili, was replaced by the lesser-known former finance minister, Mamuka Bakhtadze. Although the prime minister's office is still the highest political office in the country, Kvirikashvili's dismissal was attributed to the influence of Bidzina Ivanishvili. There was minimal consultation and discussion with the public.[61]

Turmoil among the ranks of Georgian Dream almost cost the party its victory in the presidential campaign in 2018. The decision to support the candidacy of Salome Zurabishvili, an independent member of the parliament, was announced only weeks ahead of presidential polls, which added to the confusion. Zurabishvili failed to secure victory in the first round, and faced a UNM-endorsed candidate, Grigol Vashadze, in the runoff. Negative campaigning[62] and a controversial promise by the government to write off the debts of more than half a million Georgians led to Zurabishvili's eventually gaining a commanding 59.52 per cent of the votes.[63]

In 2020, Georgian Dream still holds a comfortable parliamentary majority, although it needed a mighty effort to mobilize voters for the presidential runoff. Indeed, its supporters might not necessarily identify themselves with Georgian Dream, but simply resent the United National Movement. Almost half of the Georgian public remains politically unaffiliated.[64] This also hints at the failure of mainstream Georgian political parties to reach the wider population.

A New Cleavage in Georgian Party Politics?

There is a broad consensus inside Georgia regarding the country's aspirations to join European and Euro-Atlantic institutions. Political resistance to this consensus has increased of late, however, from the opposition, including Nino Burjanadze's Democratic Movement and the Alliance of Patriots of Georgia, and even among members of the Georgian Dream

coalition, such as Gogi Topadze, leader of the Industrialists. My analysis suggests that issues connected to Georgia's foreign policy orientation are correlated with Georgian voters' party affiliation. Thus, regardless of the sociodemographic traits of the respondent, variables such as the respondent's attitude towards closer integration with the European Union are significantly correlated with broader political sympathies.

My analysis is based on a publicly available repeat survey of Georgians' attitudes towards the EU commissioned by the Europe Foundation,[65] and conducted by the Caucasus Research Resources Center–Georgia.[66] Face-to-face interviews were done in 2011, 2013, and 2015.[67] The datasets contain different attitudinal variables measuring respondents' positions towards the EU, as well as measures of their sociodemographic characteristics. The model presented here evaluates, in addition, respondents' attitudes towards various political parties, and how respondents would vote in a hypothetical referendum on Georgia's membership of the EU. The question is somewhat speculative, but it echoes the mantra among the country's political elites[68] on Georgia's pro-European foreign policy goal.[69] The dependent variable is coded as a binary outcome, where 1 corresponds to the respondent's declared willingness to vote for EU membership, while other outcomes (refusal, negative, and neutral attitudes) are grouped towards 0.

The analysis reveals that the major predictors in the model are respondents' attitudes towards political parties. In each survey year, participants were asked to assess their feelings on a five-point (2011) or a three-point (2013, 2015) scale towards political parties. Apart from political feelings, I controlled for the sociodemographic characteristics of respondents, such as gender, age, educational attainment, and type of residence, and evaluated the hypothesis using a logistic regression model. Appendix 6.1 summarizes the main outcome of the analysis.

Overall, the analysis suggests a link between how respondents felt about political parties and their preference for EU membership. The trend is clearly pronounced in 2015, where eight out of eleven party variables predict attitudes towards the EU. Supporters of the UNM form the most consistent group: respondents who expressed a positive attitude towards the UNM were twice as likely to vote for Georgia's EU membership in a hypothetical referendum than those who had negative feelings about the party.

Respondents with a positive attitude towards the Republicans showed even higher comfort with the country's foreign policy goal of EU membership. Although the coefficient in 2013 is not statistically significant, the overall trend indicates the consistency of this pattern. Supporters of

Our Georgia–Free Democrats, led by former minister of defence Irakli Alasania, were also staunch pro-Westerners. In 2015, respondents with positive attitudes towards the Free Democrats were twice as likely to back Georgia's EU membership as those who looked on the party negatively. Those with neutral attitudes towards the party were also more likely to be supporters of Georgia's integration with the West.

At the zenith of its popularity in the years 2008–11, the Christian Democratic Movement (CDM), which later merged with Nino Burjanadze's Democratic Movement, boasted about its pro-Western supporters. In the 2011 dataset, respondents with a positive attitude towards the CDM were twice as likely to support the EU as those with negative attitudes towards the party. Georgian Dream supporters showed only moderate support for the EU in the hypothetical referendum compared with those who had negative attitudes towards that party. This does not necessarily mean that Georgian Dream supporters were more pro-Russian. Considering the polarized nature of Georgian politics, respondents with positive feelings towards the UNM were more likely to be stalwart opponents of Georgian Dream (and supporters of the European cause), which might explain the observed pattern.

Party attitudes stayed firm over the period of analysis; none switched from negative to positive or vice versa regarding the EU. Negative attitudes towards the country's EU membership emerged only in the last year of the study. Respondents who expressed positive or neutral attitudes towards Nino Burjanadze's Democratic Movement had the largest odds (0.436 and 0.593) of rejecting EU membership, and the significance of the value suggests that the chances that this trend was a randomly occurring one are low. Respondents with positive attitudes towards the Industrialists were also less likely to vote for Georgia's EU membership. Finally, respondents who had neutral feelings towards the Alliance of Patriots were less likely to vote for the EU than those who possessed negative attitudes towards the party.

Demographic variables also have a consistent and statistically significant effect on the dependent variable. Younger respondents were more likely to support EU membership in a hypothetical referendum, while those with only secondary or lower education were much less likely to be supporters of Georgia's EU membership than peers with higher education. Finally, geography matters: although the related coefficients become significant starting from 2013, respondents from Tbilisi were more likely to have positive attitudes towards the EU than those in the rest of the country. Georgia's ethnic minorities were least likely to be pro-EU compared with Tbilisi residents.

Conclusion

Despite correlations between party support and pro-EU attitudes, voting preferences based on ideological cleavages are still comparatively tenuous among the Georgian public. Geoffrey Evans reminds us that, in many other young post-communist democracies, societal cleavages only weakly determine voting patterns.[70] Other recent studies – for example, by Christopher Raymond and his colleagues – show that institutional and cleavage effects "are learned through experience with elections."[71] New ideological cleavages emerging in Georgian politics might have something to do with this "learning" process.

Stephen Whitefield suggests that foreign policy orientation – more specifically, pro- or anti-Western stances – serve as ideological bases for party formation in a number of ex-communist countries.[72] Although the proposition was made nearly a decade and a half ago, it has only recently become relevant to understanding Georgian politics. The newest data in Georgia show that sympathy towards certain political parties mirrors respondents' attitudes towards Georgia's declared foreign policy goals. Economic issues and well-being are extremely salient, but they are not reflected in the voting public's alliance with particular parties or in the formation of political coalitions, although the economy might have a moderating effect on ideological partisanship, as Tavits attests.[73] During economic downturns, cultural cleavages can contribute to the stabilization of party systems. Gabor Toka and Gergely Karácsony[74] find that that voter alignments are often based on cultural issues more than on economic ones. The evidence from Hungary suggests that debates on foreign policy orientation are "cultural" issues, similar to those that influence party affiliation in Georgia.

In a deeper sense, narratives regarding foreign orientation, in this case pro- or anti-Western ones, are linked to attitudes towards "traditional"[75] values, which are widely promoted in the former Soviet space by Russia's conservative elites.[76] Such "traditional" or "spiritual-moral" values represent a specific reading of traditionalism, one that in the Russian and Georgian Orthodox Churches includes an anti-LGBTQ stance and a defence of Eastern Christianity's exceptionalism.[77] The "West" is characterized as the "main propagator" of immorality.[78] Not only are these ideas employed by the Russian state for internal consumption; they increasingly find their way into the country's foreign policy agenda as part of its "soft power."[79] The Georgian public is, on the whole, socially and culturally conservative.[80] Conservative ideas intertwined with anti-Western stances have found fertile ground in Georgia, and might contribute to the emergence of a new, purely ideological pole in Georgia's party system.

Appendix 6.1. Attitudes towards Political Parties, Georgia, 2011, 2013, and 2015, Regression Analysis

Variables (base categories reported in brackets)	Categories	2011		2013		2015	
Attitudes towards the Free Democrats (negative)	Neutral	0.628	–1.9	1.005	–0.02	1.533	(2.65)**
	Positive	0.622	–1.42	1.176	–0.41	2.661	(5.28)**
Attitudes towards the Republicans (negative)	Neutral	1.311	–0.98	1.642	–1.45	1.281	–1.39
	Positive	2.744	(2.59)**	1.286	–0.7	2.311	(3.44)**
Attitudes towards the Alliance of Patriots (negative)	Neutral					0.677	(2.31)*
	Positive					0.78	–1.17
Attitudes towards Democratic Movement–United Georgia (negative)	Neutral	0.787	–1.14			0.593	(3.49)**
	Positive	2.154	–1.63			0.436	(3.77)**
Attitudes towards the United National Movement (negative)	Neutral	2.248	(3.35)**	1.34	–1.89	1.018	–0.11
	Positive	2.643	(4.19)**	2.701	(4.89)**	1.746	(3.09)**
Attitudes towards Georgian Dream (negative)	Neutral			0.645	–1.89	0.959	–0.24
	Positive			0.922	–0.31	1.697	(2.30)*
Attitudes towards the National Forum (negative)	Neutral	0.666	–1.55	0.71	–1.1	1.041	–0.19
	Positive	1.045	–0.11	0.836	–0.52	0.957	–0.1
Attitudes towards the Conservatives (negative)	Neutral	0.742	–1.42	1.124	–0.48	0.919	–0.39
	Positive	0.846	–0.53	1.27	–0.73	0.91	–0.27

Variables (base categories reported in brackets)	Categories	2011		2013		2015	
Attitudes towards Labour (negative)	Neutral	1.121	–0.49	0.794	–1.44	1.099	–0.64
	Positive	0.781	–1.02	0.92	–0.37	1.357	–1.62
Attitudes towards the Industrialists (negative)	Neutral	0.653	–1.87	0.952	–0.19	0.864	–0.67
	Positive	0.917	–0.19	0.796	–0.73	0.501	(2.18)*
Attitudes towards the Christian Democratic Movement (negative)	Neutral	1.572	(2.30)*	1.289	–1.29		
	Positive	2.234	(3.52)**	1.107	–0.47		
Attitudes towards New Rights (negative)	Neutral	1.169	–0.57				
	Positive	0.458	–1.61				
Attitudes towards the National Democratic Party (negative)	Neutral	1.119	–0.59				
	Positive	1.728	–1.04				
Attitudes towards the People's Party (negative)	Neutral	1.301	–0.98				
	Positive	0.847	–0.43				
Attitudes towards the Freedom Party (negative)	Neutral	0.727	–1.22				
	Positive	1.734	–1.12				
Attitudes towards the Georgian Party (negative)	Neutral	0.774	–0.95				
	Positive	1.531	–0.82				
Attitudes towards the Democratic Party of Georgia (negative)	Neutral	1.009	–0.03				

Variables (base categories reported in brackets)	Categories	2011		2013		2015	
	Positive	1.22	–0.41				
Attitudes towards the Georgian Group (negative)	Neutral	0.973	–0.09				
	Positive	0.538	–1.2				
Attitudes towards We Ourselves (negative)	Neutral	1.216	–0.75				
	Positive	3.003	–1.59				
Respondent's sex (male)	Female	0.681	(2.87)**	0.631	(4.60)**	0.851	–1.54
Respondent's age		0.987	(3.45)**	0.993	(2.71)**	0.985	(5.51)**
Attained education (higher)	Secondary or lower	0.436	(6.46)**	0.72	(2.72)**	0.445	(5.80)**
	Secondary vocational	2.69	–1.25	0.875	–0.5	0.933	–0.31
Settlement type (capital)	Urban	0.776	–0.77	0.457	(3.14)**	0.543	(2.57)*
	Capital	0.718	–1.14	0.553	(2.12)*	0.511	(3.09)**
	Ethnic minorities			0.066	(9.18)**	0.205	(6.09)**
N		1,665		2,435		2,317	
Hosmer–Lemeshow goodness-of-fit test	Prob>Chi2	0.989		0.2684		0.4256	

Note: Significance: * $p<0.05$; ** $p<0.01$; odds ratios are reported.

NOTES

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PART THREE

Georgia and the International System

The last three chapters in this volume deal with Georgia's national security and foreign relations. They bring us back to the questions of continuity in Georgian politics raised by Stephen Jones, Joseph Salukvadze and Zurab Davitashvili, and David Usupashvili. What roles do geography, history, culture, and Georgian statehood (its internal legitimacy and coherence) play in Georgia's external relations? Our three authors, Natalie Sabanadze, Neil MacFarlane, and Mamuka Tsereteli, acknowledge the very different conditions of the post-Soviet era compared to the geopolitics of the Cold War. Yet, implicitly or explicitly, the authors illustrate patterns in Georgia's relations with external powers that we can identify even before the USSR emerged as a regional hegemon. Much of it is a consequence of Georgia's location, its size, and the imperial aspirations of its neighbours.

Natalie Sabanadze, Georgia's ambassador to the EU, focuses on Georgia's relationship with Europe. The Georgian government promotes European values, seeks EU protection, and supports multilateralism and international frameworks, but it does so because it is in its interest to do so. That is the way a small state like Georgia survives in a difficult regional environment. But Sabanadze outlines a dilemma: "Georgian leaders want to be part of the rules-based, liberal European political order, to share the transatlantic security umbrella, and, by following such policies, to contain Russia. At the same time, these policies have provoked and encouraged Russian pushback, leaving Georgia exposed to external threats without any credible protection." The EU is a coy mistress. Despite its public commitments to Georgia and a string of successes, including Georgia's membership in the Council of Europe and a Partnership and Cooperation Agreement in 1999, membership in the Eastern Partnership Initiative a decade later in 2009, and the signing of an Association Agreement and the Deep and Comprehensive Free Trade

Area (DCFTA) in 2014, the EU offers no prospect of membership, nor protection from Russia.

Sabanadze underlines the quandaries and uncertainties for small states like Georgia, which are situated on the periphery of Great Powers. She points to three reasons European patronage cannot always solve Georgia's security problems. First, such problems are as much domestic as external. In Georgia's case, domestic inter-ethnic confrontations have developed into inter-state disputes, usually involving Russia. But the EU has displayed little "interest in engaging and challenging Russia's domination of the region." Second, international principles and fairness cannot be relied upon, even from the EU, a complicated twenty-eight-member body that practises horse-trading on specific issues, and changes its priorities accordingly. Sabanadze points to the priority the EU gave to peace in the Balkans compared to Caucasia. Georgia, by comparison with Kosovo, is marginal to European security. She points out that, "international intervention in Kosovo and the subsequent recognition of Kosovo's independence served as a precedent for the Russian intervention in Georgia and recognition of South Ossetia." Third, "international organizations can be effective normative actors [only] if member states empower them." The Organization for Security and Co-operation in Europe, the EU, and the United Nations depend on members to take action. There are fears, most notably among Germany and France, that entanglement in Georgia will complicate EU-Russian relations. The EU is distracted; it has stopped expanding, and faces integration problems of its own. Sabanadze trenchantly asks: "The question is whether these difficulties are temporary, contingent upon a … transient set of circumstances, or whether they are of a systemic nature. In case of the latter, one might wonder how wise it is for Georgia stubbornly to pursue its foreign policy objectives and ignore systemic constraints." Yet, in the end, Sabanadze, like Mikheil Tokmazishvili, sees no alternative to Georgia's European orientation. Given Russia's persistent desire to dominate the region, "it is difficult to see how Georgia could develop as a stable and democratic country without being anchored in the European institutional framework."

Since the late eighteenth century, Russia has been Georgia's most important neighbour. It is a large and powerful state that has strategic, economic, and security interests in the South Caucasus. Neil MacFarlane, in his discussion of the Georgia-Russia relationship, points to unavoidable fundamentals. First, Georgia is a small state that abuts a large and threatening one. This limits Georgia's options as an independent actor. Second, Russia has an "imperial understanding of international relations," one it sees as "inherently competitive," and driven by

an "ideological divide between Russia and the West." Third, given the instabilities of the post-Soviet era in the Caucasus, Russia has practical reasons to try to manage its periphery, and has consistently attempted to do so by institutionalizing its "sphere of influence" in the region (the Commonwealth of Independent States, the Eurasian Economic Union). Fourth, Georgian internal weakness – notably, its trade dependence on Russia (remittances) and Georgians' poor relations with their minorities – provides Russia powerful leverage. MacFarlane examines the Gamsakhurdia, Shevardnadze, Saakashvili, and Georgian Dream periods, and despite their different emphases and tactics, he concludes that Russia follows a largely realist (or structural realist) pattern, driven by a fear of Western intrusion (by NATO, the United States), a belief in its special interests in the region, and an assumption about the limited sovereignty of Caucasian states. He adds that Russia's predominantly "coercive" policy towards Georgia – not an inevitable choice in the realist world – is also determined by Russia's historical and psychological perception of Georgia, and by the tension between Russia's status in the world as a declining power and its role in the region as a hegemonic power.

MacFarlane posits certain choices for Georgia in its response to Russia. It could "hedge," it could "bandwagon" (follow Russia's rules), it could rely on its own resources (internal balancing), or it could seek alliances (alignment). The option of alignment with the West, although preferred by Georgia's leadership and population, has brought economic and political fruit but no security, as the war with Russia in 2008 proved. In its foreign policy calculations, Georgia has to look not only to Russian behaviour, but also to Western intentions. Western states have consistently promised Georgia their support, but this has always been more than they are prepared to give.

Mamuka Tsereteli focuses on Georgia's role in the global economy, and explores the connections among domestic reform, economic growth, political stability, and security. Despite its small size, Tsereteli argues that Georgia has always played a strategic role in the global economy, whether it was supplying manganese and exporting Caspian Sea oil from its Black Sea ports in the nineteenth century or transiting gas and oil in the twenty-first. The difference now is that Georgia has run out of natural resources. Its future attractiveness, Tsereteli contends, depends not just on geography, but also on the development of an open and modern economy. Georgia is not Singapore, but the country's strategy since Saakashvili has focused on economic development through an open economy and a favourable tax and regulatory environment for foreign businesses, maximizing opportunities for foreign direct investment. But is this enough for growth? Tsereteli thinks not. He writes: "Historical

experience suggests that the lack of inclusive political and economic institutions limits the conditions necessary for long-term investments in technology and skills development." Under Saakashvili, Georgia was a universally praised reformist government, but in reality, it was crushing business initiative and opportunities at home. The election of Georgian Dream in 2012 ended some of the worst manipulation in Georgia's business world. Today, 90 per cent of foreign goods are exempt from import tariffs, and there are no limits on repatriation of capital gains or invested capital. But progress is stymied by continued unemployment, a youth brain drain, and, as Marine Chitashvili observes in her chapter, a dysfunctional educational system.

Tsereteli highlights the importance of Georgia's energy politics. Following an analysis of the Baku-Supsa and Baku-Tbilisi-Ceyhan pipelines, essentially designed to end Russia's monopoly on oil transit to Europe, he argues the most promising outcome of these pipelines – including a new South Caucasus pipeline linking Caspian Sea gas to the Trans-Anatolian Pipeline in Turkey and thence to European markets – is that they "will pull Georgia and the South Caucasus deeper into the European economic space, and facilitate economic and political integration with the [European Union]." Although integration into the DCFTA could have negative effects on the Georgian economy in terms of increased competition and costs, Tsereteli agrees with Sabanadze and Tokmazishvili: there is no alternative. Transit networks will "bring new powers to the region, which would help control the Russian appetite for territorial gains in Georgia and elsewhere." The problem for Georgia, however, is that along with opportunities, globalization brings problems such as narcotics, human trafficking, and arms smuggling. There is no guarantee that Georgia will become a globalization "winner"; it could also become a marginalized "loser."

7 Georgia's European Dilemma

NATALIE SABANADZE

Introduction: Where Lies the Dilemma?

In August 2008, when Russian troops were threatening to enter Tbilisi, the sixty-five-year-old Alexandre Rondeli was getting ready to fight. "What is the point of having freedom if you are not willing to defend it?" he told me. He was fiercely anti-Soviet and fiercely patriotic, preoccupied with the vulnerabilities of a small state in the existing international system. He was an emotional thinker; more a follower of Spinoza than of Descartes; he believed in reason and in the European traditions of the Enlightenment, but believed in them with a passion.

There was no doubt in the mind of Rondeli that a free and democratic Georgia could only be a European Georgia. This is what he taught us, the entire generation that came of age with Georgia's independence. Europe meant freedom – freedom from domination, freedom from repression, freedom from prejudice, arbitrariness, and intolerance. Georgia, which emerged from the Soviet system, had a strong sense of its own identity. Most Georgians shared the goals of self-government, Europeanization, and modernization, but there was also a heavy legacy of communist forms, behaviours, and habits. Georgia had a long way to go to become European beyond rhetorical allegiance and superficial imitation. It needed not only an acceptance into European institutions and socialization with European norms and values, but also the gradual establishment of a European political and social culture, ensuring values supportive of democracy, the rule of law and good governance, and, for its citizens, respect for their rights during their encounters with the state. In order to achieve this, Georgia needed to be at peace with itself as well as with its neighbours. Ensuring peace at home – a necessity for Georgia's democratic development – was difficult due to Georgian leaders' lack of experience in governance and democratic

decision making, most notably on questions of how national minorities should be integrated into the Georgian state. The lack of European (and EU) interest in the region kept Georgia for more than a decade on the margins of the European political and security architecture. During the 1990s, Russia's post-imperial hegemonic ambitions came into sharp conflict with Georgia's growing European and Euro-Atlantic aspirations.

Georgia's foreign policy agenda since independence has been dominated by two interconnected themes: containing Russia and seeking Western acceptance. The latter meant recognition of Georgia as a nation that shares a European cultural heritage and a European political-geographic space. It meant institutional acceptance of Georgia's participation in various multilateral institutions, with the prospect of eventual membership in the EU and NATO. Small states are vulnerable in an international system characterized by anarchy and, consequently, for the most part, support international law and the institutions that uphold rules-based relations between states. Compliance with norms and the preference for cooperation within multilateral frameworks is a sign neither of an enlightened soul nor of self-inflicted pain for little gain; it is a search for security and protection from geopolitical threats.

Since the early days of independence, Georgia has been actively seeking membership in international organizations, not only to gain legitimacy and recognition, but also to engage multilateral diplomacy for the defence of its fundamental security interests. Threats to Georgia's national security emanated primarily from Moscow, as Russia's perceived interests in the region clashed with Georgia's foreign policy and development agenda. Georgia has been an active and, over time, increasingly experienced actor in multilateral institutions, using them as a platform to promote and defend its security interests and to seek international support to contain Russia's aggressive policies. At the same time, Georgia's efforts have been focused on achieving international recognition as a European state in order to legitimize its membership bid for European and Euro-Atlantic structures.

Over the past decade, relations between Georgia and its Western partners, particularly the EU and the NATO, have deepened and intensified. In that sense, Georgia has been successful in pursuing its foreign policy objectives. There is a promise of eventual NATO membership, and Georgia has become one of the most interoperable and reliable non-member partners of the alliance. In 2014, Georgia entered into contractual relations with the European Union through the signing of the Association Agreement, including an agreement on the Deep and Comprehensive Free Trade Area (DCFTA). Both the Association Agreement and the DCFTA contain a high degree of

reciprocal commitments. In 2017, Georgia successfully concluded a visa liberalization process with the EU, allowing Georgian citizens visa-free short-term travel to the Schengen countries. The latter was perhaps symbolically the most significant, indicating Georgia's long-awaited entry into the open, prosperous, and borderless European space.

These achievements, however, did not come easily, nor without cost. Georgia's relations with Russia since the declaration of independence were never trouble free, and deteriorated significantly as Georgia's relations with the EU, the United States, and NATO intensified. In 2008, Russia attacked Georgia, arguably to derail its bid for NATO membership. As a result, Georgia lost 20 per cent of its territory and, as a country with disputed territories, its chances of NATO membership in the near future were significantly diminished. Every Georgian success on the "Western front" triggers an open or covert response from Moscow. For example, the signing of the Association Agreement was followed by Moscow's concluding its own alliance and integration treaties with Georgia's occupied regions (Abkhazia and South Ossetia), which likely will lead to the gradual annexation of these territories by the Russian Federation.[1] Visa liberalization, accessible for all Georgian passport holders, including residents of the occupied regions, coincided with the closure of transit checkpoints between Abkhazia and the rest of Georgia, while South Ossetia is being cordoned off by barbed-wire fences erected by Russian military forces and described as a "state border" in violation of international law.

Russia has also intensified its information warfare, supporting media outlets as well as political parties or non-governmental groups that discredit the EU, spread false information, and manipulate traditional or religious Orthodox values, presenting them as incompatible with those of the "West," represented by the EU.[2] While pro-Moscow political forces are too weak in Georgia to offer a credible challenge to the pro-European establishment, the propaganda campaign is not without impact. It promotes a narrative that aims to undermine the overwhelming public consensus about Georgia's European future, and raises awareness of territorial and national security costs incurred as a result of the foreign policy choices pursued by successive Georgian governments. A growing number of local political actors have been arguing that Georgia's European and Euro-Atlantic ambitions run contrary to Russia's fundamental geostrategic interests, and are foolish at best and dangerous at worst. In their view, neither the EU nor NATO is likely to accept Georgia's membership bid in the near future, and the best way to ensure security and survival is to seek accommodation, rather than confrontation, with Russia.

This line of reasoning remains marginal in Georgia, but it has been gaining traction elsewhere, even among Western observers. Given Russia's military response to Ukraine's Association Agreement with the EU and its annexation of Crimea, many in Western academic and political circles began to argue that European security is better served by engaging and accommodating Russia, rather than isolating and irritating it. According to some of these accounts, Russia's exclusion from the Eastern Partnership policy by the EU was a fundamental error.[3] European policy makers, such "realists" argued, should have anticipated Russia's possible reaction to what Moscow sees as the EU's meddling in Russia's backyard, threatening its strategic interests.[4] The conclusion was then drawn that an intensified engagement with Russia was needed, as well as some reflection on how to link the Russia-led Eurasian Economic Union to the EU's policies in the Eastern neighbourhood.[5] The terms of such engagement were not specified, and neither was the outcome, but if it were to take place, Russian red lines would have to be respected, curtailing Georgia's (as well Ukraine's) ambitions to move closer to the EU and away from Russian domination.

Georgia thus faces a significant dilemma, with political, security, and developmental implications for its future. On the one hand, it tries to pursue a policy of European and Euro-Atlantic integration, seeing it as the best guarantee for its security, political independence, and democratic development. On the other hand, doing so incurs costs linked with the Russian response, undermining the security, independence, and territorial integrity it wishes to uphold. Georgian leaders want to be part of the rules-based, liberal European political order, to share the transatlantic security umbrella, and, by following such policies, to contain Russia. At the same time, these policies have provoked and encouraged Russian pushback, leaving Georgia exposed to external threats without any credible protection. Moreover, despite significant success in advancing on the European and Euro-Atlantic path, Georgia still has no clear perspective about if, and when, its membership bid will be successful. Its ambitions might be derailed both by internal (to the EU) and external political factors beyond Georgia's control.

This chapter explores this dilemma, beginning with a review of Georgia's use of multilateral diplomacy as a means to promote its national interest in the international environment, increasingly characterized by tensions between normative and power-political considerations. I then explain the foreign policy choices Georgia has been making against the background of initial Western indifference. The second part of the chapter explores the interconnection between, on the one hand, Georgia's search for Western acceptance and recognition, and, on the other,

its need to minimize regional and national security threats emanating primarily, albeit not exclusively, from its northern neighbour. In doing so, I address the following questions. Why has Georgia chosen Western engagement as a means to contain Russia? Has this policy been effective or, to the contrary, counterproductive? After all, one can make a case, especially from the neorealist theoretical perspective, that it is Georgia's stubborn pursuit of European and Euro-Atlantic integration that has been a major irritant to Russia, provoking rather than containing Russian aggression and increasing the geopolitical risks for Georgia. Is Europe really such an obvious choice for Georgia, given its geographic location and historic legacy? If not, what are the alternatives? If Europe is the right choice, is the EU ready to fully or partially endorse Georgia's ambitions, and at what cost to its own interests?

Small States and Multilateral Diplomacy: Norms, Power, and Interests

Georgia's perennial dilemma is whether it can survive as an independent state in the context of Great Power competition and whether there is a benign political force out there that could help it do so. Georgia historically equated the "West" with such a force and tended to believe, often baselessly, in European solidarity and Europe's ability either to come to its rescue or to provide a safe security framework for independent existence. This is not surprising as the "West" was at the forefront of introducing norms and principles in an otherwise anarchic international system. Although these were more often violated than respected, the end of the Cold War gave a special boost to the development of international law, triggering a short-lived "normative renaissance." The belief that the spread of liberal democracy was a moral and progressive development that could change the international system for the better began to take root. Changes such as growing interdependence, the rise of the trading state involved in peaceful economic competition instead of military conflict, and the end of bipolarity all contributed, according to Robert Cox, to the rise of multilateralism and "middle-powermanship." The international system might have remained anarchic, as neorealists argued, but contrary to the neorealist vision, it was also normatively regulated. This meant that the historical role international institutions and norms played as constraints upon the behaviour of states would continue to develop in the future.[6] Institutionalized cooperation was replacing power-political competition, and it was believed that the spread of liberal democracies in the former communist countries would contribute to peaceful and cooperative relations between former rivals. It

is understandable, therefore, that a small state such as Georgia, situated in a rough neighbourhood (Armenia, Azerbaijan, Iran, and Turkey), would try to join the club of liberal democracies, where states do not go to war with each other and where mutually agreed rules regulate state behaviour. Small powers support international law and multilateral institutions because they have little defence from the predatory instincts of Great Powers.[7] A more advanced system of rules-based institutions, international organizations, and security blocs reduces the vulnerability of small powers, and provides them with a framework within which to advance their interests through diplomacy, bargaining, and alliance building.

Despite a lack of experience in independent and democratic governance and the multiple security challenges Georgia faced, its leaders realized early on that, in order to survive, Georgia had to break the isolation and anonymity that surrounded it after the Soviet collapse, and engage in multilateralism with the aim of constraining the aggressive behaviour of its more powerful neighbours. It had to join international institutions and multilateral structures, seek recognition from other, especially European, states and organizations, and secure its place in the evolving international system. An immediate goal was simply to become known to the world. A decade later, the goal would be to become known to the world, not as a failed state in the backyard of Russia, but as a functioning democratic polity with legitimate European aspirations.

Among the EU member states, Germany was among the first to recognize independent Georgia and establish diplomatic ties in 1992. After this, many European states followed, and Georgia began to appear on the diplomatic map of European capitals. That same year, Georgia joined the North Atlantic Cooperation Council (NACC) and, in 1994, the NATO-run Partnership for Peace program. Georgia established relations with the European Union and the Organization for Security and Co-operation in Europe (OSCE). In 1999, Georgia signed a Partnership and Cooperation Agreement with the EU, which created a legal framework for wide-ranging cooperation with the aim of consolidating democracy, boosting trade and investment, developing the market economy, and establishing enhanced political dialogue. In the same year, an agreement was reached at the Istanbul Summit of the OSCE on the withdrawal of Russian troops stationed in Georgian territory, and Georgia became a member of the Council of Europe.

After the 2003 Rose Revolution, relations with the EU and NATO further intensified. In 2003, the EU incorporated the South Caucasus, although in a limited fashion, in its security strategy, and established the post of EU Special Representative for Conflicts in the South Caucasus. In 2004, NATO followed with the naming of a Special Representative for the

South Caucasus and Central Asia, based in Georgia's capital. After initially excluding the South Caucasus from the European Neighbourhood Policy, the EU reversed itself as Brussels responded positively to far-reaching structural reforms undertaken by the new leadership in Tbilisi. In 2006, Georgia agreed upon an action plan within the framework of the European Neighbourhood Policy. In 2009, following the Russia-Georgia war, the EU came up with the Eastern Partnership Initiative covering six former Soviet states: Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. Three of these states, Georgia, Moldova, and Ukraine, negotiated and signed an Association Agreement and DCFTA with the EU in June 2014.

Throughout these years, Georgia faced considerable internal and external security challenges, coupled with Russian interference in its domestic affairs and initial Western indifference. From the early days of independence, conflicts erupted in Georgia's minority-populated regions of Abkhazia – an autonomous republic within Georgia at the time – and South Ossetia, which ultimately resulted in the expulsion of ethnic Georgian populations and the stationing of Russian troops under a Commonwealth of Independent States (CIS) peacekeeping mandate. The OSCE and the United Nations were involved with limited mandates and resources. Georgia has always maintained that Moscow backed the separatists in Abkhazia and South Ossetia in order to exert influence on Tbilisi, and used the conflicts as an instrument of pressure. Seen from Tbilisi, Russia was a party to the conflict, rather than an arbiter, and the only way to redress the situation was through greater international involvement.

Georgia tried to secure the replacement of the Russian-dominated CIS peacekeeping force with one from the UN, and to get the EU and the United States more directly engaged in the negotiation process.[8] This was a logical approach based on expectations generated by the end of the bipolar world order, but it turned out to be unrealistic. Russia used its membership in the OSCE and the UN Security Council to sustain its dominance over the peacekeeping process, and blocked any meaningful involvement of these organizations, which would have transformed the conflict and internationalized the peacekeeping force. The EU stayed on the margins, and supported the mandates and activities of the OSCE and the UN, but displaying no particular interest in engaging and challenging Russia's domination of the region. The failure to create a legitimate, internationally mediated peace process to settle conflicts in Georgia's regions and to generate substantial European interest in the country's development was a reality check for newly independent Georgia, and showed that the traditional interests of Great Powers were still

to be reckoned with, despite all the talk about the onset of a new world order. In 1998, Bruno Coppieters observed that the European Union does not really regard Georgia as a European nation but as a peripheral state, which is part of the region bridging Europe and Asia. He described the EU policies towards Georgia as a manifestation of "benevolent indifference."[9]

Over the past decade, Georgia's efforts have aimed at changing Western indifference and moving forward with European and Euro-Atlantic integration. Following successful domestic reforms and rapid modernization, Georgia managed to gain international prominence and attract European and US interest. In 2008, it received a formal promise at the NATO Bucharest summit that it would join the alliance one day. The promise never materialized, and Russia, using South Ossetia as a *casus belli*, engaged in a short but high-intensity war with Georgia, occupying both South Ossetia and Abkhazia, and recognizing them as independent states. This effectively derailed Georgia's NATO membership perspective by showing Russia's willingness to use any means, including military, to prevent actions it deemed contrary to its interests in the region. Russia blocked the extension of the OSCE mission to Georgia after the 2008 war; just a few months before, it had ended, with its veto, the UN observation mission in Abkhazia. The EU mediated a ceasefire between Russia and Georgia in 2008, and deployed the European Union Monitoring Mission, a civilian monitoring mission, in record time. In violation of the ceasefire agreement, however, the mission was given no access to the occupied regions – Russia had its own interpretation of the ceasefire agreement. In sum, Georgia's efforts aimed at internationalizing its internal conflicts have been met by Moscow's counterefforts aimed at minimizing any international presence and scrutiny.

Georgia's experience demonstrates that, although international norms and principles provide a framework for multilateral institutions and, to a certain extent, underpin interstate cooperation, other factors not only matter but often determine outcomes. Political and security interests, relative power and the weight of various states, and "horse-trading" within international organizations are all elements that form an integral part of international decision making. In other words, the interrelationship between justice and power within a multilateral framework is complex, and notions such as fairness (for example, when it comes to assessment of specific events) and proportionality (when it comes to formulating a response) are often contested or ignored. Moreover, despite the strengthening of the international normative framework, especially in the 1990s, compliance cannot be multilaterally enforced;

it depends on the will of participating states. In theory, international norms and principles regulate international relations and ensure predictability and stability in the international system. But this only works as long as a majority of states, and particularly the Great Powers, play by the rules and, by doing so, create pressure on others to discourage violations. Such pressure might include persuasion, socialization, isolation, and stigmatization. Although not a form of world government,[10] international organizations can be effective normative actors if member states empower them. But when one powerful actor breaks the rules, the entire system is undermined, because it remains extremely vulnerable to precedent setting. The Russia-Georgia war in 2008 is one example: the violation of the international normative consensus went unpunished, creating a precedent for Ukraine in 2014. Equally, international intervention in Kosovo and the subsequent recognition of Kosovo's independence served as a precedent for the Russian intervention in Georgia and recognition of South Ossetia, despite multiple differences in the circumstances in Kosovo and South Ossetia.

Despite the confrontation with Russia, leading to the loss of territories and a constant sense of vulnerability – Russian troops are stationed within striking distance of the capital – no major rethinking of Georgia's foreign policy objectives has taken place, and the Georgian leadership, supported by the public,[11] remains committed to the European and Euro-Atlantic foreign policy vector, with membership in the EU and NATO as ultimate objectives. The success of those goals, however, depends not so much on Georgia as on the willingness of these institutions to enlarge even farther eastward and face the possible consequences this might have on their relations with Russia.

Georgia's Elusive European Destiny: Identity Politics vs Power Politics

When asked about the limits of enlargement, former EU Commission president Romano Prodi said that there must be a debate on where the EU borders are. In relation to countries such as Georgia, which feel European, he remarked that "people in New Zealand also feel that they are European … We cannot limit ourselves to considering historical roots. We also have to give a natural size to the EU."[12] Prodi's statement shows that there is no internal EU-wide consensus on where Europe ends, especially in the East. As MacFarlane and Menon note, "the Union was reasonably clear that the countries on the southern Mediterranean littoral would not qualify for membership, since they were not in 'Europe.' The question was more difficult to the East: where did Europe end? The

Commission view was that, although membership was not excluded, there needed to be a debate about the line."[13]

Georgia tries to defy its geographic distance from the EU by claiming cultural proximity. Georgia's narrative of Europeanness is heavy with historical, cultural, and religious references. The notion of the West and Georgia's belonging to the Western/European family of nations has become one of the founding national myths, along with those describing Georgia's Golden Age in the eleventh through thirteenth centuries or its unique language and culture and its frontier Christianity, similar to the founding myths common among nations such as Poland and Serbia.[14] Georgia's historical connection with the West and Europe in particular, however, has been repeatedly severed. After the fall of Constantinople in 1453, Georgian kingdoms fell under the influence of the Ottoman and Persian empires, excluded from the effects of European cultural movements such as the Renaissance and the Reformation. Ghia Nodia argues that, historically, Georgia's experience of "Westernness" was minimal.[15] Nevertheless, the modern Georgian nation as conceived by its "founding fathers" in the nineteenth century, who were under the influence of the ideas of the Enlightenment, was imagined according to the Western model. The West became a cultural, political, and developmental choice for the Georgian intelligentsia. It became an inseparable part of the national narrative, reinforced by generations of Georgian elites.

The perception of what constituted the "West" for Georgia has changed over the centuries. At the beginning of the eighteenth century, the closest thing to the West – understood as a culturally aligned and protective power to which Georgia could reach out and seek protection from the Persians and Ottomans – was the Russian Empire. From Georgia, Moscow was seen as an occidental power, sharing Georgians' Orthodox Christianity and possibly bringing Georgia closer to Europe. Then, as today, Georgians saw European civilization as progressive, highly developed, and culturally close. Generations of Georgian students went to Russia's leading universities in the nineteenth century to discover Western intellectual trends, and were inspired by the national liberation movements of Greece and Italy, which they could read about in Russian journals. A large part of the Georgian intellectual elite believed that Georgia's liberation could be obtained within and through Russia. It was only with the Bolshevik Revolution in October 1917 that the Georgian intelligentsia's intellectual and cultural links with Russia were broken.

In the first years of Bolshevik rule, Russia became disconnected from Europe, while Georgia chose the path of European social democracy and a Western model of development. Georgia's short-lived first republic of 1918–21 defined itself as progressive and European, promoting

socialist ideals of equality and broad, participatory democracy. Georgia's ruling social democrats drew a clear line between themselves and Bolshevik Russia, which had established a dictatorship and centralized the state system in the name of the proletariat. According to Malkhaz Matsaberidze, Bolshevism "became marked as the 'other,' an 'Asiatic' threat to Georgia's European path."[16] Thus, from a window to Europe, Russia became a wall. The government of the first republic sought an alliance with Germany, and then with Britain, to gain recognition of its independence. Only Western aid would allow Georgia to withstand the dual pressure of Turkey and Bolshevik Russia.

As the national independence movement began to gather momentum in the late 1980s, independence from the Soviet Union was described in terms of the return of Georgia to the European family of nations to which it "naturally" belonged. This time, as Stephen Jones points out, instead of identifying itself as Christian in opposition to the Muslim world, Georgia perceived itself as European in contrast to communism and Russia's "oriental backwardness."[17] The idea that the only way for independent Georgia was towards the West was never challenged in the mainstream of Georgian politics. From ultra-nationalist Gamsakhurdia to former communist Shevardnadze to state builder Saakashvili to pragmatist Ivanishvili, Georgia's foreign policy has been characterized by an undisputed Western orientation. Throughout this period, all successive governments have been punished by Russia for this insistence on a direction Moscow believes is contrary to its own geostrategic interests in the South Caucasus.

One explanation for the foreign policy choices Georgia has made since independence is cultural and ideological. Korneli Kakachia and Salome Minesashvili argue that Georgia's pro-Western orientation stems from ideas and identity, rather than from material and systemic factors. The widespread ideological conviction of Georgian elites that Georgia "belongs" to Europe in both cultural and political terms determines the foreign policy choices they have made.[18] At the same time, Georgia's European aspirations are pragmatic and strategic. The EU is a community of security as well as of prosperity. Many Georgians associate it with economic well-being, and believe it to be a guarantee for peace and security together with NATO. As noted, for a small state living in a volatile neighbourhood and constantly feeling pressure from an aggressive regional power, it is understandable why most Georgians wish to be part of an extensive and elaborate multilateral framework that is secure from Russia and non-threatening.

Georgia's wishes and political priorities are reasonable, but the current international climate and political reality make their achievement

difficult. The difficulties are domestic and external, but also part of a deeper systemic problem. Domestically, Georgia still has to consolidate its institutional democracy and reassure its European partners that it is an island of stability and democracy in the region. At the same time, Georgia's ability to advance further and transform its association process with the EU into an integration process does not depend just on Georgia and its performance. There are a number of serious external constraints over which Georgia has little control. These include internal challenges facing the EU, such as Brexit, the migration crisis, and the declining popularity of the EU and its institutions. This affects all EU members, but especially founding member states such as France, Italy, and the Netherlands. Enlargement fatigue, which is manifested not only in the unwillingness to expand horizontally, but also in doubts as to whether the existing enlargement was a success, affects all aspirants' chances of membership. Finally, the EU's role as a foreign policy actor, especially in the neighbourhood, has been severely challenged by Russia.

All these have been a cause of serious internal divisions among EU members, reducing the EU's effectiveness as a global force. Georgia wants to join a union that no longer wishes to expand, that has not fully accepted the legitimacy (defined both culturally and politically) of Georgia's European aspirations, and that is increasingly inward looking and preoccupied with saving itself rather than projecting itself onto a complicated regional and global political scene. The question is whether these difficulties are temporary, contingent upon a particularly unfortunate but transient set of circumstances, or whether they are of a systemic nature. In case of the latter, one might wonder how wise it is for Georgia stubbornly to pursue its foreign policy objectives and ignore systemic constraints. Is it realistic to expect a deepening of the relations with the EU and NATO to the point of membership? If not, what are the alternatives?

The "Revenge" of *Realpolitik*

Rondeli described Georgia's attempts to integrate into European structures as "strategic idealism."[19] From the neorealist perspective, this is simply foolish and contrary to the expectation that states behave as rational actors.[20] In a scathing critique of the EU's neighbourhood policy, particularly towards Ukraine and Georgia, John Mearsheimer argues that the policy of turning countries on Russia's doorstep into Western strongholds was driven by "liberal delusions," and should be seen as nothing short of reckless provocation. As for the wishes of states such as Georgia and Ukraine and their ambition to make sovereign

choices even if these contradict those of a big neighbour, Mearsheimer contends that this is a dangerous way for small states to think about their foreign policy options: "The sad truth is that might often makes right when great-power politics are at play. Abstract rights such as self-determination are largely meaningless when powerful states get into brawls with weaker states. It is in the interest of small states to understand these basic facts of life and tread carefully when it comes to their more powerful neighbours."[21]

The weakness of this neorealist approach is that it does not help explain the policy choices states make, particularly when these seem non-rational under the constraints set by the international system. Neorealism has a blind spot when it comes to internal political processes or historically and culturally determined aspirations. Neorealism considers rationality as acontextual and instrumental. However, the behaviour of states and political actors can be driven by "value rationality." The cause of European integration has so much intrinsic value in the current Georgian context that no political force can ignore it and yet remain relevant in the domestic political scene. Under such circumstances, it is perfectly rational for local elites to pursue a cause for which citizens are prepared to bear the costs. This also means that states, no matter how small or weak, might not be willing to accept the status of a "vassal state," but will challenge their allocation to a sphere of influence made against their will.[22] Neorealism does not accept the value of norms or the ability of international organizations to compel states into a certain type of behaviour. Such scepticism is not entirely unfounded, but one cannot ignore the fact that, since the end of the Cold War, certain expectations have been created and obligations undertaken that encourage states to contest the power-political calculus. Any arrangement should have a degree of legitimacy and acceptance by local publics and their elites in order to remain sustainable. Keeping the history of the twentieth century in mind, it is hard to imagine a territorial deal over spheres of influence today and expect it to serve as the basis for stability within the international system.

Moscow's response to Georgia in 2008 and the possibility of its NATO membership, and then to Ukraine in 2014 and its association with the EU, demonstrates that Russia looks at the world from the perspective of power-political competition. It approaches the neighbourhood in zero-sum terms, claiming a special role and expecting others to recognize and respect this claim. The EU's neighbourhood policy, especially its Eastern dimension in the form of the Eastern Partnership, showed Moscow that the EU had its own ambition, pushed forward by a number of its member states, to extend its influence farther east by means of soft

power, even without officially expanding its borders. As Andrei Zagorski explains, for Moscow, association with the EU means dissociation from Russia. Free trade between the countries of the Eastern Partnership and the EU, as well as an alignment of these countries to European technical standards, is a threat to trade and economic integration with Russia. Even though no membership prospective is envisaged for the Eastern Partnership countries, the EU has not formally ruled it out. Russia worries that such a prospect will undermine the appeal of its own integrationist projects, such as the Eurasian Union. From the Russian perspective, the Eastern Partnership, with its Association Agreements, obscures the real intention of the EU to extend its influence to the east and challenge Russia's dominance in its former western borderlands and in the South Caucasus.[23]

Moscow is prepared to prevent the expansion of Western institutions into this part of the world, which it considers its own coveted sphere, and to hamper the development of direct and meaningful links between the states in the region and the EU. According to Kadri Liik, this is precisely why Moscow spared no effort at preventing the Eastern Partnership countries from signing Association Agreements with the EU.[24] Moscow and Brussels have very different strategic and political paradigms, and this has resulted in a dialogue of the deaf. [25] The question, however, became not why this happened, but what the EU was planning to do about it. Should the EU change its strategy, adjust its foreign policy approach and accommodate Russia, or should it enter into competition, and accept the challenge and risk of further escalation? Whatever the EU decides will have direct consequences for Georgia.

Georgia has made its allegiance to European and Euro-Atlantic integration very clear, but it cannot escape its geographic location on the periphery of Europe and in the strategic buffer zone of Russia. Georgia remains committed to the association process, but the main political value of association for Georgia is not as a final goal in its relations with the EU, but as a stepping stone to full integration. The EU, however, has been signalling that no further deepening of relations beyond association should be expected, and no membership is forthcoming. Reasons are numerous and not exclusively linked to Russia, but having seen Russia's reaction to Ukraine's Association Agreement and DCFTA with the EU, the EU is hesitant about creating further trouble. In retrospect, one wonders whether the EU would have gone through with the Association Agreements had the potential consequences been known. This leads to a deeper question concerning Georgia's options other than European integration.

Georgia's European Dilemma: In Lieu of Conclusion

The core of Georgia's European dilemma is that European integration is not a realistically achievable option in the near future[26]; it is a wish, a culturally determined political choice, and a strategic choice. But such a decision incurs costs, although it might at the same time transform Georgia for the better. Today Georgia is recognized as among the most successful of the Eastern Partnership countries in terms of transformation and democratization, even if shortcomings remain. There is no longer a direct correlation, however, between successful transformation and perspective EU membership. As one commentator puts it, enlargement has probably run its course.[27] So, what realistic options are there for Georgia? In theory, Georgia could learn to live in the grey zone between the EU and Russia, combining a European model of development and democratic governance with neutrality and non-membership in Western alliances. This would satisfy domestic demands for building a well-functioning institutional democracy based on the rule of law and respect for individual rights without crossing Russia's red lines while simultaneously acknowledging its geostrategic interests. This would diminish Russia's anxiety and the consequent pressure on Georgia, providing a basis for peaceful coexistence between neighbours. A workable option in theory, it has its risks.

First, it is difficult to know exactly how much is enough for Moscow in terms of concessions. Armenia, which has been trying to balance its European and Russian interests, is a good example. Armenia was well advanced in negotiating an Association Agreement with the EU, but had to surrender it suddenly, and without much explanation, under Russian pressure. Association with the EU and cooperation with Russia were not compatible with allegiance to Moscow. Instead, Armenia had to accept membership in the Eurasian Union and later negotiate a downgraded trade agreement with the EU. Second, there is widespread popular support for Georgia's European integration. Generations of Georgians, including politicians and civil society activists, have believed that Georgia must not give up its legitimate aspirations and fold under pressure. Should Georgia change its foreign political vector, there is a risk of widespread protest in the spirit of Kyiv's *Maidan*. If one is to trust polls,[28] it is difficult to imagine that any party without a pro-Western and pro-European platform could come to power in Georgia through democratic elections. For a "neutral" party to win, the electoral process would have to be manipulated and the outcome sustained by support from outside, undermining the principles of democratic governance. Third, given

the popular pro-Western sentiments in Georgia, Moscow will remain suspicious of Georgia's commitment to neutrality, and will try to promote pro-Russian political forces and create a wider basis for its influence by gaining control over key economic assets, as it did in Armenia. It could even demand the re-establishment of Russian military bases in Georgia, beyond the areas currently occupied, which would be contrary to the principle of neutrality. The experience of Armenia and Ukraine suggests that Moscow would expect Georgia to join the Eurasian Union and to diminish any political, social, and economic linkages with the EU. Georgia is the most democratic and liberal state in the region, but it is still in the process of consolidating an institutionalized democracy and ensuring its sustainability. Georgia's political culture has changed considerably, partly as a result of its own experience of independent governance and partly because of its socialization into European norms and principles. The potential destruction of such channels of socialization, as well as political, economic, and social linkages with Europe, would adversely affect the process of internal democratization.[29]

In sum, the costs associated with the "pragmatic" approach in the neorealist sense are as high as those linked with Georgia's current "strategic idealism." Given Russia's desire to dominate the region, it is difficult to see how Georgia could develop as a stable and democratic country without being anchored in the European institutional framework. If survival equals accommodating Russian interests, Georgia will have to give up its ambition of becoming a normal, functioning democracy and yield to pressure, sacrificing – at least in part – its sovereignty and political independence. This exacerbates Georgia's dilemma. For many people like Alexandre Rondeli, the path of neutrality is simply not an option. The only option is to continue searching for ways to bring Georgia closer to the EU, pursuing sectoral and institutional integration as far as possible, and reaching a point where Georgia truly has everything but the formality of membership in the EU. If the EU pursues accession of western Balkan states, if it finds a workable post-Brexit deal with the United Kingdom, and reforms its own structures, an opening just might appear for Georgia. Georgia must be ready.

NOTES

1 For the Russian view on the "treaties" and their strategic meaning in the standoff between Tbilisi, Moscow, and the EU, see Maxim Suchkov, "Understanding the Fine Print of Russia's New Treaty with Abkhazia," *Russia Direct*, 12 December 2014, online at https://russia-direct.org/opinion/understanding-fine-print-russias-new-treaty-abkhazia.

2 Georgia is not an exclusive victim of Russian propaganda. Other countries, including EU member states, have also been targeted. The situation became threatening enough that EU member states decided it was time to respond, and established a special unit within the European External Action Service tasked with strategic communications and combating disinformation. See European Council, "European Council Meeting (19 and 20 March 2015) – Conclusions" (Brussels, 20 March 2015), online at http://www.eesc.europa.eu/resources/docs/european-council-conclusions-19-20-march-2015-en.pdf.

3 Gunnar Wiegand and Evelina Schulz, "The EU and Its Eastern Partnership: Political Association and Economic Integration in a Rough Neighborhood," in *Trade Policy between Law, Diplomacy and Scholarship: Liber amicorum in memoriam Horst G. Krenzler*, European Yearbook of International Economic Law, ed. Christoph Hermann et al. (Cham, Switzerland: Springer International, 2015), 321–58.

4 John Mearsheimer, "Why the Ukraine Crisis Is the West's Fault?" *Foreign Affairs*, September–October 2014, online at https://www.foreignaffairs.com/articles/russia-fsu/2014-08-18/why-ukraine-crisis-west-s-fault; Neil MacFarlane and Anand Menon, "Of Wealth and Weakness: The EU and Its Eastern Neighbourhood," *Archive of European Integration* (2015), online at http://aei.pitt.edu/79419/; Michael Emerson, "After the Vilnius Fiasco: Who Is to Blame? What Is to Be Done?" CEPS Essay 8 (Brussels: Centre for European Policy Studies, 21 January 2014), online at http://aei.pitt.edu/58416/1/Essay_No_8_ME_Vilnius_Fiasco.pdf.

5 See Wiegand and Schulz, "EU and Its Eastern Partnership." See also Ivan Krastev and Mark Leonard, "The New European Disorder" (London: European Council on Foreign Relations, November 2014), online at http://www.ecfr.eu/page/-/ECFR117_TheNewEuropeanDisorder_ESSAY.pdf; and Emerson, "After the Vilnius Fiasco."

6 Andrew Linklater, "Neo-Realism in Theory and Practice," in *International Relations Theory Today*, ed. Ken Booth and Steve Smith (Cambridge: Polity Press, 1995), 250.

7 See the discussion of this question in Martin Wight, *International Theory: The Three Traditions* (Leicester, UK: Leicester University Press for the Royal Institute of International Affairs, 1996), 131; Wight refers to the Melian Dialogue of Thucydides, where Great Power Athens talks of self-interest and small power Melos argues for general interest.

8 In Abkhazia, a Russian peacekeeping contingent was deployed in the summer of 1994 under the aegis of the Commonwealth of Independent States, two months after the signing of a UN-brokered ceasefire agreement between Georgia and Abkhazia. In South Ossetia, as a result of the 1992 agreement, a trilateral Joint Peacekeeping Force was created with the participation of Russian, Georgian, and Ossetian units.

9 Bruno Coppieters, “Georgia in Europe: The Idea of Periphery in International Relations,” in *Commonwealth and Independence in Post-Soviet Eurasia,* ed. Bruno Coppieters, Alexander Zverev, and Dmitri Trenin (London: Frank Cass, 1998), 65.

10 John Mearsheimer argues that international institutions have no power at all to compel states to obey the rules; states will do so only if they so choose. See John J. Mearsheimer, “The False Promise of International Institutions,” *International Security* 19, no. 3 (1994–5): 9.

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12 Luise Hemmer Pihl, “Prodi: EU Enlargement Must Stop Somewhere,” *EU Observer*, 27 November 2002.

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8 Russian Policy towards Georgia

NEIL MACFARLANE

Natalie Sabanadze's chapter deals with Georgia's European dilemma. This chapter focuses on one aspect of that dilemma: Russian policy towards Georgia. As the 2008 war between Georgia and Russia suggests, relations with Russia are the most significant challenge in Georgia foreign and security policy and also the most important international issue for Georgian society.[1] I begin with a short history of Russia's policy towards Georgia since 1991. I then continue with an effort to explain that history. I conclude with a section on Georgia's policy options.

There is a large, and somewhat acrimonious, debate among scholars of Russian foreign policy over how to account for the emergence of an assertive and competitive Russian approach to international relations under Vladimir Putin.[2] In Russia's neighbourhood, however, one sees more continuity than change in Russian objectives. Since the early 1990s, successive Russian governments have steadily claimed special interests and rights in the "post-Soviet space." This is an aspiration frequently encountered in the behaviour of regionally dominant powers in their immediate locale. The American Monroe Doctrine comes to mind, as does the pre–First World War German notion of *Mitteleuropa*.

The ways in which, and the intensity with which, regional powers pursue this objective vary greatly. In the abstract, dominant regional powers can manage their relations with weaker neighbours cooperatively, through strategies of reassurance, public goods provision, or reward. The United States–Canada relationship is a case in point. On the other hand, they might try to force compliance through political, economic, and military pressure. Different approaches might be applied to different neighbours in different degrees. A comparison of American relations with Mexico, in contrast to Canada, is an example. In this vein, although there is considerable continuity in Russia's regional international relations, the modalities and intensity of Russian policy towards its former

Soviet neighbours have varied greatly over the 1992–2019 period. The variation appears to reflect, among other things, change in Russian capacity, change in the policies of external actors and institutions – that is, the United States, NATO, and the European Union – and the degree to which neighbouring governments challenge Russia's regional preferences.

The History of Russia's Policy towards Georgia

The evolution of Russian policy towards Georgia has two dimensions. One is the way in which Russian analysts and policy makers perceived their neighbourhood. The second is the record of Russian policy practice. To deal with the first, Russian policy towards Georgia is embedded in its broader approach to the region. When Russia emerged from the Soviet Union, it inherited the Soviet foreign policy and defence apparatus and the Soviet experience of policy making. The deeper legacy was the imperial understanding of international relations as inherently competitive, driven not only by the distribution of power, but also by the ideological divide between Russia and the West.

The more immediate legacy reflected the cooperative approach of the Gorbachev era – new political thinking and the mutuality of security. But the post-Gorbachev liberal and Western legacy waned quickly, and a debate on foreign policy, including towards Russia's neighbours, emerged. This debate among Russian commentators[3] comprised several clusters of opinion: liberal democratic internationalism and Atlanticism, traditional forms of Russian chauvinism, and between the two, neo-Eurasianism. The latter was historically informed, but also pragmatic. Russia's global stature had decayed. It could neither afford, nor implement, a global strategy, and it faced pressing challenges in its immediate surroundings. Neo-Eurasianism emerged as the dominant trend in the mid-1990s, reflecting the new foreign policy challenges for a weakened Russia and the consequent changes in the Russian government, such as the elevation of Yevgenii Primakov, first to the foreign affairs portfolio and then to the prime ministership.

Concerning the former Soviet region, in the declaration of the Commonwealth of Independent States (CIS) in 1991,[4] Russia agreed to a liberal dispensation for its neighbours, endorsing the principles of equal sovereignty, territorial integrity, and non-intervention. However, Russia and its neighbours were unprepared for sovereign statehood; all the successor states flirted with economic collapse, and Azerbaijan, Georgia, Moldova, and Tajikistan experienced civil war. Large numbers of ethnic Russians, particularly in Central Asia, but also in the Caucasus,

returned to a Russia ill-prepared to receive them. The instability in the neighbourhood raised the possibility of other negative externalities – conflict spillovers, the vulnerability of Russia to the financial decisions of its struggling neighbours, illegal migration, the security of nuclear materials, and threats to ethnic Russians and Russian forces in the other republics.

There was no significant extraregional effort to stabilize the post-Soviet neighbourhood. Outsiders provided significant humanitarian and transitional assistance, but did not fully understand the profundity of the problem of building functional states out of the post-communist wreckage. Nor were they willing to commit the resources to stabilize the region or to manage its conflicts. Instead, in the early 1990s they deferred to Russia. In this context, many Russian decisions (such as the engagement in Tajikistan's civil war) were reactive rather than strategic, not least because the Russian state had limited means to operate strategically even in its immediate neighbourhood. But Russia also displayed a hegemonic regional ambition from very early in the post-Soviet period. The notion of "near abroad" essentially boils down to the claim that Russia has special rights and duties in a region it understands to be its sphere of influence.

From the beginning, the Russian government sought to institutionalize its primacy in the region through the CIS[5] and the Collective Security Treaty (now Organization). In the current decade, these efforts at institutionalization have been supplemented by the establishment of the Eurasian Economic Union. Looking outwards, Russian policy makers have sought international acknowledgement of Russia's regional primacy, tacitly through discouraging behaviours challenging the claim, or explicitly through proposed treaty instruments limiting security arrangements that Russia might deem threatening.[6]

When it comes to the second element of Russian foreign policy – namely, its practice – the record of Russian behaviour towards Georgia is divided into four periods that correspond to the phases of Georgia's leadership: Zviad Gamsakhurdia, Eduard Shevardnadze, Mikheil Saakashvili, and the government of Georgian Dream.

The Gamsakhurdia Government, 1990–2

The Georgian parliament declared independence on 9 April 1991. Georgia became an independent, although unrecognized, state. Zviad Gamsakhurdia was elected president at the end of May. In August, Mikhail Gorbachev was temporarily unseated in Moscow by opponents of his liberalizing reform in the context of a mounting economic crisis in the

USSR. The putsch was defeated almost immediately as a result of public demonstrations in Moscow, the defiance of Russian president Boris Yeltsin, the fragmentation of the Soviet military, and the wide international rejection of the unconstitutional seizure of power.

Gorbachev returned, but power had shifted away from Soviet structures and towards Yeltsin's Russian government. Although a number of union republics had declared independence earlier, the demise of the USSR was formalized at the end of 1991, with the presidents of Belarus, Russia, and Ukraine annulling the treaties and agreements underpinning the USSR. With this act, all three, as well as the other twelve Soviet republics, became sovereign states. As noted earlier, Russia and its neighbours attempted to replace the USSR with an institutional structure (the CIS) to facilitate cooperation among the successor states. Georgia refused to join.

Georgian independence in 1991 coincided with a troubling minority-majority conflict in South Ossetia and also a mushrooming economic crisis. Systemic strains emanating from the economic crisis and also from the ongoing war resulted in December 1991–January 1992 in the collapse and flight of Gamsakhurdia and his government. During this period, there was no real structure of Georgian-Russian relations. Both states were deeply disorganized and lacked experience in managing bilateral diplomatic relations. It was difficult to ascertain who in Russia was in charge of defining and implementing policy towards Georgia. It was also not clear whether the Russian state controlled the levers of policy, notably the military, much of which was now "abroad." Moreover, in the early days after the Soviet dissolution, inasmuch as there was a Russian policy focus, it was directed towards Europe and the United States, rather than immediate neighbours.

It is hard to say whether there was a rationally directed focus in Russian policy towards Georgia, or whether actions reflected the interests of state actors acting without direction from the state. However, actions taken by agents of the Russian government had significant consequences for the ongoing relationship. For example, it is widely believed that Russian units in Tskhinvali, the administrative centre of South Ossetia, left their weapons and equipment behind when they departed.[7] Moreover, many North Ossetians crossed the new border to reinforce their ethnic kin in the struggle against Georgian forces. The combination produced a widespread impression within Georgia that Russia was seeking to manipulate the local conflict in order to maintain a degree of control over its former imperial subject. The impression was lasting, not least because of Russian involvement in the collapse of Georgia's first democratically elected government.

The Shevardnadze Period

In March 1992, Eduard Shevardnadze returned to Georgia to join the "Military Council" that had unseated the elected government of Zviad Gamsakhurdia. In June of that year, the Georgian and South Ossetian sides negotiated a ceasefire with Russian mediation.[8] The agreement envisaged the establishment of a Russian-led joint peacekeeping force with Georgian, North Ossetian, and Russian contingents. However, the calming of South Ossetia was soon followed by the outbreak of hostilities in August in secessionist Abkhazia, on the Black Sea coast. The active conflict lasted until autumn 1993. After initial successes, Georgian forces and most of the ethnically Georgian (Mingrelian) population were driven out of the region. It is again widely believed that the Abkhazian side was supported in the war by Russian forces stationed in the region. Simultaneously, supporters of ousted Georgian president Gamsakhurdia rebelled in Samegrelo (Mingrelia).

The combined challenges led to a Georgian tilt towards Russia in October 1993. In return for a cessation of hostilities, the Georgian government agreed to join the CIS and to accept the interposition of a CIS peacekeeping force.[9] Later, Georgia adhered to the Russian-sponsored Tashkent Treaty, which established a collective security mechanism in the former Soviet space. In 1994, the Shevardnadze government agreed on Russia's retention of military bases in Georgia. These Georgian decisions reflected the willingness of the US and other governments to leave security and stability aspects of the post-Soviet transition to the locally dominant power. In the 1994–6 period, however, the Clinton administration began to doubt Russia's capacity and willingness to do the job, and US officials began to stress the sovereign rights of *all* former republics of the USSR. That shift coincided with the creation of the 1994 NATO Partnership for Peace initiative and NATO's 1994–5 decision to pursue expansion eastward.

For this reason, and also because Georgia's multiple crises receded in the mid-1990s, the Georgian government moved towards a more balanced hedging position with respect to Russia. In 1999 in Istanbul, Georgia sought and obtained a specific commitment to the withdrawal of Russian forces in the country and the closure of Russian military facilities or their transfer to Georgian jurisdiction.[10] Retrospectively, it is curious that Russia agreed to this commitment, but it makes sense in context: the aftermath of the 1998 financial crisis in Russia, the beginning of Russia's next political transition, and the demand for internal consolidation. In addition, it is one thing to agree on withdrawal and another to act upon it. The stated commitment had no enforcement mechanism.

Finally, Georgia's prime minister, Zurab Zhvania, took the opportunity of Georgia's accession to the Council of Europe to declare that "I am Georgian; therefore I am European."[11] One assumes that the point was to accelerate the slow movement of Georgia towards integration with Europe and away from Russia. In the same year, however, Russia placed significant pressure on Georgia – including bombing raids inside Georgian airspace – to allow joint control over the Pankisi Gorge on the Russian-Georgian border.[12] The Georgian government demurred, instead seeking assistance from NATO and the United States to enhance the country's capacity to control the locale. The United States responded with the Georgia Train and Equip program.[13] In 1999, at Georgia's request, the Organization for Security and Co-operation in Europe (OSCE) added a border monitoring mandate to its mission of long-term duration, established in Georgia in 1992. By the end of the Shevardnadze period, Georgia appeared to be moving towards balancing Russia by extending and deepening its ties to Europe and to the Euro-Atlantic community, notably the United States.

The Saakashvili Period

In autumn 2003, the Shevardnadze government was overthrown in popular protests dubbed the Rose Revolution led by Mikheil Saakashvili, former prime minister Zurab Zhvania, and parliamentary speaker Nino Burjanadze. The new government flirted with the idea of rebuilding a constructive relationship with Russia.[14] However, Saakashvili was committed to the reunification of the country. There were two ways to accomplish this: in cooperation with Russia or in defiance of Russia. The Russian government initially agreed to explore possibilities for cooperation with the leaders of the Rose Revolution, reflecting, one suspects, some relief at the ouster of Shevardnadze. The new Georgian leader reciprocated, arguing that he trusted Putin and was eager to enter a collaborative relationship. During the honeymoon, Russian foreign minister Igor Ivanov assisted in the mediation of Shevardnadze's departure, and eased the removal of Aslan Abashidze, leader of the Acharan Autonomous Republic in Georgia and a strong opponent of Saakashvili. Abashidze's departure reunited Achara with the rest of Georgia.

But this tendency towards cooperation depended on Georgian acceptance of Russian primacy. It was soon aborted when Saakashvili made it clear he was not willing to accept subordination in a hierarchical relationship with the former imperial power. The moment of clarity occurred in August 2004; Georgia attempted a unilateral extension of its control over customs transactions involving South Ossetia's border

with Russia and over the prosperous Ergneti market near Tskhinvali, the largest in the region. That attempt met with vigorous resistance from the Ossetian authorities. The Russian-Georgian relationship went downhill from there. In 2006, Russia imposed economic sanctions – allegedly because of poor sanitary conditions on Georgian farms and in its factories. The sanctions also followed quickly on the arrest in Georgia of alleged Russian spies. Russia began to pressure Georgia along the frontier, notably in the Kodori Gorge. In the end, the relationship, after a series of provocations by Russia, deteriorated into a short war in 2008. The war was in part provoked by Georgia's own effort to re-establish government control by force over South Ossetia as a whole.[15]

Russian decision making was not purely reactive. The Russian side had concentrated forces across the border prior to the Georgian attack on Tskhinvali, the seat of South Ossetia's secessionist government. In August 2008, Russian troops cleared the poorly organized Georgian forces from South Ossetia and cut Georgia's central artery by occupying Gori, just one hour's drive west of Tbilisi. Prior to the conflict, the Russian government had reinforced its position in Abkhazia, and as the Georgian government sank into panic and crisis, moved from there southward to control Poti, Georgia's major port.

One underlying trigger of the war was NATO's Bucharest Declaration in April 2008, in which the alliance stated its commitment to enlarging to include Georgia and Ukraine (although no date was mentioned). That commitment cut across the Russian insistence that NATO never enlarge farther east. With its attack on Georgia, the Russian government sent a number of messages simultaneously: Russia would protect its interests in the region by force; other former Soviet republics should understand that Russia was still a regional hegemon; and NATO had been warned that any intervention in Georgia likely would lead to a major war. Russia was asking the alliance: was Georgia worth the effort? After the Georgian troops had been defeated, Georgia and Russia agreed to a ceasefire mediated by the French presidency of the European Union. Russia took advantage of the memorandum's sloppy drafting to maintain forces in the two regions of Abkhazia and South Ossetia and, subsequently, to recognize both as sovereign states.

Russia, Georgia, and Georgian Dream

In 2012, the Georgian Dream coalition unseated Saakashvili's United National Movement (UNM) in parliamentary elections. That was followed a year later by the victory of the Georgian Dream candidate, Giorgi Margvelashvili, for the presidency. The new government was committed

to improving the relationship with Russia, and quickly abandoned the harsh rhetoric of its predecessors towards Russia. The Russian leadership, relieved to see the back of Mr Saakashvili, reciprocated. Trade began to grow, along with Russian investments. Direct flights between Georgia and Russia resumed, and the number of Russian visitors to Georgia increased dramatically. Tension along the administrative boundary lines decreased,[16] and some artistic exchanges began.

However, the Russian policy of recognition of Georgia's breakaway territories, as well as its continuing deployment of military forces in Georgian territory, prevented normalization. The Georgian government is unwilling to recognize Abkhazia and South Ossetia or to restore diplomatic relations with a state that has recognized these regions' claim to state sovereignty. Georgia considers the Russian presence there to be illegal. Georgia's position is consistent with international law, and also with bilateral and multilateral agreements to which Russia is a party.

From the Russian point of view, the existence of these internationally unrecognized "states" is a new reality, a fact that Georgia has to accept as a condition for normalization. The frequent meetings in the Geneva process to resolve the conflict – which include representatives from the United Nations, the OSCE, the EU, and the US, along with delegates from Russia, Abkhazia, and South Ossetia – have been fruitless. Meanwhile, Russia and South Ossetia have slowly moved the line between Georgian and Russian control southward from the pre-existing boundary line towards Georgia's main east-west highway. The Russian government has signed bilateral defence and security arrangements with both breakaway territories, and controls their border security. It is integrating their defence forces with Russia's. This process is a way to keep pressure on the Georgian side in Georgia's evolving relationship with the West. Russia has steadfastly criticized the deepening Georgian partnership with NATO, symbolized by the creation of the Vaziani joint training centre in Georgia and by increasing cooperation and joint operations outside Georgia in Afghanistan and Iraq. In short, although there has been some improvement in Russia's relationship with Georgia, normalization remains out of the question until a dramatic shift in Russian policy takes place.

A Pattern?

Looking at this record in an inductive fashion, a pattern appears to underlie the development of Russian policy towards Georgia. The principal driver of Russian policy has been the Russian leadership's understanding of external threats. As NATO, and then the EU, drew closer, Russian policy makers focused increasingly on the role of those

institutions (and their principal members) in what they deemed to be an undermining of their security. They established, and continue to maintain, a red line on the expansion of NATO into the former Soviet space, with the exception of the Baltic republics.

Second, as Russia's military capacity grew, it became more assertive about its claim to "legitimate" control over the immediate neighbourhood. In the early years after the collapse of the USSR and the partial collapse of Russia, Russian leaders were clear in their aspiration to control the former Soviet space to the south,[17] but lacked the capacity to do so. At first, Russia engaged in low-level intervention in Georgia's conflicts. As its capacity grew under a new confident leadership in the early and middle 2000s and as concerns over NATO and EU aspirations for further enlargement strengthened, Russia became more assertive.

Third, although Russian behaviour repeatedly has displayed cooperative elements, any state behaviour inconsistent with the Russian understanding of modified sovereignty in the former Soviet space is unwelcome. It is likely to be punished in some way, economically or militarily, in order to secure compliance and to prevent unacceptable intrusions into their *chasse gardée*. The right to choose alternative security arrangements, a key element of sovereign statehood, is constrained for Georgia and other Russian neighbours such as Moldova and Ukraine. In short, the Georgian relationship with Russia over the past two decades suggests that Russia has a reasonably clear set of parameters on acceptable behaviour in the former Soviet space – again, the Baltic republics excepted. When its neighbours recognize those red lines and demonstrate a willingness to cooperate, Russian might help them with economic or military aid – Armenia is an example. When they do not, Russia seeks to undermine them.

Understanding Russian Perspectives on the Relationship

Two strands of international relations theory are most relevant here. One is how to explain the behaviour of large states with respect to small neighbours. The second concerns how smaller neighbours respond to the power asymmetries they face. There are many approaches to explaining Great Power behaviour. Russian policy in its neighbourhood most closely fits a realist, geopolitical approach. Structural realism posits an international system of states with no authoritative governance. States rely on self-help to ensure their survival. Power is unevenly distributed. States seek to maximize their own power[18] or security[19] in order to survive. They seek to minimize threats from other states in the system, either through internal

balancing (by marshalling domestic resources) or external balancing (by aligning with other states that face the same threat).

Power maximization predisposes states to control the territories next to them or to deny those territories to potential adversaries. This logic is pertinent to Russian policy in Georgia for at least three reasons. Georgia shares a long land border with Russia. Contiguous Russian regions – notably, Dagestan and Chechnya – have long been troubled by internal instability, motivated by secessionism, but also, and perhaps increasingly, by radical Islamism. Georgia is a potential conduit for weapons and militants. That gives Russia a direct security interest in controlling Georgian approaches to their border.

Second, Georgia lies between Russia and its major regional ally, Armenia, and between Russia and a major regional challenger in the region, Turkey. The main lines of Russian policy/strategy in the Caucasus are to sustain the defence relationship with Armenia, including shared air defence systems, to pressure Georgia to allow military transit between Russia and Armenia, and to develop north-south infrastructural links between Russia and Iran through Azerbaijan or Armenia. All such goals have implications for Georgia. Georgia's consistent aspiration to exit the former Soviet space westward is a major concern for Russia. From the Russian perspective, it creates the risk of European and Euro-Atlantic institutions establishing themselves in the former Soviet space on a sensitive Russian border.

Such systemic logic, however, is not a full account of the foreign policy of states, including Russia. One issue, given the variety of ways in which states may conceive of external threats, is why the Russian government sees Georgia the way it does. There are also many possible responses to perceived threats that can be lumped together into cooperative or coercive categories. Russia has most often chosen the latter approach towards Georgia. A long-standing observer of Georgia noted: "Russia has for years meddled in Georgian domestic politics, done what it can to thwart Georgia's hopes of joining NATO, occupied Georgian territory and lurked as an abstract bogeyman framing much of Georgia's political life."[20]

Although, in a small set of cases, Russia's behaviour has supported the objectives of the Georgian state, in general it has leaned towards coercion. Why? This question draws us into neoclassical realism. This approach suggests that international challenges are the principal drivers of foreign policy, but that foreign policy outcomes are mediated by domestic historical, cultural, political, and psychological factors.[21] In Russia's case, elite perception of the power-political logic is reinforced by a legacy of imperial rule, by a historically grounded concern about

control by power-political competitors of spaces contiguous to Russia, and by Russia's previously established status as a Great Power, even a global superpower.[22] Post-Soviet Russia has experienced status inconsistency since the end of the Cold War. Russia was the central component of, and is the legal successor to, a continental empire that collapsed in 1991. These factors resonate widely in the Russian elite, and extend to the wider circles of public opinion. This gives Russia the political incentive to avoid policies that suggest acceptance of the full sovereignty of former Soviet neighbours, and instead to maintain or reinforce a degree of hegemonic control over the region.

Turning to leadership dimensions, to what extent does Russia's regional policy boil down to the psychological makeup of Mr Putin, and his preferences, a popular theme in Western discourse around Russia's assertive policy in this decade.[23] His well-known and fully reciprocated antipathy towards Georgia's president Saakashvili appeared to play a role in the 2008 Russian invasion of Georgia. However, leadership-based explanations of major trends in foreign policy are problematic. It is not obvious what Putin believes, given the difficulty of deriving belief from public statements. Moreover, leaders are the product of embedded cultural, social, and political processes. It is legitimate to ask whether Putin created his system or whether the system created Putin. Putin made his early career in the KGB. Members of this establishment were acculturated into presumptions that the USSR was one of the two poles of the international system. The system was seen as zero sum, the structural and ideological threat was the West and its institutions, and the potential for cooperative solutions to shared problems was limited.[24] If that is the case, then Putin's personal proclivities are not a significant driver of Russian policy; any alternative leader coming out of the same milieu would be inclined to behave in a similar way.

To those on the outside, the Russian perception of an imminent external threat from NATO's and, more recently, the EU's[25] engagement with the former Soviet space reflects a pessimistic reading of those institutions' intentions with respect to Russia and its neighbourhood. After all, there is little likelihood that any more of Russia's former Soviet neighbours will become full members of NATO and the EU for a very long time, if ever. Until Russia's 2014 intervention in Ukraine and its initiation of an active policy of outward projection of force, there was no indication that NATO perceived Russia as a systemic regional threat. NATO's Russia strategy, in as much as it existed at all, was one of engagement, not deterrence. Even in the context of the deterioration in relations with Russia, there has been no *substantial* move to reinforce the eastern members of NATO or to deploy into the interstitial spaces between NATO and Russia.[26]

In short, Russia's publicly declared regional strategy exaggerates external threats to its security. One might argue a similar case with regard to Russia's stated reasons for the creation of a Eurasian Economic Union, in opposition to the EU. It is difficult to defend that project in terms of rational economic logic. Instead, it is more likely an effort to reconsolidate the former Soviet space into a relatively exclusive economic zone that complements Russia's regional politico-military consolidation.

The perceived threat from Western engagement in the non-Russian republics might be not so much military as political. If its neighbours take a Western political direction (democratization, economic liberalism), that might generate unwelcome demonstration effects inside Russia itself. These, in turn, might threaten not so much the Russian state as the regime. Concern over this prospect appeared in Russian elite responses to the Colour Revolutions of 2003–5 in Georgia, Ukraine, and Kyrgyzstan.[27] All these domestic factors also might favour the policy choice that structural realism proposes. The problem with such analyses is that they are overdetermined. Which parts, for example, are the most relevant to understanding the pattern in the policy? The Russian propensity to exercise control over its immediate environs preceded Putin. It is not obvious that leadership change outside the ruling group would make much difference. It therefore follows that the individual qualities of leadership might not be determining. Likewise, the domestic political context of Russia has varied considerably during the period under question, while the policy orientation in the region has been quite stable since 1995. It might make sense, therefore, to be sceptical about the determining role of domestic political variables.

At least three factors matter for Russia in relation to its former colonies:

- status concerns;
- the behaviour of Western states and institutions vis-à-vis Russia in what has been a very challenging period in its history; and
- Russian understandings of the nature of the international system and their role in it.

Options for Georgia

Following the structural realist logic, small states next to big ones face significant challenges. As noted, the larger neighbour is predisposed to swallow or to limit the autonomy of a smaller neighbour. Taking a more nuanced view of threat, one important variable is the perception of the bigger neighbour's aggressive intent.[28] In Georgia's case, that aggressive intent has been demonstrated throughout the history of the bilateral

relationship, but most obviously in the 2008 Russian invasion of the country and the detachment of a fifth of Georgia's territory.

In this case, the internal balancing option is unlikely to be effective, given the disparity of power; small states generally do not have sufficient resources for internal balancing against powerful neighbours. What about "external" balancing through the development of alignment relationships with third parties? Success depends on the willingness of third parties to accept security liabilities through alliance or through security guarantees. The risk is that external balancing might provoke Russia, and whatever security guarantee offered might not be deemed credible. In any event, there is no evidence that other states are willing to provide and enforce security guarantees for Georgia.

Cooperation (bandwagoning) and the consequent surrender of elements of sovereignty – for example, the choice of allies or broader cooperation with third parties – in order to reassure the threatening state or to enlist it in trying to address the small state's more immediate internal security challenges, has been tried, but without success. It would also involve concessions that would face significant domestic political opposition in Georgia.

Are there any other options for Georgia? One possibility is to avoid alignment through hedging and hiding.[29] Hiding is difficult in the South Caucasus, given Russia's demonstrated strategic interest in the space. Leaving that option aside, each South Caucasus state has chosen a different approach to this systemically generated question. Armenia, faced with threats from Turkey and Azerbaijan, has bandwagoned with Russia. Azerbaijan has pursued a hedging strategy:[30] enabled by significant energy resources, it can avoid binding alignments, engage multiple external powers, such as the United States, Turkey, and now China, and maintain flexibility in its foreign and security policy, including the limitation of liberal intrusions into its domestic arrangements.

Georgia lacks Azerbaijan's resource base. After initial flirtation with bandwagoning and hedging, it has attempted to balance against Russia since 2004.[31] That choice generates risks: the smaller state's effort to balance might augment Russia's perception of risk. If the balancing is not credible, it invites challenge, as happened with the 2008 Russian invasion of Georgia. Given Russia's wider concerns with respect to the West, Georgia can be, and has been, a place to demonstrate its own resolve.

Conclusion

From the preceding discussion, I can suggest several general conclusions about Russian policy towards Georgia. This policy is part of a larger approach to the former Soviet region. Russia seeks primacy, denying or

limiting the influence of external powers in this space, and preventing or constraining its neighbours' attempts to build close security and political relationships with outside states. The Russian government has used both economic and military coercion to deny Georgia its sovereign rights. As Russian capacity has grown, so too has the scale of these activities.

Where these fundamental priorities have not been challenged, Russia has pursued a cooperative policy towards Georgian governments. To put it another way, there are fairly clear red lines that states such as Georgia cross at their peril. Within these lines, there appears to be scope for mutually beneficial outcomes. The fundamental question thus becomes: is Georgia willing to accept the rules of the game that act in Russia's favour? There is little evidence that it is. Successive Georgian governments have defended the country's sovereign right to choose freely the nature of its relations with Russia and others. Georgia demands that Russia respect its sovereign equality and territorial integrity, and abide by international law in the bilateral relationship.

If we put the Russian and Georgian versions of the relationship side by side, it is evident that they are fundamentally incompatible. Given the power asymmetry between them, this incompatibility creates significant risk for Georgia, particularly since balancing options are limited and not credible until either the United States or the European Union dramatically reduce their risk aversion in the Caucasus.

NOTES

1 The latter was starkly displayed in the crisis in Georgian politics occasioned by the meeting of the International Parliamentary Association of Orthodoxy, hosted by Georgia in Tbilisi in July 2019. When the chairman of the organization took the floor in Tbilisi's parliament building, a protest immediately ensued. The Russian parliamentarian was denied the floor and hustled out to the airport to return to Moscow. The protest inside the parliament mushroomed into a major, and eventually very violent, demonstration in front of the parliament. This eventually transformed into a political crisis within the governing party and the resignation of the parliamentary speaker. It culminated in opposition calls for new elections in view of the government's allegedly pro-Russian sympathies.

2 For an extensive discussion, see S.N. MacFarlane, "Kto Vinovat? Why Is There a Crisis in Russia's Relations with the West?" *Contemporary Politics* 22, no. 3 (2016): 342–58.

3 A. Arbatov, "Russia's Foreign Policy Alternatives," *International Security* 18, no. 2 (1993): 5–43; V. Lukin, "Our Security Predicament," *Foreign Policy* 88 (Fall 1992): 57–75; S. Stankevich, *Nezavisimaya Gazeta*, 28 March 1992, 4.

4 Commonwealth of Independent States (CIS), *Soglashenie o sozdanii sodruzhestva nezavisimykh gosudarstv* [Agreement on the creation of the Commonwealth of Independent States], Preamble and Article 5, 8 December 1991, online at http://www.cis.minsk.by/reestr/ru/index.html#reestr/view/text?doc=1, accessed 12 August 2019.

5 Ibid.; CIS, *Charter of the Commonwealth of Independent States* (New York: United Nations, 1993), online at https://treaties.un.org/doc/Publication/UNTS/Volume%201819/volume-1819-I-31139-English.pdf, accessed 12 August 2019.

6 Russia, President, "The Draft of the European Security Treaty," 29 November 2009, online at http://en.kremlin.ru/events/president/news/6152, accessed 20 August 2019. In that context, Sergei Karaganov and colleagues note that a reset of US-Russian relations required Western renunciation of efforts to encourage former Soviet states to distance themselves from Russia in political and security terms. See S. Karaganov, T. Bordachev, and D. Suslov, "Russia and the U.S.: Reconfiguration, Not Resetting," *Russia in Global Affairs,* 5 September 2009, online at http://eng.globalaffairs.ru/number/n_13588, accessed 7 March 2019.

7 For example, see C. King, "The Five Day War: Managing Moscow after the Georgia Crisis," *Foreign Affairs* (November–December 2008), https://www.foreignaffairs.com/articles/russia-fsu/2008-11-01/five-day-war.

8 CIS, *Soglashenie o printsipakh mirnogo uregularovania Gruzinsko-Ossetinskogo konflikta* [Agreement on principles of settlement of the Georgian-Ossetian conflict], 24 June 1992, online at https://peacemaker.un.org/sites/peacemaker.un.org/files/GE%20RU_920624_AgreemenOnPrinciplesOfSettlementGeorgianOssetianConflict.pdf, accessed 18 February 2020.

9 Interviews with those involved on the Georgian side suggest that Russia threatened the use of force in the event Georgia did not agree. See also Sabanadze, in this volume.

10 Organization for Security and Co-operation in Europe, "Joint Statement of the Russian Federation and Georgia," 17 November 1999, 252, online at http://www.osce.org/mc/39569?download=true, accessed 15 August 2019. For background, see W. Hill et al., "The 1999 Istanbul Summit Decisions on Georgia and Moldova: Prospects for Implementation," Occasional Paper 284 (Washington, DC: Wilson Center, 2002), 1–40, online at https://www.wilsoncenter.org/publication/the-1999-osce-istanbul-summit-decisions-moldova-and-georgia-prospects-for-implementation, accessed 15 August 2019.

11 Zhvania's declaration before the Council of Europe is available online at https://www.youtube.com/watch?v=P4KX1IVvrHg.

12 The Pankisi Gorge is a small region in northeastern Georgia, abutting the Russian Federation in southern Chechnya. Many Chechen refugees and

some Chechen resistance fighters spilled across the border into the gorge. For background on Pankisi, see J. Devderiani and B. Hancilova, *Georgia's Pankisi Gorge: Russian, US and European Connections* (Brussels: Centre for European Policy Studies, 2002).

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25 Mankoff, *Russian Foreign Policy*, 142–4.

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warfare capability in the region. There has been no forward deployment beyond NATO's eastern border.

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9 Georgia in the International Political Economy

MAMUKA TSERETELI

Located at the crossroads between Asia and Europe, the Georgian state enjoyed significant economic benefits from its trade and transit function. At the same time, the intensity of trade was greatly affected by global and regional political developments. Looking to the past, there is a clear correlation between the strength of the Georgian state, a favourable international environment, and Georgia's engagement in international trade and transit. Trade routes have crossed Georgian territory since the emergence of human civilization. In medieval times, Georgia was part of the Silk Road network. Even after losing its political independence in the early nineteenth century, Georgia, as part of the Russian Empire, became involved in international trade, first exporting manganese from the Chiatura mines in western Georgia and later providing access for Azerbaijani oil to the growing world market via the Black Sea port of Batumi. During the short-lived independence of Georgia from 1918 to 1921, Georgia traded with multiple European countries, and served as a transit country between Azerbaijani oil fields and markets throughout Europe.

After regaining independence in 1991, and following disastrous civil and ethno-political conflicts, in 1994 Georgia started the process of economic reforms aimed at opening the country's economy to foreign direct investment (FDI) and, ultimately, integration into the global economy. Georgia became a member of the World Bank and International Monetary Fund in 1992, and since 1994 Georgia has received multiple loans and credits from donor organizations supporting liberalization and structural reform of the Georgian economy. Committing itself to lowering barriers for trade, Georgia became a member of the World Trade Organization in 2000. It has focused on the development of export routes for major oil- and gas-producing countries in the Caspian region, elevating interest in the country among major global energy companies.

Since 2004, Georgia has conducted significant regulatory and tax reform, and successful anticorruption policies have made Georgia one of the easiest countries in the world to travel to, invest in, and conduct business with.[1] There is an increased inflow of visitors to Georgia, and the tourism and hospitality sector is becoming a major source of hard currency income for the country, bringing US$3.2 billion of revenues in 2018.[2]

Deterioration of the external economic environment in 2014, caused by the US dollar's strengthening against regional and global currencies, low oil prices, and economic problems in Russia, Ukraine, Greece, and Turkey, had a negative impact on Georgian economic stability. Due to the openness of the economy, global economic trends and economic performance among trade partners (and sources of remittances) affect Georgia significantly. Negative trends in export receipts and the flow of remittances have caused a major depreciation of the currency since early 2014. By December 2015, the lari had depreciated by 35 per cent, and although this helped the economy to adjust to external shocks, it caused major problems for a significant portion of the population and businesses, which had assets in lari and loans in US dollars.[3] High levels of unemployment and the diminished purchasing power of the Georgian population in such a crisis has awoken protectionist forces among the public, which is reflected in the rhetoric of politicians.[4]

Georgia's Economic Profile

After almost two hundred years without sovereignty and control over political and economic life, and after seventy years of Soviet rule, Georgia's transformation from a peripheral appendage of the Soviet superpower to independent statehood was driven by a strong desire to move away from Russian influence and the Soviet legacy. The strategy and levels of commitment to escape from the Russian sphere have varied in intensity, but all Georgian governments since independence in 1991 have pursued policies focused on greater sovereignty and Georgia's integration into the global political and economic system as an independent entity.

After the first wave of economic reforms in the mid-nineties, Georgia experienced a contraction caused by the global financial crisis in 1998, which hit Russia and other trade partners of Georgia particularly hard. Widespread corruption and weak and dysfunctional government institutions in Georgia caused significant public discontent with the existing administration of President Shevardnadze and his Citizens Union of Georgia (CUG), which had led the country since the early

1990s. After the disputed November 2003 parliamentary elections, the Rose Revolution brought to power a group of younger and more determined politicians who split from the CUG in 2001–2 and formed the United National Movement (UNM) under the leadership of Mikheil Saakashvili. Popular support for anti-corruption measures and other reforms following the stagnation at the end of the Shevardnadze era allowed the new government to drastically reduce regulations and the number of required licences for economic activity, and to conduct major anti-corruption reforms, including the disbanding of the entire traffic police, notorious for its high levels of extortion and bribery.

By 2005–6, the Saakashvili government had managed to create a favourable tax and regulatory environment for business. A more favourable international economic context and easy access to capital facilitated a dramatic increase of FDI to Georgia, reaching a record amount at that time of more than US$1.7 billion in 2007.[5] As part of the policy of opening the country to foreign trade, and in order to facilitate tourism and investments, Georgia adopted a policy in 2006 that permitted citizens of a large number of countries to enter Georgia without a visa. Barriers to imports were reduced to a minimum, and more than 90 per cent of foreign goods could enter the country without customs duties.[6] The customs system was simplified and cleaned up, with significant reduction in the time needed to transit goods across Georgia's borders. Border crossing for cargo coming into Georgia became very easy, and zero or low import tax duties made Georgia an attractive export destination. It also opened opportunities for re-export to countries with which Georgia has a free trade agreement.

One of the most important changes, with lasting results, was reform of public services, which helped to eliminate petty corruption in the process of issuing property registration documents, permits, licences, passports, and other documents. The corruption-free system of Public Service Halls in Georgia demonstrated that there are no countries with an endemic problem of corruption, and that even extremely corrupt societies can be transformed when there is a strong political will in combination with an innovative approach to government services.

These reforms made Georgia a global leader in the transformation of a centralized economic system into an open and free economic environment. Unfortunately, these economic reforms were not supported by political and judicial reforms. The ruling UNM took total political control of the judiciary, leading to a gross violation of property rights. Historical experience suggests that the lack of inclusive political and economic institutions limits the conditions necessary for long-term investments in technology and skills development. Corruption slows the

growth of prosperity.[7] Unfair business practices or politically motivated interventions into business activities by tax and law enforcement agencies became customary in Georgia between 2008 and 2011.[8] Lucrative areas of business, such as the import and distribution of oil products and other important commodities, were concentrated in the hands of a narrow group close to the government.

Georgia was a paradoxical picture between 2006 and 2011. On the one hand, the country was constantly advancing in international rankings on ease of doing business and indexes of economic freedom. The process for obtaining licences or creating a new business became so easy that thousands of new businesses were created in those years. At the same time, the World Economic Forum's Global Competitiveness Index showed Georgia had significant problems. The country was ranked as one of the worst in the world in terms of property rights (120th) and judicial independence (91st).[9] Many newly created business entities remained non-operational, and existing businesses were often forced to stop operations. The unfair treatment of businesses, together with the abuse of power, undermined popular support for the ruling UNM, leading to major internal political turmoil from 2007 until the change of government in October 2012.

Georgia's tense relationship with Russia, which started to worsen with the de facto embargo on all Georgian products in October 2006 and culminating in the five-day war in August 2008, had a negative impact on the evolution of the Georgian economy, and in particular on the flow of FDI to the country.

The post-war period coincided with the global financial crisis and a major decline in the global flow of FDI. After a 16 per cent decline in 2008, global FDI inflows fell a further 37 per cent in 2009 to US$1.1 trillion.[10] In Georgia, the drop was even more significant, from US$1.7 billion to US$670 million. The good news for Georgia was that, after the 2008 war, the international community provided several billion dollars of support, backed by the United States and the European Union. Without such help, Georgia's recovery from the impact of war, as well as from the negative impact of the global financial crisis of 2008–9, would have been prolonged. After falling sharply in 2009, FDI started to recover, and reached US$1.13 billion by 2011.[11] But the continuing occupation of Georgian territories by the Russian military creates difficulties, making Georgia less attractive as a destination for FDI.

Elections in 2012 produced Georgia's first peaceful political transfer of power to an opposing party. The UNM government was defeated by a large coalition of political forces called Georgian Dream, led by billionaire Bidzina Ivanishvili. This transition strengthened the

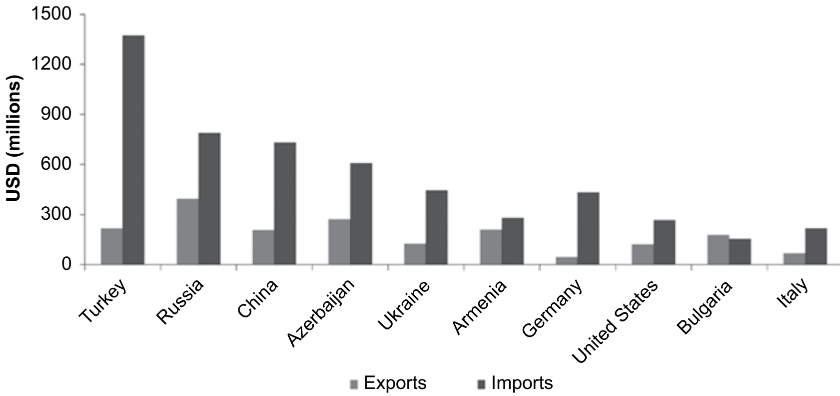
democratic credentials of Georgia. Although the process of transition to a new government was difficult, the major reforms of the Saakashvili years were maintained, and major shortcomings, including gross intervention of state institutions in business activities, ceased. Given the composition of the Georgian Dream coalition at that time, which included some supporters of protectionism – such as the party Industry Will Save Georgia – the newly elected parliament introduced regulations that could be characterized as protectionist. Controls were introduced on agricultural land ownership by foreign citizens in a law adopted on 28 June 2013.[12] At the same time, visa restrictions were imposed on citizens of certain countries, bringing the number of countries with free entry down from 118 to 94. The length of stay in the country was reduced to 90 days from 360. This last measure created problems for the expatriate business community and for international students who were in the country based on previous rules. Later, in June 2015, the maximum stay was restored to 360 days.[13]

Despite some shortfalls, as of 2018, Georgia remains one of the most open economies in the world in terms of trade, travel, and investment, and ranks thirteenth in the 2017 Index of Economic Freedom produced by the Heritage Foundation.[14] According to the Index of Globalization, Georgia ranks nineteenth in terms of economic globalization, and sixty-fifth overall in the Index of Globalization.[15] The methodologies of these rankings differ, and they leave significant room for interpretation, but they reflect the general trend of openness in the Georgian economy. Georgia trades with more than a hundred countries. During 2018, the peak year for external trade, turnover reached US$12.5 billion.[16] Georgia's top ten trading partners in 2017 were Turkey, Russia, China, Azerbaijan, Ukraine, Armenia, Germany, the United States, Bulgaria, and Italy (Figure 9.1).

The EU, as a single economic space, remains the largest trading partner at 26.6 per cent of Georgian foreign trade. Trade with China is growing rapidly, reaching almost 10 per cent of Georgia's trade in 2017, and is expected to expand still more with a new free trade agreement in place.[17] This growth might slow down, however, due to global geopolitical developments, and if tensions continue to rise between the United States and China over trade and, potentially, security issues.

Georgia, through free trade agreements, has access to markets in the EU, Turkey, and countries in the Commonwealth of Independent States (CIS), as well as China – a total population of over two billion. Products produced in Georgia can enter those markets with no customs duties. Georgia concluded its free trade agreement with China on 5 October 2016 and, after some legal procedures, Georgian products

Figure 9.1. Georgia's Top Trading Partners by Turnover, 2017



Source: Georgia, National Statistics Office of Georgia, https://www.geostat.ge/en/modules/categories/35/external-trade.

entered the Chinese market free of tariffs.[18] According to Georgia's national investment agency, 90 per cent of goods imported into Georgia are exempt from tariffs, with no quantitative restrictions. The average time for customs clearance is currently about fifteen minutes – one of the fastest and most efficient in Eastern Europe.[19] In terms of openness and freedom of trade, Georgia is ahead of many countries, including members of the EU. There are no restrictions on repatriation of capital gains or invested capital. The country is sixth in the World Bank's Doing Business ranking (on ease of doing business) and best in the world in terms of the low percentage of users who pay bribes to tax authorities, according to the Global Corruption Barometer.[20]

Georgia received US$1.894 billion in FDI in 2017, a record amount of annual investments to date. The key source countries for FDI are Azerbaijan, Turkey, the United Kingdom, and the Netherlands.[21] FDI in 2018 was down to US$1.232 billion, with the United States substituting for Turkey in the list of top four investors in Georgia. Although China and Russia are in the list of top ten FDI source countries, their shares are relatively moderate in the total stock of investments.[22] Georgia is one of the larger recipients of FDI on a per capita basis in the group of non-energy- or other commodity-exporting countries. In the period between 2000 and 2014, Georgia received on average 8.5 per cent of gross domestic product (GDP) as FDI, making it one of the largest recipients of FDI in Central Asia and the Caucasus, competing with

oil- and other resource-rich countries of the region. But Georgia needs considerably more FDI to improve the employment picture and achieve higher growth rates.

Due to unemployment problems, Georgia is producing large numbers of labour migrants, who for the past two decades have become a source of significant remittances, reaching a record amount of almost US$2 billion, or 12 per cent of GDP, in 2013. In 2017, remittances represented 11.8 per cent of GDP.[23] Russia is the major source of remittances, followed by Greece. The volume has declined since 2014 due to economic problems in all major source countries (Russia, Greece, and Turkey), but there is a growing flow of remittances from the United States and the EU. The real estate and tourism and hospitality industries, as well as some sectors of agribusiness, such as the wine industry, are major targets for investments by Georgians living abroad.

Georgia thus has become one of the most open economies of the world, eliminating major barriers for the country's integration into the global economy. Openness, however, brings both positives and negatives to Georgia. Economic instability or decline in major export destination countries for Georgian products negatively affects Georgian exporters and the stability of the exchange rate. On the other hand, absence of trade and other barriers allows Georgia to offset the decline in export of goods with the export of services, such as tourism. The number of visitors to the country has grown consistently over the past decade, exceeding eight million in 2018. The tourism and hospitality service industry is becoming the leading employer in the country and one of the key sources of currency receipts, reaching US$3.2 billion in value in 2018 and almost equalling the amount received from the export of goods. Political independence, accompanied by economic reforms, has allowed Georgia to gain significantly from its natural assets, such as topography and geography.

The Energy Factor

In the mid-1990s, independent Azerbaijan, Kazakhstan, and Turkmenistan, three littoral states of the Caspian Sea, started developing their hydrocarbon resources with the help of Western companies. The landlocked Caspian region required access to world markets, and Georgia developed an essential transit infrastructure for oil and gas exports, including pipelines and ports. The Georgian government, with the help of international financial institutions, started to upgrade railways, highways, and air traffic control systems.

Figure 9.2. Pipelines Transiting Georgia

Source: Map courtesy of BP, used with permission.

The most important source of Georgia's energy-transit infrastructure development was offshore oil exploration in Azerbaijan, managed by an international consortium of companies led by BP and Amoco. A deal signed in 1994 between the consortium and the Azerbaijani government envisaged a two-stage development: first, for so-called early oil, a small-diameter pipeline to the Black Sea terminal at Supsa (Georgia); second, for "major oil" from the larger Caspian oil fields such as Azeri, Guneshli, and Chirag, a larger-diameter pipeline through Georgia and Turkey. Europe was considered the main market for the Caspian hydrocarbons in the 1990s.

One potential transit destination for exports was via Iran, taking oil to the Persian Gulf and shipping it to Europe via Suez. However, due to the involvement of US and other Western companies in the Caspian consortium and existing tensions between the United States and Iran, transit via Iran was excluded from discussions from the start. The second option was to use existing pipeline and port infrastructure in Russia. But in the mid-1990s, the Russian system, managed by the state-owned monopoly Transneft, had limited capacity, and the quota system for access to pipelines had fostered political favouritism and corruption.

The direction for the export pipelines was not driven only by economic considerations. Russia was interested in the transit of the entire

volume of hydrocarbons produced in the Caspian via Russian territory, in order to maintain both political and economic control over supplies to European markets. The United States and its main strategic partner and ally in the region at that time, Turkey, were interested in orienting the export infrastructure towards the West, from Azerbaijan to Georgia and then to the Black Sea or Mediterranean Sea via Turkey. The main interests of the United States at that time were to increase the supply of oil to the world market, to improve access to oil for Turkey and other European allies, to increase regional collaboration, and to strengthen the economic basis for sovereignty in the newly emerged independent states.[24]

The United States supported the export of early oil from Azerbaijan to Western markets through the Baku-Supsa pipeline, which connected oil fields near Baku to a newly built export facility on the Georgian Black Sea coast near the village of Supsa. It became the first in the series of decisions on pipeline projects that made up the US Multiple Pipeline policy in the 1990s. The policy complemented the strategy for the enlargement of the EU and NATO and the enhancement of the sovereignty and economic independence of countries in Central and Eastern Europe. The construction of the Baku-Supsa pipeline laid the foundation for infrastructure development in both Azerbaijan and Georgia. The decision was a strategic breakthrough, since it was the first pipeline project after the collapse of the Soviet Union to export Caspian oil bypassing Russian territory. The implementation process demonstrated the viability of Azerbaijan and Georgia as independent, functioning states. The early oil pipeline project served as a key factor in the final decision on the so-called major oil pipeline, now called the Baku-Tbilisi-Ceyhan (BTC) pipeline. The construction and successful functioning of the Baku-Supsa pipeline reduced the perception of risk for the South Caucasus energy corridor, and made it easier for sponsors of the much larger BTC pipeline to fund its development. BTC, together with the South Caucasus gas pipeline or, as it is frequently called, the Baku-Tbilisi-Erzurum natural gas pipeline, allowed Azerbaijan, as well as Georgia, to start capitalizing on the resource and economic potential of the region. After completion of these projects in 2007, Georgia was placed firmly on the map of global energy, and it was clear that the country could serve as a major artery between Asia and Europe for other goods and commodities.

Azerbaijan is the key source, and has the most important role to play, in Caucasian oil production. But to ensure the Baku-Tbilisi-Ceyhan could happen, Georgia agreed to a level of transit tariffs lower than comparable cases elsewhere. Azerbaijan reciprocated, and provided Georgia additional incentives at its own expense. This became the

standard practice of the two countries throughout the subsequent period in order to regain a degree of economic independence from Russia. Presently, the Baku-Supsa and Baku-Tbilisi-Ceyhan pipelines and the Baku-Tbilisi-Erzurum gas pipeline form the South Caucasus Pipelines System. This system transits more than a million barrels of oil daily and 8 billion cubic metres (bcm) of gas annually from the Caspian Sea Basin to world markets.

One of the largest current global energy projects is the second-phase development of the Shah Deniz natural gas field and the development of the system of export pipelines that will link the Caspian field to several European countries. The largest recipient of the gas will be Italy. The system of pipelines will link an upgraded South Caucasus Pipeline to the Trans-Anatolian Pipeline (TANAP) in Turkey, which will bring Azerbaijani gas to the western border of Turkey, and from there to European markets via the Trans Adriatic Pipeline (TAP) between Greece, Albania, and Italy. The first supply of gas reached TANAP in Turkey in 2018, and with the completion of the connection between the TAP and TANAP in November 2018, gas from Azerbaijan will now reach Europe via TAP in 2020. Initially 10 bcm of natural gas will be exported through the TAP each year, but capacity can be increased to 20 bcm.[25] Once fully completed, this chain of infrastructure projects will, for the first time, directly connect natural gas fields in the Caspian Sea to EU markets. The importance of this project is hard to overestimate. Although initial volumes will cover only about 2 per cent of total European needs, the project has the potential for substantial expansion based on increased volumes from other fields in Azerbaijan, as well as from Turkmenistan.

Turkmenistan has the world's fourth-largest deposits of natural gas,[26] but they are mostly concentrated in the eastern part of the country. Most of this gas is exported to China, but the opening of the new larger-scale pipeline will create additional incentives for Turkmenistan to send some of its gas from relatively smaller western fields to Europe via Azerbaijan. The legal status of the Caspian Sea and disagreement between Azerbaijan and Turkmenistan on the delimitation of maritime borders and ownership of resources on the Caspian seabed were considered major obstacles to such cooperation. But the Convention on the Legal Status of the Caspian Sea, signed in August 2018 by leaders of the Caspian littoral states, provides a framework for Azerbaijan and Turkmenistan to arrange for joint exploration and drilling, as well as long-stalled pipeline projects.[27]

The strategic significance of the functioning Southern Gas Corridor project is comparable to the BTC: it will pull Georgia and the South Caucasus deeper into the European economic space, and facilitate

economic and political integration with the EU. Although Italy will be the major destination, some gas will be shipped from Italy to Austria or other markets through existing pipelines. The new infrastructure will allow Azerbaijan to make direct sale contracts with European countries, while Georgia will be a beneficiary as a key transit country, connecting different actors involved in energy infrastructure development and trade. In addition to the strategic benefits from the projects, which make Georgia part of the global economic system, Georgia will receive economic benefits such as annual transit fees, in-kind payments, and tax revenues from pipeline companies and related businesses, which will exceed US$100 million per annum.[28] Thousands of Georgians were employed during the construction phase of the pipelines, and hundreds will remain employed for several decades during the operational phase of the energy transit infrastructure.[29] Georgia received US$1.8 billion in investments during the 2014–16 due to the South Caucasus Pipeline Expansion project.

The Asia-Caucasus-Europe Transit Corridor

The potential of Georgia's strategic location is not limited to the transit of energy resources. Ports, railways, and air space present great opportunities to connect Asia with Europe and to bring key actors of the Eurasian continent closer. Georgia is an important potential link in the transportation corridor between western China, Central Asia, and the Black and Mediterranean seas, and already provides transit for millions of tonnes of liquid, bulk, and container cargo by rail and highway. But this is far from utilizing the full transit potential of the region. The South Caucasus transportation corridor might become an alternative shipping route for Chinese and other Asian producers, who are looking for faster and more cost-effective delivery of goods with a short shelf life to European markets. The current shipping time from China's eastern shores to European markets is about forty days. From the westernmost Chinese province of Xinjiang, it is even longer, while sending cargo via a land route through Russia takes about twenty days. Test shipments from Xinjiang to Poti via rail and ferry connections across the Caspian took only nine days. In this way, Georgia and its partner countries could become a major transit route for Asian cargo destined for Europe. This will cement the interests of Asian powers in the stability and security of Georgia and of the South Caucasus and Central Asia in general. China's Belt and Road Initiative, as well as growing interest in continental trade routes from the rising economic powers of the countries of the Indian subcontinent, could play a crucial geopolitical role for Georgia.

China is trying to achieve better connectivity with its major trading partners in Europe. One important transportation link that serves this goal is the South Caucasus. Over US$1 trillion has been allocated by different institutions and firms, funded by the Chinese government, for projects involving sixty-four countries with a total population of 4.4 billion.[30] Again, the changing global geopolitical landscape might force China to adjust these plans, but the overall interest of Asian producers to become better connected with Europe will remain. And China is not the only actor interested in the transit potential of the South Caucasus. There is great expectation of growing economic activity in Central Asia, including Afghanistan – landlocked countries that need efficient alternative export transportation options. Georgian ports, railway, and highways already serve the transit needs of Turkmenistan, Tajikistan, Uzbekistan, and Kazakhstan, and the volume of transhipments via Georgia is expected to grow exponentially in the next decade.

To exploit this potential, new infrastructure will be needed, along with the simplification of procedures for border crossings, including customs and tariffs. There are already port facilities on both the eastern and western shores of the Caspian Sea and in Georgia. The ports of Aktau in Kazakhstan and Turkmenbashi in Turkmenistan will be linked with newly developing terminals at the Alyat International Sea Trade Port near Baku. Upgrades are being made on highways and rail systems linking Baku with Georgian ports. To serve growing cargo volumes, Georgia is developing a large-scale deepwater port facility at Anaklia aimed at increasing container transshipments between Asia and Europe. Major expansion is also underway in Poti port with the construction of several new terminals, which will increase the route's efficiency. Further harmonization of customs procedures, logistics, and the legal environment between Georgia, Azerbaijan, Turkey, and Central Asian states will magnify the region's transit potential. There is competition for European-bound Asian cargo using land routes across Russia and Iran. Regional cooperation in the South Caucasus is essential to ensure that cargo comes through the South Caucasus corridor.

Another demonstration of regional collaboration is the rail corridor between Azerbaijan and Georgia. Azerbaijan provided financing for the Georgian section of the Baku-Tbilisi-Kars railway line, which connects Azerbaijani and Georgian railways to the Turkish railway system and creates a functioning rail link between China, Central Asia, and Europe. Armenia is always omitted from such deals because of its conflict with Azerbaijan. This railway connection will attract additional cargo for the South Caucasus transportation corridor. After delays due to engineering issues on Turkish territory, the railway was opened in October

2017.[31] A regional electricity grid and electricity market are also on the agenda. Azerbaijan's hydrocarbon resources and Georgia's hydropower resources could complement each other in building a stable regional source of supply for Turkey, one of the fastest-growing electricity markets in the world. A new high-voltage electricity line now connects Georgia and Turkey, providing an opportunity for regional trading of electricity. Other regional actors, such as Russia and Armenia, might be interested in participating in building the regional electricity grid if the political environment and existing conflicts cease to be prohibitive factors for this type of inclusive system.[32]

Less positively, the location of Georgia and its transit function make it a focus for transnational criminal groups. The US State Department's 2014 International Narcotics Control Strategy Report notes: "Georgia is a transit and destination country for illicit drugs produced in other countries. The most significant route runs from Afghanistan and Iran through Azerbaijan and Georgia, to destinations in Western Europe, Turkey, and Russia. Trucks and cars travelling across borders sometimes carry narcotics on this route, transiting Georgia before traveling to Turkey or Russia, or moving to Ukraine, Moldova, or Bulgaria on Black Sea ferries. The Russian-occupied territories of South Ossetia and Abkhazia remain beyond the control of Georgian law enforcement."[33]

Georgian territory has also been used for smuggling nuclear materials from Russia and Armenia: Georgian and Armenian citizens were arrested in 2016 and charged with smuggling such materials from Russia to Georgia.[34] To deal with these threats, Georgian law enforcement agencies are closely collaborating with other foreign agencies. Georgia has become part of global efforts to prevent nuclear proliferation and is vital to the fight against illicit trafficking of people, drugs, and weapons.

Economic Globalization and Georgia's Transformation

Economic globalization is having a profound effect on Georgia's transformation into a responsible international actor in the rules- and norms-based international system. Throughout different administrations in the past twenty-five years, Georgia has demonstrated its desire to become a full-fledged member of the European family of nations and to integrate itself into the global economic system. It is challenging to maintain national identity and a traditional system of values while adapting to a modern political and economic system, but consciously or unconsciously, Georgia is "Westernizing" itself. The opportunity to travel and to engage in a variety of economic transactions with different countries around the globe has opened up the horizons of Georgians,

extended their knowledge of the rest of the world, and better prepared a new, more mobile generation of educated Georgians to be more competitive with their peers in the rest of the globe. The Georgian government's decision to open up to international trade, investment, tourism, and transit was a strategic one aimed at integration into the global economy. Georgia has no viable alternative. Small economies like Georgia's can only prosper if they are integrated into world trade and capitalizing on their comparative and competitive advantages. Georgia has free trade agreements with the EU, Turkey, most CIS countries, and China, creating a unique opportunity for companies involved in Georgia to have tariff-free access to markets of more than two billion people. The Deep and Comprehensive Free Trade Area allows free trade with EU member countries, and does not restrict Georgia's capacity to continue its free trade arrangements with other countries. This is different from the Russian-led Eurasian Economic Union (EEU), which has a relatively higher import tariff structure and stricter requirements. Joining the EEU would increase import duties from non-EEU member states, as it did in Kazakhstan and Kyrgyzstan,[35] and ultimately it would increase prices for all consumers. For these reasons, the EEU is an unattractive alternative for Georgia.

The interest of the global powers in Georgia is largely determined by its location and available infrastructure, which ensures access to the "heartland of Eurasia" and to the hydrocarbon resources of the Caspian Basin. Openness of the economy makes the country's key assets, transit and transportation infrastructure, available for multiple actors, and establishes an international interest in Georgia's stability. The alternatives would have been autarky or reintegration with the Russian economic space, with backward governance, an obsolete technological and management environment, and an inefficient economy. Openness to trade, knowledge, technological know-how, and management skills will help Georgia advance its national interest.

Labour migration is not always a reflection of the poor health of the economy. For migrants, the process frequently brings additional skills and the possibility to accumulate capital to purchase property or start a new business. Labour migration is another way for Georgians to enjoy the benefits of globalization. However, the emigration of talented professionals has meant that Georgia has lost much of its intellectual potential. As a result of the visa liberalization program with the Schengen area, in place since 28 March 2017, more Georgians are able to travel to European countries for business, training, health care, and other purposes. Opinion surveys have demonstrated over the years that a majority of Georgians support the country's integration into

the European economic and security space and its leading structures, such as the EU and NATO.[36] At the same time, the surveys also suggest Georgians are open to good economic relations with Russia, China, India, Iran, and other countries of the world. Trade data from 2017 and 2018 show that Russia has regained its position as a major export destination for Georgia and that China is a growing investment partner. Georgia's globalization potential is particularly high in the tourism industry. The number of visitors to the country is increasing year on year, and the mix of tourists by country of origin is widening. While tourism is dominated by traditional flows from former Soviet and Eastern European countries, there is a growing trend of visitors from Israel, Iran, India, and Saudi Arabia.[37]

One potential growth area for Georgia is as a destination for traditional and natural agriculture – in particular, for wine tourism. The country has one of the oldest traditions in the world of grape wine and viniculture: a study by the US National Academy of Sciences, after applying state-of-the-art archaeological, archeobotanical, climatic, and chemical methods to newly excavated materials from two sites in Georgia, shows that the sites date from 6000 to 5000 BC.[38] More than five hundred native grape varieties and different styles of wines, complemented with great cuisine, make Georgia a prime destination for a growing number of tourists focused on wine and food, as well as agricultural traditions.[39]

Georgia is not immune from protectionist and isolationist sentiments, and some political forces play that card, particularly during times of economic hardship. But as more Georgians benefit from economic relations with rest of the world, the influence of such isolationist parties is weakening. Russia is a special case: waves of increased economic dependence on Russia are followed by waves of political uncertainty and tensions, making the relationship unreliable in the long run. During the past twenty years, there have been multiple major cases of Russia's gross negative impact on the Georgian economy: the Russian economic crisis in 1998; cutoffs of natural gas and electricity supplies to Georgia from Russia in 2002; a ban on imports of Georgian wine, mineral water, and agricultural products in 2006; war in 2008; a ban on flights from Russia to Georgia in 2019. Those who call for less dependency on Russia have a major point. The key challenge is to find reliable alternative markets for Georgian products and services.

For Georgia to grow, develop, and integrate into the international economy, regional security is essential. A range of developments in the past decade has dramatically transformed the strategic picture of the Black Sea-Caspian region. An assertive Russia regained ground among its neighbouring countries by forcibly changing the borders of Georgia

and Ukraine and by putting great pressure on countries such as Armenia to join the EEU. An increasingly unstable Turkey is losing the ability to play a balancing role in the South Caucasus and Central Asia, and a wide range of failed US foreign policies – war in Iraq, the ambivalent support of the Arab Spring, loss of influence in Syria, and the Libya debacle, to name a few – has facilitated a perception of strategic retreat by the West. The resulting vacuum is being quickly filled by Russia, China, and Iran.

For Georgia and other regional actors in the South Caucasus and Central Asia, the solution is to create the best possible conditions for transit and trade between Asia and Europe via Central Asia, the Caspian Sea, the South Caucasus corridor, and the Black Sea to Bulgaria, Romania, and Greece. This is the best way countries of the South Caucasus can bring new powers to the region, which would help control the Russian appetite for territorial gains in Georgia and elsewhere. Asian powers and their economic interests in the Caucasus could become important balancing economic factors against Russian influence in Georgia. It is in the United States' and the EU's interest to be more active in the region, in order to maintain shared open strategic access to Central Asia via Georgia and Azerbaijan. For Georgia, the Euro-Atlantic vector of development will remain a priority for the purposes of greater security and sovereignty. An economically open Georgia would be a place for the convergence of the positive effects of global powers. This is the most effective insurance strategy for Georgia's sovereignty today.

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Afterword

NEIL MACFARLANE

One of our authors titles the last section of her paper "In Lieu of a Conclusion." That is because the subject is unfinished. The same goes for the volume as a whole. Georgia's emergence into statehood – in terms of its politics, economic development, social relations, aspirations towards Europe, and the physical security of the state – remains a work in progress. There is no definitive conclusion. It is, nonetheless, worthwhile to reflect on the progress made and the challenges that remain.

When Georgia secured independence at the beginning of the 1990s, it was beset by problems in majority-minority relations, not least the civil conflict in South Ossetia and the growing clouds of war in Abkhazia. At the end of 1991, there was also a significant challenge to the unity of the Georgian ethnic majority, symbolized by the intense firefight on Rustaveli Avenue between opposing armed camps that heavily damaged Georgia's parliament and largely demolished what is now Freedom Square. It ended with the flight of Zviad Gamsakhurdia, Georgia's newly elected president. The Ossetian and Abkhaz conflicts generated a substantial burden of internal displacement which the country was ill-equipped to address. Its economy collapsed in the period between 1990 and 1993, owing to the disintegration of the Soviet economic model and market, the lack of capital for investment, and growing insecurity, criminality, and corruption. The result was mass poverty and a humanitarian crisis.

Underlying these issues was the state's incapacity to provide public goods for the population. The first post-Soviet government had no experience in conducting economic and social policy, or a foreign and security policy. There was no experience of the liberal democratic mode of governance promoted by Georgia's new partners, or of the principles of the rule of law and judicial independence. Georgia could not even control its borders. Three regions in Georgia rapidly spun out of government control. There was no public order on the streets or in

the countryside. State assets were looted, and health, education, and pension systems collapsed without resources or revenues. In the face of challenges to personal survival and a lack of opportunity in a collapsed economy, the population fled; it declined rapidly from about 4.8 million people in 1990 to just over 3.6 million today, largely through emigration.

For those of us who lived, or who spent significant time, in Georgia during the period of collapse, the progress Georgia made after the mid-1990s seemed extraordinary. The economy returned to its pre-independence levels by 2006, and has doubled in size since. Foreign direct investment is growing despite the usual zigzags. There has been dramatic improvement in infrastructure, and, as Mamuka Tsereteli notes, Georgia is now connected to the global economy. Tourism has grown rapidly, as have Georgia's exports, both providing a durable flow of foreign exchange (tourism income might be at risk, however, given the recent COVID-19 crisis). Although Abkhazia and South Ossetia remain outside Georgian control and are occupied by Russian forces, the country has avoided the spread of ethnic unrest to the major minorities (Armenians in the south and Azerbaijanis in the southeast). Georgia has completed two rounds of parliamentary and local elections that have been judged free and fair. The chronic personal insecurity of the early years is gone. The police fulfil their duties rather than harassing and extorting from the population. Corruption has been largely eliminated at the service level and among middle management. Judicial processes are slowly becoming more transparent and reform of the court system proceeds, despite some resistance from the new government.

Georgia was a failed state. Today, it is recognized as the leading reformer in the former Soviet area – barring the Baltic states, which are now members of the EU. Georgia has made impressive progress on many of the global indices for corruption, the rule of law, competitiveness, and doing business. These achievements have been recognized by the EU, with its approval of Georgia's Association Agreement and a visa liberalization program. But three questions remain: how does one explain this trajectory? what challenges remain? and what are the prospects for Georgia in the future?

Georgia's Trajectory

This is not the place for extensive causal analysis, but explaining Georgia's development must include the cultural context and Georgia's strong sense of identity. Georgia has survived a long and very difficult history. The past quarter-century was hardly the worst. In the past one

hundred years, Georgia experienced the collapse of the Russian Empire, the forceful suppression of the first Georgian republic by the Bolsheviks in 1921, collectivization, the purges of the Stalin era, the collapse of the Soviet Union, and post-Soviet chaos. Shared identity, customs, and tight social bonds have contributed considerably to Georgia's resilience. Although Georgian politics is fractious, there is broad support for independence and integration with Europe and the West.

Georgia has benefited to different degrees from its last three leaders. President Shevardnadze made a significant contribution to official development assistance, stabilizing the country, restoring public order, and implementing an effective currency reform that ended hyperinflation. The reliance on patronage, however, meant deepening corruption and, eventually, economic stagnation.

Mikheil Saakashvili and his team took on that challenge, cutting through previous networks, restructuring the police, and establishing an effective taxation system that curbed the informal economy and stimulated substantial revenue to rebuild state institutions. The government's hyper-liberal economic policy encouraged investment from abroad. Saakashvili's government also began a process of territorial consolidation with the return of Achara to central government control. The petty corruption that bedevilled so many citizens in their daily lives was reduced. The price of these policies, however, implemented with reckless speed from above, was increasing authoritarianism (steamrolling any resistance), a concentration of major media under government control, manipulation of the judicial system, abuse of civil and human rights, and an unnecessary and extremely costly war with Russia in 2008.

Prime Minister Ivanishvili and his successors have made some progress in rebuilding democracy in Georgia after Saakashvili. Georgian Dream has sustained Georgia's economic recovery, and supported the introduction of a significantly amended constitution in 2018. An extension of the proportional system of parliamentary representation begins in 2020; this might provide a significant impulse to pluralism in legislative representation. At the same time, Georgian Dream retains its political monopoly: the popularly elected position of president – a potential check on a powerful prime minister – has been stripped of many of its powers, and the government is significantly influenced by the non-elected billionaire and founder of Georgian Dream, Bidzina Ivanishvili.

Turning to the international domain, Georgia's neighbourhood is a rough one. This explains many of the country's difficulties in transition. In the 1990s, however, those states, like Russia, which might have chosen to take advantage of Georgia's vulnerability were weakened and distracted by their own problematic transitions. Georgia's counterparts in the South

Caucasus, Azerbaijan and Armenia, were infrastructurally dependent on Georgia and had little interest in contributing to Georgian instability. Moreover, they were bogged down in their own dispute over Nagorno-Karabakh. The capacity of Russia to assert itself in the region in the 1990s was limited, but its ability to interfere and coerce Georgia expanded in the 2000s. This was evident in the August 2008 war. Turkey, meanwhile, was supportive of Georgia's national project, and had no wish to see a return of Russia to its northeastern border.

Humanitarian assistance provided by the United States, Europe, and the United Nations prevented a catastrophe in Georgia in the early years after independence. As international aid agencies moved from relief to development, the International Monetary Fund was instrumental in Georgia's 1995 currency reform. The World Bank and the European Investment Bank provided very large loans for Georgia's infrastructural rehabilitation and development. The EU and national development agencies such as USAID funded good governance initiatives, and supported a financially weak network of non-governmental organizations. After Georgia's war with Russia, a donor consortium provided post-war assistance to Georgia, and helped mitigate the consequences of the 2008 global financial crisis. The European Union provided valuable help in stabilizing, to a degree, the administrative line of control between Georgia and Russia.

Remaining Challenges

Georgia's democratic consolidation has achieved significant results, but there remain several major problems. Georgia has yet to transcend its pattern of domination by single individuals, a problem discussed in Stephen Jones's contribution. The concentration of power and legitimacy in the hands of leaders impedes the development of sustainable political parties. When the leader goes, the party tends to disappear, as was the case with the Citizens' Union and now, it seems, with the United National Movement. Bidzina Ivanishvili is true to the pattern. Uncharacteristically, when Ivanishvili entered Georgian politics in 2011–12, he said he would resign after two years and withdraw from politics. He resigned after one year as prime minister in November 2013, but his withdrawal from practical politics has been incomplete; it is widely believed he still controls top appointments in government. In the meantime, the ruling Georgian Dream is displaying significant internal stress, raising doubts about its capacity to hold together.

The phased constitutional change to proportional (closed list) representation will eliminate majoritarian districts and shift to seat allocation

by percentage of the national vote. It lowers the parliamentary threshold for party representation to 3 per cent. The potential downside is a multiplication of small parties in the parliament, which might make the formation of majorities, necessary for effective government, more difficult. The reform does not address the basic problem of dominance by individuals rather than parties. The fragility and the perishability of political parties, examined by David Sichinava, is based on low levels of trust in state institutions and in leadership. Creating citizens' trust in government is a major task for Georgian political elites. David Usupashvili sees this problem as fundamental to Georgia's success as a democratic state. The government continues to manipulate the judicial process for political purposes, as Vakhtang Menabde demonstrates in his detailed analysis of judicial reform over the past quarter of a century. Government involvement in the prosecution of former Saakashvili officials for abuse of power, corrupt behaviour, and violation of citizens' human rights has revealed the continuing pressure of the executive on the judiciary. Judicial independence, human and minority rights, and the rule of law are vital to Georgia's aspiration for closer association with European institutions. But does Georgian society understand what that means? This problem has been highlighted in the intra-Georgian controversies over the question of same-sex marriage and LGBT rights. It is easy to see how divergence from EU human rights principles and practice impedes Georgia's European aspiration.

One element of this contestation is the Georgian Orthodox Church. The Church is uncomfortable with the general secularization of Georgian society and politics. It is particularly unhappy with what it deems to be external imposition of alien rights standards, notably regarding the LGBT community. Members of the clergy have repeatedly participated in, or led, counterdemonstrations when activists have attempted marches in support of LGBT solidarity. The view of the Church has crept into domestic politics, given the synergy between its attitudes and those of right-wing factions in the parliament, many of whom share the Church's ambivalence about the country's westward orientation. It is noteworthy also that the Georgian Church has close confessional relations with the Russian Orthodox Church, an important instrument of the Russian government's "soft power." The Church is becoming a significant impediment to further progress in the government's effort to deepen relations with the EU in particular.

Insufficient integration of Georgia's national minorities, territorially concentrated in areas adjoining their kin states – Azerbaijanis in Kvemo Kartli and Armenians in Samtskhe-Javakheti – is a fundamental challenge to the stability of the state. Ethnic minorities' command of

oral and written Georgian is limited. Their access to public services and to Georgian media in their own language also remains limited; Russian media are accessible as an alternative source of information, as are media from their kin states. Georgia is short of minority-language textbooks for the children of these minorities. This lack of integration generates risks to Georgia's sovereignty and territorial integrity. Some progress has been made – for example, the building of a direct highway from Tbilisi to Samtskhe Javakheti, enabling closer economic integration of the country's Armenian minority. But there is a great deal more work to be done, such as constitutional dispensation for minority areas. What powers should be devolved to Georgia's regions to bring government closer to the population?

The economy is undermined by the continuing marginalization of rural areas and lack of regional integration, a point stressed by Mikheil Tokmazishvili. This is related to inadequate processing and transport infrastructure; getting agricultural products to urban and export markets is inefficient. There is limited provision of affordable agricultural credit; this has led to wide disparities between rural and urban personal incomes. There is serious inequity in the delivery of public services between Tbilisi and the regions. Unemployment remains high, particularly among youth. Youth unemployment reflects the weakness of both the private labour market and educational preparation for that market. Marine Chitashvili suggests there is a significant mismatch between what employers need and what is being produced in the educational system. This contributes to the fundamental problem of socio-economic inequality, compounded by the changing role of Georgia in the international economy. Joseph Salukvadze and Zurab Davitashvili illustrate the complex effects that urban and demographic change are having on Georgia's political development. Current literature on the relationship between economic inequality and political instability suggests Georgia's economic polarization might be bad for its democratic health. Where there is a discrepancy between what people have been led to expect and the real outcomes in their lives (relative deprivation), they are less likely to support or comply with the existing political system.

Finally, there is the issue of investment. Georgia has a weak domestic capital market and limited capacity for internally generated growth. Foreign direct investment is crucial – its performance has been good in recent years, but it is a challenge to grow and sustain external capital flows into a very small economy. The other relevant aspect is the multiplier effect from foreign investment: the multiplier is higher if foreign investment produces employment. Non-real estate investment

in Georgia is insufficient to produce the employment growth the country needs.

The International Context

Turning to international challenges, Georgia's elite and societal commitment to re-entering Europe is strong. But major problems remain. One concerns the Western response. Both the EU and NATO are ambivalent about Georgia. Neither shows any willingness to go the full distance in integrating this peripheral Caucasian state. In the EU's case, leaving aside the overloaded commission and council agenda of internal problems – Brexit, growing populism, the migration crisis, economic stagnation, and now the disruptions of COVID-19 – this reflects three persistent questions among EU elites: where is the eastward stopping point of the EU? What are the costs and risks of enlargement in view of Russia's competitive integration project? And what impact will enlargement have on the internal divisions among member states?

There are significant divisions within NATO on the desirability and extent of enlargement. One element is the specification in the original enlargement documents that successful candidates should be net producers, rather than consumers, of security. A related point is members' sensitivity to what further enlargement into the post-Soviet area would mean for the alliance's relationship with Russia. This is particularly challenging in Georgia's case, given Russian recognition of two breakaway entities, and the de facto Russian military occupation of 20 per cent of Georgian territory.

NATO's ambiguities are related to current US policies. The United States historically has been a major supporter of Georgian sovereignty, territorial integrity, and democratic development. The Trump administration, however, comprises people with obscure connections to Russia. Current policy makers have little knowledge of, or interest in, Georgia. There is no visible strategy regarding Eurasia.

Although Georgia seeks to exercise full sovereignty over its foreign policy choices (for example, decisions on alignment) and its identity, Russia has never entirely accepted the full sovereignty of its former Soviet neighbours. These positions of allies and opponents create an uncomfortable dilemma for Georgia, as Dr Sabanadze suggests. Further integration of Georgia into European and Euro-Atlantic institutions would give Georgia some protection against Russian pressure. However, Europe and NATO are ambivalent about integrating Georgia because enlargement might conflict with their own agendas vis-à-vis Russia, or

because they assess the risks of strategic overextension as too high. While keeping the door open in theory, it is closed in practice. This means that, for the foreseeable future, the most problematic issue for Georgian foreign policy makers will be management of the relationship with Russia. It is a classic example of a small state fixed geographically and geopolitically to a larger and intrusive neighbour.

In closing, I return to where I began. This episode of Georgian independence began in an extremely unpropitious situation. Successive Georgian governments and the Georgian people themselves, against all odds, have managed to maintain Georgia's sovereignty. They have cleared the rubble and created a country that works, one that is increasingly connected to the rest of the world. That is a testimony to the commitment and the perseverance typified by Alexandre Rondeli, to whom we have dedicated this volume.

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Index

Figures and tables indicated by page numbers in italics

Abashidze, Aslan, 126, 149, 197
Abkhazia: economic challenges from conflict over, 47, 62, 67, 79; economy within and regional relations, 73–5, 76–7; federalism and, 29; minority rights issues, 23, 24, 25, 26; peacekeeping in, 179, 189n8; Russian power exerted through, 15, 22, 68, 175, 179, 180, 198, 199; secession of, 25, 26, 64, 179, 196; Turkish trade with, 66, 74
Abkhazian Autonomous Soviet Socialist Republic (ASSR), 48, 50, 64
Abkhazian People's Council, 24
academics, Georgian, 4–5. *See also* higher education
Academy of Sciences (USSR), 94, 95
Academy of Sciences of Georgia (ASG), 97, 104
Achara: 2003 parliamentary elections and, 149; administrative status, 48; integration into central government, 125–6, 197, 231; population decline, 55; Treaty of Kars on, 80n3; urbanization, 57
Acharan Autonomous Soviet Socialist Republic (ASSR), 48, 64
active citizenship, xxvii–xxviii
administrative-territorial structure, 48–50, *49*, 59
Afghanistan, 5, 22, 39, 199, 220, 221
aging, demographic, 54–5
agriculture, 41–2, 43, 45–6, 61n13
Alasania, Irakli, 156
Aleksidze, Levan, xxi, xxix*n*5
Aleksidze, Nikoloz, 19
Allen, W.E.D, 15, 23
Alliance of Patriots of Georgia (APG), 33, 145–6, *150*, 153–4, 156, *158*
Almond, Gabriel, 30
Amoco, 216
Anaklia, 47, 220
Anglo-Soviet Trade Agreement (1921), 21
Armenia: electricity market and, 221; EU and, 65, 179, 187; Eurasian Economic Union and regional cooperation challenges, 65, 66, 72–3, 79, 187, 224; foreign policy, 65; higher education, *92*, *93*, 111n16; relations with, 232; Russia and, 39, 69, 200, 204, 224; territory lost to, 48; in Transcaucasian Socialist Federative Soviet Republic, 63; transit corridor and, 39, 220
Armenians, in Georgia, 26, 53
Armenian Soviet Socialist Republic, 64
Association Agreements (AA): Armenia and, 187; Georgia and, 12, 65, 70, 72, 79, 169, 174–5, 179, 230; Russian reactions to, 175, 176, 186

Ataturk, Mustafa Kemal, 21
Avalishvili, Zurab, 21, 27
Azerbaijan: energy sector, 21, 41, 215–16; EU and, 179; foreign policy, 65, 204; higher education, *92*, *93*; oil and gas transit system and, 39, 77–8, 217–19; rail corridor and, 220–1; regional cooperation and, 79; relations with, 67–8, 232; Russia and, 69, 193, 204; territory lost to, 48; in Transcaucasian Socialist Federative Soviet Republic, 63
Azerbaijanis, in Georgia, 25, 53
Azerbaijan Soviet Socialist Republic, 64

Bakhtadze, Mamuka, 154
Bakradze, Davit, 153
Baku-Batumi pipeline, 46, 63
Baku-Supsa pipeline, 46, 172, 217–18
Baku-Tbilisi-Ceyhan (BTC) pipeline, 22, 46, 172, 217–18
Baku-Tbilisi-Erzurum pipeline, 22, 47, 68, 172, 217–18
Baku-Tbilisi-Kars railway, 39, *40*, 47, 220–1
Baltic republics: comparison to Georgia, 38, 230; higher education, *92*, *93*, 111n16; Russia and, 200
Batumi, 44, 47, 57, 58, 63, 209
Belarus, 74, 75, *92*, *93*, 179, 195
Belt and Road Initiative (BRI), 5, 77–8, 219–20
Beselia, Eka, 135
Black Sea, 38, 47, 48, 65, 66, 217
Bologna Country report (2007), 101, 113n28
Bologna Process, 85, 89, 90, 94, 99–100, 107, 108–9, 111n15
Bolshevik Revolution, 182–3
BP, 68, 216
Brest-Litovsk treaty (1918), 63
Brexit, 184, 188, 235
Britain, 20–1, 22, 183, 214
broadcaster, public, 131, 141n88
Brubaker, Rogers, 24
Bucharest Declaration (2008), 198
Burjanadze, Nino, 149, 154, 156, 197

Carothers, Thomas, 30
carousel voting, xxvi, xxix*n*8
Caspian Sea, 21, 65, 77, 215, 218, 220
Caucasian Initiative (1996), 64
Caucasus Research Resource Centers, 107, 155
Center for Social and Economic Research (Poland), 71
Center for Social Sciences, 107
Central Asia-West Asia Economic Corridor, 78
centripetalism, 6–7, 27–9, 29–32, 33, 34, 232
Chardigny, Colonel, 19
Chechnya, 201, 206n12
Cheterian, Vicken, 7
Chiatura, 41, 44
China: Belt and Road Initiative, 5, 77–8, 219–20; as regional power, 224; trade with, 70, 81n12, 213–14, 222, 223
Chitashvili, Marine, 4, 8, 85–6, 172, 234
Christian Democratic Movement (CDM), *150*, 156, *159*
Christianity, 18–19. *See also* Georgian Orthodox Church; Russian Orthodox Church
citizens: active citizenship, xxvii–xxviii; lack of engagement and trust, xix–xx, xxix*n*4, 8, 28–9, 30–1, 233
Citizens' Union of Georgia (CUG), 148–9, 210–11, 232. *See also* Shevardnadze, Eduard
civilizational competence, 146
Clapham, Christopher, 31
Clinton administration, 196
coal, 41, 44
Coalition for an Independent and Transparent Judiciary, 128, 131, 132, 133–4
Cold Civil War, xix–xx, xxix*n*4, 8
Collective Security Treaty Organization, 194

Colour Revolutions, 203. *See also* Rose Revolution
Commonwealth of Independent States (CIS): economic blockade of Abkhazia, 74; Georgia in, 22, 64, 196, 206n9; peacekeeping in Abkhazia and South Ossetia, 179, 189n8; Russia's intentions with, 171, 193, 194, 195; trade and, 71, 72, 213, 222
Communist Party, xxi, 95
competition, xx
Conference of Common Court Judges, 127, 130
Conservative Party, 152, *158*
Constitutional Court of Georgia: approach to, 118, 135; on appointment and dismissal of judges, 123–4, 129; appointments to, 126; on political independence of regulatory bodies, 131; political pressure on, 136; on probationary periods for judges, 134, 140n73
constitution of Georgia: 2018 amendments on parliamentary representation, 8, 34, 134, 231, 232–3; about, 110n10; of Democratic Republic of Georgia, 29; on executive power, 30; on higher education, 90–1, 110n10; on judiciary, 119, 120–1, 122, 126–7, 128–9, 134–5; Saakashvili amendments, 34n3, 125
Consultative Council of European Judges, 130
Convention on the Legal Status of the Caspian Sea (2018), 218
copper, 41
Coppieters, Bruno, 180
corruption: 2003 parliamentary elections, 124, 125; challenge of, xxii–xxiv, 211–12; elimination of, 230; in higher education, xxiii–xxiv, 95, 96–7; in judiciary, 118, 124; patronage, 6, 28, 31, 231; in public services, 211
Council of Europe, 98, 117, 169, 178, 197
Council of Justice. *See* High Council of Justice
COVID-19, 230, 235
Cox, Robert, 177
criminal activity, 75, 221
Criminal Code (Soviet), xxiii
critical thinking, xxvii–xxviii
Curzon, George, 20

Dagestan, 201
Dalton, Russell, 147
Dashnaktsutiun (Armenian Revolutionary Federation), 24
David the Builder, 16
Davitashvili, Zurab, 5, 7, 11–12, 234
Deegan-Krause, Kevin, 147
Deep and Comprehensive Free Trade Area (DCFTA): benefits from, 70–1, 172, 222; challenges from, 12, 71–2, 79; vs. Eurasian Economic Union, 12, 66, 72–3, 222; Russian reactions to, 69, 186; signing of, 65, 81n11, 169–70, 174–5, 179
democracy: centripetalism, 6–7, 27–9, 29–32, 34, 232; federalism, 29, 50; mass protests and revolution, 7; multiparty democracy, xxi–xxii; one-party dominance by Georgian Dream, 32–4; parliamentary reform, 8, 34, 134, 231, 232–3. *See also* constitution of Georgia; elections; party system; state and state-building
Democratic Movement for United Georgia, 146, 151, 154, 156, *158*
Democratic Party of Georgia, *159*
Democratic Republic of Georgia (DRG): introduction and conclusion, 11, 17, 34; centripetalism of, 27–8, 29–30; constitution of, 29; economy, 31; European orientation, 23, 182–3; federalism and, 29; foreign policy and geographic vulnerability,

19–21; ideological basis, 26–7; international trade, 209; judiciary, 31; minorities policy, 24; public engagement, 30
Democratic Union for Revival Party, 149, *150*
Denikin, Anton, 20
Department of Statistics, 107
difference, respect of, xxii
Disciplinary Collegium, 123, 124, 142n94
Disciplinary Council, 123
drugs, illicit, 221
Dudaev, Dzhokhar, 64

Eastern Europe, party system in, 146–7
Eastern Partnership Initiative, 169, 176, 179, 185–6, 187
Economist, 5
economy: Abkhazia and South Ossetia, 73–7; agriculture, 41–2, 43, 45–6, 61n13; Azerbaijan and, 67–8; challenges post-independence, 6, 38–9, 42, 43–4, 59–60; changing shares of economic sectors, 44, *45*; competition between DCFTA and EAEU, 72–3; depopulation and economic decline, 50–1; EU and, 66, *67*, 70–2, 213, 222; extractive industries, 41, 44; foreign direct investment (FDI), 211, 212, 214–15, 230, 234–5; free trade agreements, 213–14, 222; Georgian Dream era, 212–13; global financial crises and, 83n32, 210, 212, 232; globalization, 221–3; industrial production, 43, 44, 71; labour migration, 215, 222–3; natural resources and, 40–3; openness of, 210, 213–15, 222; overview, 210–15; regional cooperation and challenges, 66–7, 79; regional identity and, 5–6, 64–5; Russia and, 46, 66, *67*, 68–70, *69*, 212, 223; Russo-Georgian War and, 76; Saakashvili era, 211–12; Shevardnadze era, 65–6, 210–11; Soviet era, 38, 41–2, 43; state and, 31–2; top trading partners, 213, *214*; tourism, 42, *47*, 47–8, 210, 215, 223, 230; transit corridor for cargo and energy, 22, 39, 46–7, 62–3, 65, 75–6, 77–8, 215–19, *216*, 219–21, 224; unemployment, 104, 210, 224n4, 234; urbanization and, 56–7, 58, 234; World Bank reclassification of, 109n1
Ecorys (Netherlands), 71
education. *See* higher education
elections: **2002** municipal elections, 149; **2003** parliamentary elections, 124, 125, 149, 211; **2004** parliamentary elections, 149; **2008** presidential election, 149, 151; **2010** municipal elections, 151; **2012** parliamentary elections, 32, 117, 128, 151, 153, 198; **2016** parliamentary elections, 33, 146, 152–3; **2017** municipal elections, 153; **2018** presidential election, xxix*n*4, 153, 154; carousel voting, xxvi, xxix*n*8; cheating and presumption of guilt, xxvi–xxvii; distribution of parliament seats, *150*; multiparty democracy and, xxi–xxii; presidential elections, 153, 164n48; votes by party, overview, *152*
electoral volatility, 145
electricity market, 66, 74–5, 221
emigration: emigration trends, *52*, 52–4, *54*; labour migration, 215, 222–3; Law on Labor Migration (2015), xxv, xxix*n*7
employment, 107, 234–5. *See also* unemployment
energy: electricity market, 66, 74–5, 221; Enguri hydropower plant, 74–5; hydro-electricity, 42, 43; supply diversification, 42–3, 67–8. *See also* oil and gas
Erasmus plus program, 108
Ertoba (Unity; newspaper), 19, 27

Estonia, higher education, *92*, *93*, 111n16. *See also* Baltic republics
Eurasian Economic Union (EAEU): Armenia and, 65, 187, 224; vs. DCFTA, 12, 66, 72–3, 222; EU and, 176; Iran and, 66–7; Russia's intentions and concerns, 171, 186, 188, 194, 203, 223–4
European Commission, 90
European Credit Transfer System, 99, 100
European External Action Service, 189n2
European Higher Education Area (EHEA), 89, 99, 101, 108, 111n15. *See also* Bologna Process
European Investment Bank, 232
European Neighbourhood Policy, 179
European Network for Quality Assurance (ENQA), 89
European Union (EU): introduction and conclusion, 169–70, 176–7; appeal of Europe, 19, 23, 173, 181, 182–3, 187, 191n28; Armenia and, 65, 179, 187; assistance from, 22, 76, 212, 232; borders debate, 181–2; as cleavage in Georgian politics, 86, 154–6, 157, 166n67; dilemma of relations with, 77, 79, 175–6, 179–81, 183–4, 185–6, 187–8, 199–200, 202, 203, 235; enlargement fatigue, 184, 187, 235; harmonization with, 41; public opinion on, 145; Russia and, 78, 176, 189n2; South Caucasus relations, 178–9, 224; ties with, xv, 5, 65, 66, 68, 174–5, 178–9; trade with, 66, *67*, 70–2, 213, 222. *See also* Deep and Comprehensive Free Trade Area (DCFTA)
European Union Monitoring Mission, 180
European University Association, 106
Europe Foundation, 155, 166n65
Evans, Geoffrey, 146, 148, 157
extractive industries, 41, 44
fail, right to, xxiv–xxv
federalism, 29, 50
foreign direct investment (FDI), 211, 212, 214–15, 230, 234–5
foreign policy: European orientation, 19, 23, 65, 173, 182–3, 187, 191n28; Georgian goals, 174; orientation as political cleavage, 86, 154–6, 157, 166n67; by regional powers, 192; small states and, 174, 177–8, 184–5, 203–4, 236. *See also* European Union; regional cooperation; Russia
Foreign Policy Research and Analysis Centre, xiv–xv, 3–4
For New Georgia (party), *150*
Free Democrats (Our Georgia–Free Democrats), 33, 86, 146, 151, 152, 156, *158*
Freedom Party, *159*
free trade agreements, 213–14, 222. *See also* Deep and Comprehensive Free Trade Area

Gachechiladze, Levan, 151
Gachechiladze, Revaz, 58
Gakharia, Giorgi, 33
Gamkrelidze, Thomas, 80n1
Gamsakhurdia, Zviad: centripetalism of, 28, 30; contributions to Georgia, 5; foreign policy, 21; minorities policy, 25, 26; overthrow of, 119, 229; regional integration proposal, 64; Russia and, 194–5; supporters of, xxviii*n*3
geography: introduction and conclusion, 11–12, 34, 38–40, 59–60; administrative-territorial structure, 48–50, *49*, 59; contemporary perceptions as peripheral, 21–3; Democratic Republic of Georgia's foreign policy and, 19–21; economic structure and, 43–8, 59; natural resources, 40–3, 59; population and, 50–5, 59; transit corridor for cargo and energy, 22, 39, 46–7, 62–3, 65, 75–6, 77–8, 215–19, *216*,

219–21, 224; urbanization, 56–60, 59–60, 148, 234; vulnerability concerns, 18–19
Georgia: introduction, xi, 4, 8–9, 16–18; annexation by Soviets, 24, 26; history, relevance of, 15–16, 23; internal challenges, 232–5; international assistance, 22, 76, 197, 212, 232; international challenges, 235–6; post-independence overview, xii–xiii, xv–xvi, 5–8, 229–32; scholarship on, 4. *See also* democracy; Democratic Republic of Georgia; economy; elections; foreign policy; Gamsakhurdia, Zviad; Georgian Dream–Democratic Georgia; higher education; judiciary; party system; regional cooperation; Saakashvili, Mikheil; Shevardnadze, Eduard; Soviet era; state and state-building
Georgian Bar Association, 118, 135
Georgian Dream–Democratic Georgia: **2012** parliamentary victory, 32, 117, 151, 212–13; **2016** parliamentary elections, 33, 152–3; **2017** municipal elections, 153; **2018** presidential election, 154; attitudes towards, *158*; base, 86; centripetalism of, 8, 32–4; contributions to Georgia, 231; economy under, 212–13; foreign policy orientation among supporters, 156; internal stress within, 232; judiciary and, 87, 117, 128–35; overview, 151–3, 154; Russia and, 198–9; seats in Parliament, *150*; supporters of, xxviii*n*3
Georgian Foundation for Strategic and International Studies (GFSIS), xi, xv, 4
Georgian Group, *160*
Georgian Judges Conference, 123
Georgian National Science Foundation, 99, 105, 106, 114n40
Georgian Orthodox Church, 7, 25, 29, 157, 233
Georgian Party, *159*
Georgian Social Democratic Workers' Party, 30. *See also* Democratic Republic of Georgia
Georgian Soviet Socialist Republic, 48, 64
Georgia Security and Sustainment Operations Program (GSSOP), 22, 36n21
Georgia Train and Equip Program (GTEP), 22, 36n21, 197
Germany, 20, 22, 178, 183
Gilauri, Nikoloz, 149
Giorgi the Brilliant, 16
Global Competitiveness Index, 101, 212
Global Corruption Barometer, 214
global financial crisis (1998), 196, 210
global financial crisis (2008), 83n32, 212, 232
globalization, 221–3
Gorbachev, Mikhail, 21, 193, 194–5
Greece, 53, 54, 215
Greeks, in Georgia, 53
guilt, presumption of, xxvi–xxvii
Gurgenidze, Vladimer, 149

Heritage Foundation: Index of Economic Freedom (2017), 213
Herman, Lise, 147
Hettne, Björn, 65
High Council of Justice: introduction, 118, 122, 138n27; appointment and dismissal of lower court judges and, 123, 126, 132; appointment of Supreme Court judges and, 121, 126, 134–5; control by executive, 87; Georgian Dream reforms, 129–32, 134; Saakashvili reforms, 126, 127–8
higher education: introduction and conclusion, 85–6, 89, 108–9; 1991–2004 period, 95–8; 2004-present, 98–108; academics with, 4–5; access disparities, 107–8; corruption in, xxiii–xxiv, 95, 96–7; dual education system, 91, 105, 111n12; employment mismatch with, 107, 234; European

integration, 89–90, 99–100, 108; funding, 91, *92*, *93*, 95–7, 100, 103–6, *104*, 113n27, 114n38; global competitiveness, 91, 94, 101, *102*, 112n22; institutional isomorphism and, 86, 90, 109, 116n55; language and, 94, 111n16; Law on Higher Education (2004), 90, 98–9, 103, 105–6, 110n6; managerial model, 90, 109; military service and, 115n42; number of institutions, 91, 106, 112n25; PhD programs, 94, 97, 105–6, 113n27; quality assurance, 100, 106–7, 112n25, 114n35; Rectors' Council, 97, 103, 112n18, 114n34; reforms, 90–1, 97–8, 110nn10–11; reforms, evaluations of, 100–2, 110n8, 113n26, 113n28; research activity, 98–9, 100, 103, 105; Soviet legacy, 94–5; university autonomy, 99, 102–3

Horizon 2020, 90, 105

Howard, Michael, 7

Hungary, 157

hydro-electricity, 42, 43, 74–5

Ilia State University, 104

immigration. *See* emigration

Index of Economic Freedom (2017), 213

Index of Globalization, 213

industrial production, 43, 44, 71

Industry Will Save Georgia (Industrialists), 146, 149, *150*, 151, 152, 155, *159*, 213

innocence, presumption of, xxv–xxvi

Innovation and Technology Agency, 105

Institute for Education Policy, Planning and Management (EPPM), 100–1, 113n26

institutional isomorphism, 86, 90, 109, 116n55

interests, conflicting, xxv

International Monetary Fund (IMF), 22, 66, 209, 232

International Narcotics Control Strategy Report (2014), 221

international norms, 177–8, 180–1

International Parliamentary Association of Orthodoxy, 205n1

international political economy: introduction and conclusion, 171–2, 209–10, 224; foreign direct investment (FDI), 211, 212, 214–15, 230, 234–5; free trade agreements, 213–14, 222; globalization, 221–3; labour migration, 215, 222–3; regional security and, 223–4; top trading partners, 213, *214*; transit corridor for cargo and energy, 22, 39, 46–7, 62–3, 65, 75–6, 77–8, 215–19, *216*, 219–21, 224

International Republic Institute (IRI), 9n5

International Science and Technology Center, 97, 112n19

Iran, 40, 66–7, 77, 216, 221, 224

Iraq, 22, 199

Ismailov, Eldar, 80n1

isomorphism, institutional, 86, 90, 109, 116n55

Istanbul Summit, 178

Ivanishvili, Bidzina: contributions to Georgia, 231; electoral victory, 32, 128, 212–13; political role and power, 6–7, 8, 32–3, 148, 151–2, 154, 232. *See also* Georgian Dream–Democratic Georgia

Ivanov, Igor, 197

Javakheti, 25, 26

Javakhishvili, Ivane, xvii, xviii, xxviii*n*1

Jews, 53

Joint Comprehensive Plan of Action (JCPA), 66

Jones, Stephen F., 11, 64, 119, 183, 232

Jordania, Noe, 20, 29

judiciary: introduction and conclusion, 8, 87, 117–18, 135–6; centripetalism and, 31; contemporary situation, 230, 233; corruption in, 118, 124; Disciplinary Collegium, 123, 124,

142n94; Georgia Dream reforms, 128–35; High Council of Justice, 122, 127–8, 129–32, 134–5; lower court judges, appointment and dismissal, 122–4, 126–7, 128–9, 132, 134, 138n20; political context, 119–20; probationary periods for judges, 128–9, 132, 134, 140n73; Prosecutor's Office, 118, 120, 125, 127, 135, 144n122; Saakashvili reform attempts, 125–8, 129, 211; Shevardnadze reform attempts, 120–5; Soviet legacy, 124–5; Supreme Court, 120–2, 126–7, 129, 132, 133, 134–5. *See also* Constitutional Court of Georgia; High Council of Justice; Organic Law on Common Courts (1997); Organic Law on the Supreme Court of Georgia (1999); Supreme Court

Kakachia, Korneli, 183
Kakheti, 46, 48
Karácsony, Gergely, 157
Karaganov, Sergei, 206n6
Karr, Jean-Baptiste Alphonse, 6
kartlis tskhovreba, 18–19
Kazakhstan, 39, 41, *92*, *93*, 215, 220, 222
KGB, 95, 202
Khelashvili, Giorgi, 3
King, Charles, 18, 23
Kitschelt, Herbert, 148
Kokoity, Eduard, 76
Kosovo, 170, 181
Krasin, Leonid, 21
Kress von Kressenstein, Friedrich, 20
Kutaisi, 58
Kvirikashvili, Giorgi, 32, 91, 148, 154
Kyrgyzstan, 39, *92*, *93*, 203, 222

Labour Code, 124
labour migration, 215, 222–3
Labour Party, 149, *150*, 151, *159*
land use: agricultural, 41–2, 43, 45–6, 61n13; overview, *42*
lari (Georgian currency), 210
Latvia, higher education, *92*, *93*, 111n16. *See also* Baltic republics
Law on Agricultural Cooperatives (2013), 46
Law on Higher Education (2004), 90, 98–9, 103, 105–6, 110n6
Law on Labor Migration (2015), xxv, xxix*n*7
Law on Occupied Territories (2008), 74
Law on the Arrangement of the Courts (1990), 119
leadership, and foreign policy, 202
League of Nations, 21
Lee Kwan Yew, 32
Lenin, Vladimir, xviii, 20, 21; *State and Revolution*, xviii, xxviii*n*2
Lewis, Bernard, 15
LGBT rights, 25, 157, 233
liberty, xxiv
Liik, Kadri, 186
Linz, Juan, 30
Lipset, Seymour Martin, 147
Lisbon Declaration, 102
Lithuania, higher education, *92*, *93*, 111n16. *See also* Baltic republics

MacFarlane, Neil, 8, 169, 170–1, 181
Machalikashvili, Malkhaz (Vakha), 154, 165n60
"Main Directions of Higher Education Development" (2002 decree), 90, 97–8
Mainwaring, Scott, 27
manganese, 20, 41, 44, 171, 209
Mann, Michael, 30
manufacturing industry, 43, 44, 71
Margvelashvili, Giorgi, 32, 133, 134, 198
Marneuli, 25
Marx, Karl, 16, 23
mass protests, 7
Matsaberidze, Malkhaz, 183
Mearsheimer, John, 184–5, 190n10
Medvedev, Dmitry, 40
Mehlum, Halvor, 40
Menabde, Vakhtang, 8, 86, 87, 233

Menon, Anand, 181
Menshevism, 27
Meyer, John, 109
migration. *See* emigration
Military Council, 119, 196
military service, 115n42
Minesashvili, Salome, 183
Mingrelia, 196
mining, 41, 44
Ministry of Education and Science (MES), 90, 91, 95, 97, 101, 105–6, 107
Ministry of Health, Labor and Social Affairs, 107
Ministry of Justice, 118, 120, 133, 135
minorities, national: introduction, 7–8; contemporary relations and challenges, 25–6, 230, 233–4; Democratic Republic of Georgia era, 23–4; emigration and changes in composition, 53–5, *53*; Soviet era, 24–5; voting patterns, 86, 148
Mishists, xxviii*n*3
mistakes, right to, xxiv–xxv
Mitteleuropa, 192
Moldova, *92*, *93*, 179, 193, 200
Monroe Doctrine, 192
Movement for Liberty–European Georgia (MLEG), 33, 153
Mtskheta, 57
multiparty democracy, xxi–xxii. *See also* party system
Multiple Pipeline policy (US), 217
Müsavat (Equality Party; Azerbaijan), 24

Nagorno-Karabakh, 64, 68, 232
National Center for Educational Quality Enhancement (EQE), 91, 106
National Democratic Institute (NDI), 9n5, 145
National Democratic Party, 149, *159*
National Forum, xxii, xxix*n*6, 151, 152, *158*
National Movement-Democrats, 149, *150*. *See also* United National Movement
National Security Concept of Georgia, 19, 66
"National Security Strategy to 2020" (Russia), 78–9
nation-state, 23
natural resources, 40–3, 59
neoclassical realism, 201–2
neo-Eurasianism, 193
neorealism, 177, 184–5, 188
New Eurasian Land Bridge, 78
New Rights Party, 148, 149, *150*, *159*
Nodia, Ghia, 182
norms, international, 177–8, 180–1
North Atlantic Cooperation Council (NACC), 178
North Atlantic Treaty Organization (NATO): appeal of, xv, 19, 183; disillusionment with, xii; enlargement concerns, 235; Northern Distribution Network into Afghanistan, 5; public opinion on, 145; Russia and, 69, 77, 199–200, 202, 207n26; South Caucasus relations, 178–9, 196, 198; ties and obstacles, 22, 65, 174, 178, 180, 181, 197
North Caucasus, 6
nuclear material, smuggling of, 221
Nye, Joseph, Jr, 3

Obama, Barack, 22
oil and gas: lack of energy reserves, 41; supply diversification, 42–3, 67–8; transit through Georgia, 22, 39, 46–7, 65, 77, 215–19, *216*
Okruashvili, Irakli, 149, 164n47
Open Society Foundation, 97, 113n26
Organic Law on Common Courts (1997), 120, 121, 122, 123–4, 126, 129, 132, 137n15
Organic Law on the Supreme Court of Georgia (1999), 120, 121–2
Organization for Security and Co-operation in Europe (OSCE), 170, 178, 179, 180, 197

Orthodox Christianity. *See* Georgian Orthodox Church; Russian Orthodox Church
Ossetians, in Georgia, 53. *See also* South Ossetia
Ossetia's People's Congress, 24
Otsnebists, xxviii*n3*
Ottoman Empire, 20, 63, 182. *See also* Turkey

Paltseva, Elena, 40–1
Pankisi Gorge, 197, 206n12
Papava, Vladimir, 80n1
Paris Peace Conference (1919), 20
Partnership and Cooperation Agreement (1999), 169, 178
Partnership for Peace program, 178, 196
party system: introduction and conclusion, 86, 145–6, 157; attitudes towards political parties, regression analysis, *158–60*; distribution of parliament seats, *150*; factors in voter preferences, 148; foreign policy orientation as cleavage, 86, 154–6, 157, 166n67; overview of parties and elections, 148–54; parliamentary reform and, 8, 34, 134, 231, 232–3; in post-communist Europe, 146–7; respecting difference and, xxi–xxii; volatility, 145, 233. *See also specific parties*
patronage, 6, 28, 31, 231. *See also* corruption
Pedersen, Mogens, 145
People's Party, *159*
population, 50–8; ethnic composition, 53, *53*; migration balance, *52*, 52–3; natural growth issues, *51*, 51–2; post-independence decline, 50–3, 59; pre-1989 growth, 50; urban population, *56*, 56–8
Poti, 47, 198, 219, 220
presidentialism, 27, 30, 147
Primakov, Yevgenii, 193
Prodi, Romano, 181
property rights, 211, 212
Prosecutor's Office, 118, 120, 125, 127, 135, 144n122
protests, mass, 7
public broadcaster, 131, 141n88
public engagement, 30
public opinion polling, 5, 9n5
public services, 211, 234
Putin, Vladimir, 192, 197, 202, 203

Rapaliants, Barbare, 151
Raymond, Christopher, 157
realism: neoclassical realism, 201–2; neorealism, 177, 184–5, 188; structural realism, 171, 200–1, 203–4
regional cooperation: introduction and conclusion, 12–13, 62, 79; and Abkhazia and South Ossetia, 73–7; with Azerbaijan, 67–8; challenges facing, 65–7; competition between DCFTA and EAEU, 72–3; with EU, 70–2; history of, 62–4; regional identity and, 5–6, 64–5; with Russia, 68–70, *69*; Soviet era, 63–4; and transit and energy corridors, 77–9
regional powers, foreign policy by, 192
Regulatory Commission for Energy and Water Supply, 68
Republican Party, 33, 86, 146, *150*, 151, 152, 155, *158*
Reynolds, Michael A., 36n22
RIA Novosti, 75
Roine, Jesper, 40–1
Rokkan, Stein, 147
Rondeli, Alexandre: career overview, xiii–xiv; integration with Europe and, xv, 173; legacy of, xi–xii, xvi, 3–4, 236; on relations with Russia, 78; on strategic idealism, 21, 184, 188
Rondeli Foundation. *See* Georgian Foundation for Strategic and International Studies
Rose Revolution, 31, 52, 125, 149, 178, 197, 211
Round Table–Free Georgia, 119

Russia: introduction and conclusion, 4, 8, 170–1, 192–3, 204–5; and Abkhazia and South Ossetia, 74, 75, 76–7; defence of South Caucasus interests, 40, 174, 175, 179, 180, 181, 185–6, 188, 223–4; economic influence and trade, 46, 66, *67*, 68–70, *69*, 79, 212, 223; electricity market and, 221; emigration to, 53–4, *54*; energy imports from, 42–3; EU and, 78, 176; Gamsakhurdia government and, 194–5; Georgian Dream and, 198–9; Georgian options for engagement, 203–4; higher education funding, *92*, *93*; historical overview of relations, 193–9; neighbouring countries, policy towards, 193–4, 199–200; neo-Eurasianism, 193; oil and gas transit and, 77–9, 216–17; as "other," 23; perspective on Russian-Georgian relations, 200–3; propaganda from, 175, 189n2; public opinion on, 145; Saakashvili government and, 197–8; security concepts of, 78–9; Shevardnadze government and, 196–7, 206n9; US and, 22, 196, 206n6
Russian Orthodox Church, 157, 233
Russians, in Georgia, 53, *55*
Russo-Georgian War (2008): economic, trade, and energy implications, 68, 76, 77; European integration implications, 22, 175, 180, 198; impetus, 198; national minorities and, 26; political implication within Georgia, 151; as precedent for Ukraine, 181
Rustaveli Prospect, xxix*n*9
Rustavi, 43, 44, 57, 58

Saakashvili, Mikheil: 2008 presidential election, 151; in Citizens' Union of Georgia, 148; contributions to Georgia, 5, 6, 231; economy under, 12, 171–2, 211–12, 213; federalism and, 29; Georgian Dream's claims against, 32; higher education reforms and, 98; history, appeals to, 16; ideological basis, 27; judiciary and, 87, 117, 125–8, 129, 131; minorities policy, 26; Russia and, 197–8, 202; South Ossetia and, 76; supporters of, xxviii*n*3; United National Movement, 148–9, 151, 153. *See also* United National Movement
Sabanadze, Natalie, xiv, 7, 169–70, 172, 192, 235
Sachs, Jeffrey, 40
Salukvadze, Joseph, 5, 7, 8, 11–12, 234
Samegrelo, 46, 48, 196
Sanikidze, Gubaz, xxii, xxix*n*6
Saralidze, Zaza, 154, 165n60
Schmitter, Philippe, 33
security, regional, 223–4
Security Concept (Russia), 78
Shah-Deniz-Tbilisi-Erzurum gas pipeline, 47, 218
Shevardnadze, Eduard: centralized power around, 28, 30; Citizens' Union of Georgia, 148–9; contributions to Georgia, 5, 231; economy under, 65–6, 210–11; federalism and, 29; foreign policy, xii, 21, 22, 64, 183; ideological basis, 27; judiciary and, 117, 119, 124; loss of power, 125; minorities policy, 25, 26; Russia and, 196–7; tenure overview, 35n7
Sichinava, David, 7, 86, 233
Singapore, 32
small states, foreign policy options, 174, 177–8, 184–5, 203–4, 236
Social Democratic Party, 27–8, 29–30, 152
socialism, 26–7
Socialist Party, 149
South Caucasus, 6, 19, 40, 80n1, 178–9. *See also* regional cooperation
South Caucasus Pipeline, 68, 218, 219
Southern Gas Corridor, 218–19

South Ossetia: comparison to Kosovo, 170, 181; economic challenges from conflict over, 62, 67, 79; economy with and regional relations, 75, 76–7; federalism and, 29; minority rights issues, 23, 24, 25, 26; peacekeeping in, 179, 189n8, 196; Russian power exerted through, 15, 22, 68, 175, 179, 180, 195, 198, 199; secession of, 24, 26, 179
South-Ossetian Autonomous District, 48, 50
Soviet era: annexation of Georgia, 24, 26; economy, 38, 41–2, 43; higher education, 94–5; impacts of, 17; judiciary, 124–5; minorities policy, 24–5; regional integration, 63–4; state, perceptions of, xviii–xix
Soviet Union, 21, 195. *See also* Russia
speculation, xxiii
Stalin, Joseph, 63, 231
state and state-building: introduction, xvii–xviii; citizens, lack of engagement and trust, xix–xxi, xxix*n*4, 8, 28–9, 30–1, 233; conflicting interests, xxv; corruption, xxii–xxiv; critical thinking and active citizenship, xxvii–xxviii; multiparty democracy, xxi–xxii; nation-state concept, 23; presumption of guilt, xxvi–xxvii; right to fail, xxiv–xxv; Soviet perceptions, xviii–xix. *See also* democracy
strategic idealism, 21, 184, 188
structural realism, 171, 200–1, 203–4
"Study in Georgia" program, 91
Supreme Attestation Commission (USSR), 95
Supreme Court: introduction, 118; appointment and dismissal of judges, 121–2, 123, 126–7, 129, 133, 134–5, 138n20; judiciary reform under, 119; Organic Law on the Supreme Court of Georgia (1999), 120, 121–2; qualification chamber, 132; supervision and cassation, 120–1, 126, 137n15
Sztompka, Piotr, 146

Tajikistan, 39, *92*, *93*, 193, 194, 220
Tashkent Treaty, 196
Tavits, Margit, 147, 157
Tbilisi, 19, 44, 54, 55, 57, 58
Tbilisi State University (TSU): budget and funding, 96, 104; curricular reform, 97, 112n17; establishment, 94; Javakhishvili and, xvii, xxviii*n*1; Rondeli at, xiii, xiv
Tempus program, 108
Tkibuli, 44
Tkvarcheli, 44
Toka, Gabor, 157
Tokmazishvili, Mikheil, 7, 12–13, 170, 172, 234
Topadze, Gogi, 155
tourism: Abkhazia, 75; Georgia, 42, *47*, 47–8, 210, 215, 223, 230
trade. *See* economy
"traditional" values, 157, 233
Trans Adriatic Pipeline (TAP), 218
Trans-Anatolian Pipeline (TANAP), 172, 218
Trans-Caspian International Transport Route, 77
Transcaucasia, 80n1
Transcaucasian Democratic Federative Republic, 63
Transcaucasian Socialist Federative Soviet Republic (TSFSR), 63–4
Transneft, 216
transportation corridors, 22, 39, 46–7, 62–3, 65, 75–6, 77–8, 215–19, *216*, 219–21, 224
Transport Corridor Europe-Caucasus-Asia, 22
Treaty of Friendship (1920), 21
Treaty of Kars (1921), 48, 80n3
Trump, Donald J., xi

Trump administration, 22, 235
Tsereteli, Mamuka, 5, 77, 169, 171–2, 230
Turkey: diminished role of, 224; electricity market and, 221; energy transit and, 217; incursions into Georgia, 24, 63; as “other,” 23; relations with, 66, 78, 79, 232; territory lost to, 48; trade with Abkhazia, 66, 74; trade with Georgia, 213, 222. *See also* Ottoman Empire
Turkmenistan, 39, *92*, *93*, 215, 218, 220

Ugrekhelidze, Mindia, 119
Ukraine: demise of USSR and, 195; Eastern Partnership Initiative, 179; higher education, *92*, *93*, 111n16; Russia and, 176, 186, 200, 203, 224; trade with, 68
unemployment, 104, 210, 224n4, 234. *See also* employment
United Democrats, 148, 149, *150*
United Kingdom, 20–1, 22, 183, 214. *See also* Brexit
United National Movement (UNM): **2008** presidential election, 151; **2012** parliamentary elections, 117, 198, 212; **2016** parliamentary elections, 33, 146, 153; **2017** municipal elections, 153; **2018** presidential election, 153, 154; defeat and demise, 33, 153, 198, 212, 232; establishment, 148, 211; foreign policy orientation among supporters, 155, 156; judiciary and, 125, 128; merger with United Democrats, 149; national minorities and, 86; overview, 148–9, 151; seats in Parliament, *150*. *See also* Saakashvili, Mikheil
United Nations (UN), 170, 179, 180, 232
United Opposition, *150*, 151
United States Agency for International Development (USAID), 22, 232
United States of America: assistance from, 22, 197, 212, 232; diminished engagement by, xi, 22, 224, 235; energy transit and, 217; Iran and, 66; as regional power, 192; Russia and, 22, 196, 206n6
universities. *See* higher education
urbanization, 56–9, 59–60, 148, 234
Usupashvili, David, 8, 233
Uzbekistan, 39, 220

Vale, 44
Vashadze, Grigol, 153, 154
Velvet Revolution, 65
Venice Commission (European Commission for Democracy through Law), 117, 128–9, 130, 131–2, 133, 134, 136, 136n1
Verba, Sidney, 30
visa liberalization, 71, 175, 211, 213, 222
Volkswagen Foundation, 106

We Ourselves (party), *160*
Whitefield, Stephen, 148, 157
women, 54–5
World Bank, 22, 43, 66, 76, 110n8, 209, 214, 232
World Economic Forum: Global Competitiveness Index, 101, 212
World Trade Organization, 65, 209

Yeltsin, Boris, 195

Zagorski, Andrei, 186
Zhvania, Zurab, 148, 149, 197
Zugdidi, 57
Zurabishvili, Salome, 153, 154
Zviadists, xxviii*n*3