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In Search of Ways for Russian-Georgian Normalization

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FOREWORD

EXPERT-LEVEL GEORGIAN-RUSSIAN DIALOGUE: WHAT TO ASPIRE TO? WHAT TO EXPECT?

Primarily, the mitigation of any conflict and, if anything, its resolution is possible in case of realization by conflicting parties of their common interests. If such interests do not exist or they could not be identified, there is a need to create, find, explore, test, review and construct them. Obviously, such arguments constitute a constructivist approach, which in today's environment, when power politics are unfortunately moved to the foreground, there is little chance of an adequate response from decision-makers. However, our work was intended not only to influence the politicians. When twenty experts convene repeatedly, the degree of their mutual trust also increases by several times. The principal issue is not whether they share each other's position, but rather that they are convinced of the sincerity of each other's views, disclose and confide to each other their ulterior motives, which, at the level of both public awareness and public policy, may be the true reasons for their differences. This is exceptionally important, but, perhaps, not the main issue. The fact that experts expand their knowledge, and then share the knowledge acquired with the public, given the multiplying effect and influence on the relationship as a whole, is the main benefit obtained in exchange for resources and effort expended.

The second, and no less significant, result of this work is the design of models for new future relations, building on the knowledge and interests of the conflicting parties identified, and comparison and testing of these models in the course of intellectual debate. This is a more complex and ambitious, but an achievable goal. Just as the construction of a building is impossible without development and examination of the design it is unfeasible to resolve a conflict without seeking or constructing models of settlement. At this stage, we are content with the search for a match in some aspects of our domestic and foreign policy interests, which will serve as a basis for further peace-building.

Over the course of a year, the implementation of our project "the Georgian-Russian experts' Dialogue" was conducted with the support of the British government. Experts well known in their own countries and abroad, whose names appear in the list of the authors of the present compilation, participated in discussions from both sides. Most of them were already acquainted with each other as a result of similar projects carried out in previous years. Three meetings were held within the framework of the project - two in Istanbul and one in Tbilisi.

The meetings did not aim to disclose who or what brought the two countries to such a crisis in their relationship. Clearly, in Georgia and in Russia this is evaluated in different ways and convincing each other, albeit using strong arguments, is an insurmountable task. This signals serious differences between the positions of the two countries and people living in them. Here I mean different views on the circumstances that have brought our countries to armed conflict and because of which the armed forces of one of the states have yet dove-cote section of territory lying within the internationally recognized borders of the second state. Perhaps there are more profound and fundamental differences that affect the compatibility of the socio-political order, value systems, as well as the positions and priorities of the foreign policy of our two countries. Are these not the differences that nourish a conflict environment between the two states? Are these differences truly insurmountable? How stable and robust are these differences? Certainly, the prospect of regulating the conflict depends largely on all this, but this issue can be approached from a different angle and pose the following questions: What are the factors and circumstances that can balance these differences? Are there any issues in respect of which our vision and interests coincide? Are there areas in which we can cooperate and thus be useful to each other? Is it possible that these interests would offset our differences?

If we answer these questions positively, then overcoming mutual mistrust and contradictions will also become achievable. Thinking in this direction brings us to two principal approaches:

- exploring their own society and country, greater sharing of each other's expertise, real problems and aspirations;
- finding common ground – areas where interests prompt us to cooperate and, at least, reduce the degree of alienation and hostility.

The present compilation, work on which was conducted in parallel to the above discussions, consists of public policy documents written by Georgian and Russian experts. The compilation contains twelve articles, six of which can be presented in pairs as “parallel works”. Such works include articles by Olga Vorkunova and Shorena Lortkipanidze, containing a structural analysis of social forces in Russia and Georgia, respectively, with a description of their role in peacebuilding. Alexander Krylov and Tengiz Pkhaladze estimate the opportunities for the normalization of relations between the two countries and identify the directions and limits of these opportunities. In her work, Dina Malysheva examines the role of international players in the relations between Russia and Georgia, and, along the same lines, Tornike Sharashenidze specifically analyzes the impact of the ambiguous relationship between Russia and the U.S. on Georgian-Russian relations.

The remaining six papers can be attributed to the so called “free topic”. They examine issues entirely independent from each other; although, all of these articles focus on relevant aspects in the context of the Georgian-Russian relations. The paper presented by Alla Yazkova, considers the development of the Eastern Partnership of the European Union following the Vilnius Summit and the new challenges of the Georgian-Russian relations in this context. Vladimir Papava's work offers a comparative analysis of economic development models of Russia and Georgia, which will demonstrate not only similarities and differences, but similar mistakes made by both countries. The work authored by Ivlian Haindrava is devoted to the “post-Sochi” realities and threats. Many of the ideas set forth in this work are still relevant, despite recent developments along such an unexpected and dramatic scenario. Ivan Sukhov describes the phenomenon of reducing Russian public space in the North Caucasus and, as a private assessment, suggests the possible extension of the existing practice to South Ossetia and Abkhazia. Sergi Kapanadze, who has gained vast practical experience at the official negotiations in Geneva, attempts to present in his work an approach, which, in his view, has a systemic advantage in negotiations between Georgia and Russia. In conclusion, Vadim Mukhanov, having critically evaluated conflicting interpretations of the facts of history for both countries, suggests the idea of establishing an intergovernmental commission on determining historical facts.

It is my hope that the present compilation will interest politicians and statespersons, as well as a wide range of experts, international organizations, researchers and practitioners interested in the problems of the Georgian-Russian relations.

In conclusion, I would like to gratefully acknowledge the significant support of the British Government, provided to the projects aimed at achieving peace and conflict resolution globally, including in our region. I would also like to emphasize the contribution of British Embassy staff in Georgia, who were easy and interesting to work with throughout the entire project.

It is impossible not to mention the merits of Andrei Ryabov, who has assembled a team of Russian experts and has been a tremendous help in the tasks of the project.

I would also like to express my gratitude to Ketevan Emukhvary and other employees of the Georgian Foundation for Strategic and International Studies, who have conscientiously fulfilled their obligations under the project.

And, certainly, I would like to acknowledge all Georgian and Russian experts, the project participants who have demonstrated honesty, professionalism and goodwill.

Kakha Gogolashvili
Director of the project

PEACE-BUILDING ENVIRONMENTS IN RUSSIA AND GEORGIA

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Peculiarities of Political-Legal and Socio-Economic Structures in the Process of Peace-Building in Russia and Georgia

The key condition for forming the environment contributing to peace-building and post-conflict settlement is the availability of a structure of equal opportunities, the infrastructure of relationships capable of ironing out the divides between the classes, ethnic groups, races, generations, genders and disallowing exceptions and persecution on the grounds of race, ethnic origin, gender and age.

Peace-building relates either to the pre-conflict or post-conflict stage of development. It is aimed at peaceful evolution and can be successful upon making a correct diagnosis, preventive prediction of the threat of slipping into destabilization and selecting the effective measures as recommendations.

Comprehending the nature of the transformation of the social and class structure of Russia rests on the problem of the correlation of property, power and management. In one or another country and at different stages of state oligarchy, the balance of these three factors, forming it as a specific community, is different. In this triangle, primacy belongs to property provided it is understood as a whole of social production relations rather than a volitional legal relation. Upon such an approach, the state oligarchy stands not only as the bearer of power and management, not only as the user, holder or distributor of budgetary funds, but, in the first turn, as the personifying agent of the production relations of the state structure. It is in the center of property relations apropos of all the material resources and general conditions of production being or arriving at the state disposal. Therefore, both the managers of the production divisions of the state sector proper and the top political and administrative groups form the state oligarchy.

At the same time, the transformation of property on means of production has not solved the critical problem of forming a mass middle class, free market and free personified proprietors.

If we try to give a general formula of social shifts in Russia and Georgia, it will, obviously, add up to a sharp increase in the social differentiation level. At that, a clear-cut tendency for the polarization of society is observable.

The society stratification in the course of the post-Soviet formation development, while having objective bases, is not entirely of a spontaneous nature. The mechanism determining the choice of alternative and its option is rather complex, including both the objective and subjective moments. The subjectsubject of social orientation appear to be the public quarter which by their activity, primarily political, realize in opposition with other forces another choice – the alternative, its option or concomitant forms. The role of subjects may be performed by different social groups and institutions – states, parties, armies, the Church, also by political movements and social organizations. Frequently, the role of subjects is also assumed by informal communities; in particular, the groups based on personal relations (e.g., class-mates, students of the same year, etc.). These subjects considerably differ in their numbers, genesis, internal structure and position in social relations.

The best chance stand the subjects of social orientation which are directly associated with the vitally important attributes of society – can capture and fulfill social functions, express the real (or taken as such) public interests and needs, and govern social consciousness. The more effective the certain social agent is the better are its possibilities of becoming a subject of social orientation and of taking an active part in the identification and the selection of the ways of development.

The subjects of social orientation have generally a stratified and hierarchized structure. Stratification generally takes the form of a division into the top stratum (leaders) and a wider basis of an

organization, also a peculiar specialization within the top stratum proper for ideologists, organizers, manipulators of the instruments of force and power, cultural symbols, etc. The structure's hierarchy is conditioned by the necessity of organizing socio-political forces and mobilizing the mass strata that support the given subjects.

Accordingly, the structure of subjects is determined by a double logic – their class belonging, on the one hand, and their role of leaders apropos the choice of the ways of development, on the other.

In certain circumstances, the problem of choice is associated with the individual value orientations and the principles of activity and conduct of the social orientation subjects, including as the carriers of radical tendencies. The social orientation is a probabilistic result associated with the irregularity of the social and psychological development of different classes and strata of society which, to a certain extent, also explains the instability of the alternatives referred to above. The absence of democratic traditions in conjunction with a sufficiently abstract symbol of independence has given rise to the phenomenon of radical opposition.

As the social and class structures of a modern type are established, dependence of the orientation towards the outcome of the fight for the power and the interests of the social group having gained the upper hand is strengthened. However, even in the situations when the adopted orientation objectively meets the interests of the general public, the social support is by no means automatically achievable. The masses may still remain passive or, being awakened to politics, follow the radical forces. Much at that time depends on how the social subjects, having identified their orientation, are building up their relations with the masses.

For example, in the 1990s, the situation of an alternative choice could hardly exist in Russia. The balance of social and class forces by that time excluded any real alternative to the political course. At the same time, in 2011-2013, a conflict of clearly identified development options was being observed in Russia.

Under concrete historical conditions, a choice of options may lead the participants of events to a choice of alternatives. Such was obviously the case in Georgia in 2003-2004. The balance of social and class forces was not unconditionally advantageous for the social carriers of the collective 'principles.' Their support was rather heterogeneous, including, in addition to 'power' structures, top managers, functionaries, the lower urban strata, poor middle sections of the population and part of the traditional *intelligentsia*. The ideas of alternative ways of development in the social subjects being possessed of such a mass basis were extremely blurred and used to be formed only in the course of a conflict confrontation and thereafter.

However, the real historical process in Russia, and to a lesser extent in Georgia, was so proceeding that the orientation (alternative and its options) used to be adopted or changed without a serious struggle inside the country and without clashes of the opposing coalitions, more or less commensurable with one another by force. Moreover, the movement from the directive-bureaucratic planning to the liberal alternative frequently used to start without any clear-cut political decisions and programs set out in the post-Soviet period by inertia and reinforced under the impact of the global economy. The ideas concerning the ways of development, being eventually elaborated by the subjects of a liberal alternative, varied within a rather wide ideological spectrum, while the political strategy was not always consistent and purposeful.

The process of dismantling a social state also used to start with purely pragmatic actions. But further, it should be inevitably replaced by a consistent program orientation, for any alternative cannot develop spontaneously. On the contrary, the pragmatic orientation stability significantly interferes with the realization of a new socio-economic alternative under conditions of aggravation of social conflicts and the global financial and economic crisis in 2008-2013.

The strengthening of the ways of development requires the extension of the contacts of the upper stratum subjects with their social basis. This is the situation when a system of formal and informal institutions, aimed at providing the elite groups with the possibility to manipulate the political activ-

ity of the masses, is being set up. The social and class structures are not only weakly integrated but also deeply differentiated into the upper stratum groups ('elites') and mass sections whose social inertness is still rather high. Therefore, the autonomy of the top echelon in Russia is much more significant than in the West.

The present alternatives of development have not gained stability as of yet and where a significant autonomy of the elite subjects in the choice is preserved, their reversibility seems to be quite probable. Interests of the upper stratum subject conflict with the interests of social development as a whole. It leads to the building up of social tension and the possibility of the outbreak of conflicts with the use of violence.

An interesting modification of the upper stratum subjects is the so-called highly profitable elite group, including financial profiteers, the state oligarchy parasitizing on national raw-materials resources, the show biz stars promoted by marketing specialists and the technocratic bourgeoisie personifying the functioning of government employees as a collective entrepreneur. The entrepreneur-bureaucrat combines the signs of a class and the secondary social stratum performing the administrative and managerial function. Profit stands as a class-forming factor when the accumulation of earned and unearned incomes provides access to the control over the means of production. Such an access can be realized both directly and indirectly via the power or the management. Generally, groups with a high level of income transform into the upper stratum class formations. It implies the preservation of the former conservative type of evolution and hinders a wide and free formation of modern classes; in particular, on the basis of vertical mobility.

At the same time, income stands as the most important factor of class differentiation and social inequality as a whole. Based on the growing social heterogeneity of labor, a part of employees, specialists and highly skilled workers, etc., tend to form high incomes. The rates of income, as well as the inequality depth, increase as the labor remuneration of these workers gradually catches up with the wage-rates of the corresponding groups in developed countries. In addition, the income inequality also reflects an unequal impact of demands on the participation in the production and distribution systems. Under the impact of the demonstration effect, the demands of some or other social groups develop differently. The income inequality is the result of the action of a large set of factors – economic and uneconomic; it appears as one of the total kinds of social inequality.

However, the income inequality in Russia is of an all-embracing character; it not only expresses the differences of the economic order proper but also represents the realization of all the kinds of uneconomic privileges and infringements (belonging to the upper stratum of the state administration, law enforcement structures, religious, ethnic, cultural and status groups). On the whole, the polarization of incomes has been preserved, deepened in a modern structure formation process and remains an important prerequisite to the formation and reformatting of the ruling and privileged social groups.

The income inequality is found to increase rather than decrease. A great gap in incomes of the rich and poor ten-percent groups of the population in Russia and Georgia aggravates the social tension and becomes one of the key conflict-forming factors. At that, it should be taken into account that incomes of 15 percent of the population fail to reach the official minimum budget of households. The pay of most Russians is within 16 to 29 thousand rubles.

The unevenness of the socio-economic development of Russia's regions adds to the general picture of the unfavorable peace-building environment. The opposing tendencies towards the aggravation of contradictions and overcoming the climate of hostility, intolerance and conflicting behavior act differently in different regions of Russia and their collision yields a different balance. It is conceived that the main differences in the form and content of the cultural environment, basic needs, the content of structure and form of dependence allow, separate from the main body of Russian Federation subjects, four groups in which the aforesaid tendencies are realized to a certain extent.

To the first group belong large cities having over a half-million inhabitants. The total combination of

indicators can be identified as follows: a relatively high level of income, education, a deep involvement in social networks and the use of the Internet. The population, ascribed in general to a competitive category of white collar workers, constitutes the basis of the middle class. The logic of the socio-economic development of this group implies the claiming of modernization patterns. Consequently, the protest sentiments towards the authorities are more pronounced, which is evidenced by the voting results with a tendency for reducing the number of votes given for the “power party.” Along with it, the number of migrants from the unhappy regions of Russia and the neighboring CIS countries tends to increase because the migration flows are primarily oriented towards the financial and economic centers of development. Under conditions of mass migration of the population from the Central Asian republics to large cities, and given the 2012 events (murder of traditionalist mullahs in Tatarstan and the Caucasus), the problem of the spread of radical movements of Islam is being brought to the forefront. Thus, the social orientation subjects – adherents of fundamentalism – get potential possibilities to develop the ideas of politicized Islam in a popular clue and practically realize a definite option – alternative to the way of development.

To the second group may be attributed towns having 50 to 250 thousand inhabitants, including large industrial centers and monocities. The production base destruction led to an increase in the poverty of the bulk of the population of monocities and individual regions of Russia. Their involvement in the political context in most cases differs from the political will of the population of the capital and cities having over a million inhabitants and being at a higher level of development both quantitatively (the levels of income here are generally lower) and qualitatively (the level of living is notably lower). The weakness of the economic positions is opposed by a high dependence on economic conditions. The population’s vulnerability to the state of the economy is particularly observable here. The reproductive process in all the modern sectors, the prospects of development and, frequently, as in monocities, the elementary existence of people when the minimum consumer needs are not satisfied, are greatly dependent on the inflow of investments, in any form.

The consequences of the uneven development of Russian Federation subjects, the protracted economic stagnation, demographic processes and the current crisis perturbations bring the society in many of these cities to the brink of catastrophe. Therefore, the economic problems, primarily the issues of employment and pay, preserve here priority over political reforms.

The third group is formed by small towns, urban-type communities, villages – all that can be defined as a periphery. The dwellers of these places have low incomes but manage to maintain independence from the State as compared with the second group thanks to the self-subsistence economy and traditional production. They are affected to a significant extent by sudden natural disasters (forest fires, floods) as a result of which they are deprived of housing and means of subsistence.

The fourth group incorporates the national republics of the North Caucasus and South Siberia (Altai, Tuva). They lead according to the worst results regarding the rate of pay, unemployment and meeting the basic demands among all the regions of Russia. At the same time, in the republics of the North Caucasus themselves, the socio-economic welfare is distributed rather unevenly. Their indices of the level of income per household surpass generally the average level in Russia’s remote places.¹

The political process in the post-Soviet states continues to reproduce genetically the oriental model. Under the influence of the internal and external factors a rollback to it takes place rather quickly – the centralization intensifies, the political field for one party is being cleaned and the image of the national leader is being created; the necessity of national concord and social stability is being propagated and political parties do not meet the European standards of democracy. As a rule, they express the interests of individual segments of the ruling class and state bureaucracy. Therefore, the citizens who sympathize with liberal values and adhere to the conservative-type or left views fail to find a political party which adequately reflects their interests.

1 Andrey Vladimirov, Itogi, 2013, #31, www.itogi.ru/russia/2013/31/192434.html

The interests of the self-identification of citizens fail to be reflected in politics. It tells on the trust and respect of citizens towards the basic state institution, the electoral system and the parliament. As a result, the trust in the power falls and the division of society according to ethnic, professional, educational and age principles intensifies. The Soviet stereotype of conduct at elections – voting for the boss, irrespective of his merits, professional and personal qualities – is being restored.

The political system in the post-Soviet states has a number of general traits which gives the ground to characterize it as a party system of the post-Soviet type. The largest becomes the “power party,” collecting the most number of votes (50% to 60%). To the number of the main reasons of the sustained staying in power of this party can also be ascribed the relative weakness of the opposition proceeding from its fragmentation. In spite of this, the sprouts of a new political culture gradually appear – the formation of a new expert community distinguished with high qualifications and a breadth of views, the presence of active non-governmental non-commercial organizations (NGOs) and the possibility of expressing critical views in the mass media.

In the last 20 years, the transformation of the new elite in the Russian Federation has occurred. With the coming of President Putin, a return to the *nomenklatura* creation has been initiated. The recruiting in its ranks is carried out through a direct appointment by the president. Convenient mythologems on the management experience of the “new appointees” use to be created, while the main focus is made on their adherence to the chosen course and loyalty to the president rather than professional or personal qualities.

A means of existence of the *nomenklatura* is the closeness of society, the absence of the circulation of elites. The elite formation from the “St. Petersburg clan” and power structures is carried out under a strict control. It is being implemented by the administration of the president having usurped the party functions, enjoying monopoly and the country’s president himself.

At the same time, the principal strategic tasks of the ruling class in Russia remain the following: the further converting of the power into property (through a new stage of privatization, the use of budgetary resources and preferences on the part of power structures for developing profitable businesses, creating new “rents,” the safeguarding of the transfer of property acquired in the 1990s-2000s by right of succession and the creation of a hereditary aristocracy, and the ensuring of the legalization of the acquired property in the West).²

The recent parliamentary elections in Georgia in October 2013 have demonstrated a retreat from the oriental model of political culture with the European elements being characteristic of a number of post-Soviet and partly of post-Communist states. The system of the rotation of elites in such a model is built on the territorial, sub-ethnic or kinship features. The formation of the new elite of Georgia and the acquisition of the European political culture habits give hope for the transformation of the political system in the course of the European standards and values.

The realization of the deeply contradictory unity of these two logical orders can be most clearly seen in the activity of the *intelligentsia*. As a rule, its upper groups directly implement the elaboration of ideas on the ways of development and ensure the organizational and political support to the contemplated choice. This, on the one hand, while on the other – a significant part of the *intelligentsia* is directly incorporated in one or another class. However, the role of the *intelligentsia*, as of a special social group in the choice of the orientation of the post-Soviet states (Euro-Atlantic or Eurasian, pro-Russian), is determined not so much by its belonging to one or another (and, in particular, holding the economically privileged positions) class as by the performance of social functions.

In general practice, the State avails of the systems enabling to withstand threats and restrict and eliminate the consequences of local instabilities. Meanwhile, the changes in the infrastructure of the post-Soviet states reproduce the worst model of evolution of the social composition of the tran-

2 Andrey Piontkovskiy, August 9, 2013, www.echo.msk.ru. Report “Vladimir Putin’s Big Government and the Politburo 2.0,” based on the results of an expert survey of more than 60 participants (representatives of the country’s political and business elites).

sitional societies. Instead of national integration, the split of society on the basis of property distinctions, exploitation and social injustice is increased; the divides on the basis of ethnic origin, gender and age are created. The privileged strata, the “top” social groups are formed. A middle stage of social discontent is formed on another pole. The growing social indignation has not yet crystallized into definite demands but the number of those feeling disappointment and discontent with the course of changes is constantly increasing.

The accelerated implementation of market reforms is a serious risk for the political leadership for it places it in the position of a subjective or objective deficit of time and leads to a sharp shrinkage of the field of visible or really accessible to it alternatives which may, in turn, result in the getting out of control of processes and events and the possible destruction of habitual relations and structures as well as the forced removal from power in the utmost case.

The absence of a distinct strategy in the power structures of Russia has led to the fact that the terrorist sallies in the North Caucasus have assumed a stable character.

The confusion of notions of political and criminal terrorism and fight with opposition, which occurs with the present power, is, however, a dangerous tendency for counteracting the threat of terrorism. The post-Soviet leadership is characterized not so much of the inability to cope with an avalanche of problems as of their improper interpretation and the deliberate creation of myths. Mythopolitics assists the leadership to get entrapped and makes itself play by the rules of the made-up reality. Thus, the problem of terrorism is also associated with the improper interpretation of the gist and nature of a political challenge.

Conflicts with the use of violent methods of confrontation are formed at the junction of the interaction of society’s discontent with distress (the failure to meet the basic demand for a happy life order), inequality both vertically and horizontally (structural violence connected with the hierarchic character of the socio-class structure and the exploitation of the “lower” strata by the “upper” one) and the avidity of spoilers ready to use the political and economic dissatisfaction of citizens and the political and economic management ineffectiveness in their own interests. The qualitative characteristics of the mentioned triad of relations and the forms of the public conscience render a growing impact on the choice of the strategies and the conduct of the personified representatives of powers and society.

Among the most significant factors of heightening tension and forming conflicts distinguished are the excessive concentration of wealth and incomes in the hands of a few, the impact of family and kinship relations, unequal opportunities of receiving higher education and the inequality of social statuses.

Thus, on hand is a whole collection of the factors forming the environment which opposes peace-building and enhances a tendency towards conflicting confrontation. These include a high level of poverty, negative expectations of the economic growth, stagnation of the economy, the unfavorable business environment, corruption, nepotism, etc. On the path to the modernization of these countries there are spontaneity, conjuncture fluctuations, drive for profit and stiff competition, assuming now and then criminal forms.

The judicial system in Russia lacks transparency; it is controllable by and subordinate to the interests of the authorities; more often than not, it is used for unjust purposes – from the seizure of an attractive business to the persecution of dissenters. Dozens of political prisoners have appeared in the country.

The supremacy of law is recognized only by word, while in practice the unlawfulness becomes the norm and attribute of public relations.³

The “legal nihilism” gradually transforms into the legal *bespredel* (anarchy). In Russia, the number of cases of Lynch law, self-organization of citizens dealing with the representatives of law enforcement

3 See Alexey Malashenko, Central Asia: What does Russia Figure On? Carnegie Moscow Center, M., ROSSPEN, 2012, p. 82.

bodies (the “Primorsky Partisans” [Guerrillas]) are increasing in number; various “movements” taking the law into their own hands against the representatives of non-traditional sexual orientation are being formed; the events resembling those in Novokhopersk, where a rebellion against the copper-nickel mining turned into arsons and destruction of drilling equipment and cars, are becoming more frequent; inter-national clashes (spontaneous actions in the Manezhnaya (Manage) Square and the “Turquoise pogrom” in Birulyevo (Moscow), the events in the towns of Kondopoga and Pugachev.⁴

The situation with “legal nihilism” and “legal *bespredel*” resulted in an unprecedented action of Russian legal experts having signed an open letter in which a threat to the constitutional order in Russia on the part of higher authorities was mentioned.⁵

One of the prime conditions of peace-building stability is the management systems’ effectiveness. By 2013, even the official state expert structures of Russia had to acknowledge the state management ineffectiveness. Thus, research carried out by an investment division of Sberbank (former Troika-Dialog) mentioned that the quality of corporate management had deteriorated.

All this is indicative of a dangerous tendency towards society’s disintegration, the formation of intolerance, xenophobia, domestic racism and an aversion of ‘strangers’ and a divide on “us” and “them.” A disintegration environment for conflict behavior with the use of violence that is comfortable for spreading radical ideological trends, terrorism and self-destruction is created. The society disintegration threat in Russia is recognized by the power structures as well. In 2013, the Prime Minister of the Russian Federation, D. Medvedev, signed a federal targeted program entitled “Strengthening the Unity of the Russian Nation.” The reform of the MIA yielded no result; the police (including drug, tax, road, etc.) was engaged in blackmail and *kryshevanie* (giving an umbrella) rather than in securing order. Russia is one of the most dangerous countries in the world in terms of human security.

The above-enumerated events condition the ruggedness of the integrative climate that is necessary for successful and sustainable peace-building and restrain the formation of a united nation with social capital. States, where the conflicting parties mutually exclude one another, are not suited to the development of a successful peace-building process.

The gaining and consolidation of state independence and the ensuring of more favorable conditions for socio-economic progress contributed to an uneven rising of the rate of saving in most post-Soviet states. At that, a disproportion between the levels of consumption and saving of the well-off upper stratum and the situation of the have-nots is observed.

An increase in the savings for the needs of accumulation in the upper stratum of the propertied is hampered by the unrestrained growth of consumption, being whipped up by the demonstration effect. Thus, the Russian oligarchy squanders vast sums of money in the successful Western countries which would be enough to create a modern infrastructure in Russia, including the All-Russian transport system and high-tech industry.

The facts evidence a serious craving of the more well-off strata for consuming and spending funds on luxury goods and other imported commodities far from being essential ones, on keeping domestic servants and private guards, on travels and entertainment.

Along with it, an acute shortage of resources for strengthening the economic positions and furthering the social progress of the indigent layers of the population is observed, as well as for restructuring the economy from the raw-material orientation towards the high-technology one and, for at least some, the regulation of the sphere of one’s own consumption.

Upon the current concentration of the purchasing capacity in the hands of a narrow stratum of peo-

4 Anton Klyuchkin, “From ‘Dictatorship of Law’ to Lynch Law,” Accessible at www.lenta.ru/columns/2013/07/16/guys/

5 “As people who are professionally engaged [with the law], we feel we have the right to state that on the 20th anniversary of the [1993] Constitution of the Russian Federation that the constitutional system of the country is under threat. The basic provisions of the Constitution and, above all, the constitutional definition of Russia as a law-governed state, have become, essentially, an empty declaration,” the letter says. Source: The Christian Science Monitor by Fred Weir, Correspondent / July 22, 2013. www.inopressa.ru/article/23jul2013/csmonitor/justice.html

ple and the concomitant structure of consumer demand, investments are generally directed to the industries (gas-and-oil and metal-working) oriented primarily towards meeting the demands of the same privileged upper stratum. As for the needs of the bulk of the population devoid of necessary funds, they remain beyond the sphere of interest of investors.

Small-scale commodity production, characterized for the most part of an extremely primitive technical level, is still of great importance in Georgia. The prevalence in the post-Soviet states of archaic structures (petty, patriarchal-patrimonial, subsistence economies involving the large majority of the population) seriously restricts the peace-building development and stability. The problem of poverty produces the preservation of these structures as the basis of family survival. An additional factor of preserving the archaic structure became the gradual refusal of the State to meet its social commitments. The archaic structures and their intermediates do not need, in essence, the up-to-date sci-tech information and the dissemination of new knowledge. Objectively, they hinder the propagation of modern education, scientific knowledge and, consequently, the rising of the educational, professional and qualification levels of the general public.

The limited nature of private capitalist enterprise as a factor of the technical progress acceleration becomes particularly apparent due to the development of specific ugly forms of capitalism fully impregnated with corrupt practices, the “patron-client” relations and reverence for higher-ups. Russia ranks the first in Europe and is one of the leaders by the level of corruption in the world. Misappropriations of budgetary funds, bribery and gigantic kickbacks from any transactions have become the norm of the state management and business practice. The insufficient development of the economic and organizational function of the State under the new conditions of a market economy contributes to the development of a parallel corruptive structure of management.⁶

Specific features of the post-Soviet capitalism form a bent of the state bourgeoisie for the financial and trade activities and real estate speculation. Monopolization of the promising oil and gas market by one-two companies leads to a decay trend. The country’s economy is based on exports of fossils, timber and weapons; the industry is backward, the high-tech industry is practically absent, labor productivity is rather low, the power consumption – colossal.

The economic progress depends on both the size of their capitalized part of GNP and, in many aspects, on the effectiveness of the use of the available and reproducible capital assets. Meanwhile, given the shortage of qualified staff, the lack of technical and organizational experience, the limited sale possibilities, the weak differentiation of the sectoral structure of the economy, the oil and gas industry, or the development of one or two highly productive sectors capable of drawing with them a complex of profound economic and social changes appear as the driving force of the post-Soviet economic growth. The development of large industrial and infrastructure objects at the crossroads of international communications is also possible.

The operating national development plans and programs do not, in their majority, contain clearly formulated tasks and goals and, most important, are not supported with a necessary system of organizational and economic measures capable of ensuring their implementation. The limited effectiveness of state measures is obvious by the example of the national projects being implemented thereby.

The Peace-Building Security and Environment Sphere

The development of multilateral security and the economic and political-diplomatic cooperation play a decisive part in the building of lasting peace. At that, a combination of the factors playing a decisive part in peace-building is a must. These include the support by the outside actors of the process of the peaceful transformation of conflict interactions, the inclusion of Russia and Georgia in the regional economic and political-diplomatic cooperation and the involvement in regional cooperation in the security sphere.

⁶ Andrei Vladimirov, Itogi, 2013, #31, www.itogi.ru/russia/2013/31/192434.html

The Black Sea-Caspian region is not supported with strong regional security structures. There are the regional organizations competing with each other. As a result of such multilayer “covering,” the region itself is found in the zone of contiguity and interaction of the frequently diversely oriented and different by the level of institutionalization and political or military weight security structures. The diverse orientation of the goals and tasks of different security organizations operating in the region conditions their selective activity in a number of directions, the conflict of interests in a competitive rivalry for broadening the spheres of influence. All this constantly provokes new risks and challenges because of the infringement of the interests of some and the support of other regional actors which under conditions of a complex and dynamic correlation of forces serves as a steady source of tension and conflict interaction. The conflict of interests may stimulate the initiation of new security threats. The protection of human rights and group rights becomes the source of conflicts and provokes the security violation in the form of violence.

Recommendations

1. For stable peace-building in Russia and Georgia, the climate of hostility and distrust should be gradually overcome and the reconciliation environment formed.
2. Reconciliation is extremely important for ensuring success in the steady peace-building. It implies the cooperation among the former conflict parties and includes a series of different but interconnected actions. The reconciliation means the actions which integrate the competitive needs and values in the sphere of security, law, justice, economic development and freedom.
3. It is important to create the environment of co-development with the perspective task of mastering the following techno-industrial and socio-cultural structure. The key problem of security in this connection is the priority development of resources, means and instruments for designing and forming a new techno-industrial and socio-cultural structure – the body of knowledge and the level of development of the Russian and Georgian humanitarian-scientific, scientific-technical and management elite.
4. It is necessary to create the social environment ensuring the development of a spiritual culture and the production of cultural wealth – the priority development of education and science.
5. It is necessary to carry out political reforms as a security of ensuring the equal rights and obligations for title nations and national minorities, securing and perfecting the legislative guarantees of independence of the judicial power and guarantees for the execution of court decisions. For the successful development of civil society, of importance is the approval of the supremacy of law, education and training in the sphere of legal consciousness/awareness.
6. The real division of powers and the development of local self-government will contribute to the transparency of the system of management as the basis of combating corruption and civil control over the activity of the authorities.
7. The multiple-vector foreign policy orientation of the Georgian and Russian authorities and the presence of military bases hamper the region’s demilitarization and start the process of military arrangements and an arms race. To create a favorable international environment, a consistent dialogue of the leaders of Russia and Georgia on the matters of the regional security threats, challenges and risks and the search for new creative models of the common future is necessary.
8. It is necessary to create a common information space on the basis of peace journalism (compliance with the journalists’ professional standards and code of ethics in covering conflict subjects) and to create a cultural-educational peace-building infrastructure (introduction of novel violence prevention and conflict interaction technologies).

GEORGIA-RUSSIA RELATIONS IN LIGHT OF DEMOCRATIZATION: INFLUENCES AND PERSPECTIVES

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All events, whenever they occur, react upon each other.
(Raymond Aron)

Introduction

The actors in international politics play a distinguished role. States interact not only with each other but also with inter-governmental organizations, multinational corporations, non-governmental organizations and many other actors.¹ The objectives, outlooks and capabilities of these multiple players seldom match closely or are very contradictory. The contemporary world is not only about relationships but also about influences.

The current Georgia-Russia political discourse is overloaded with propaganda, the negative vocabulary of the various players, the influences and interactions of international actors and various speculations and interpretations. The general context and complexity of internal and international factors create a valuable basis for the further exploration of the role of the various actors in Georgia-Russia relations.

This paper analyzes the values, approaches, platform and performance of those internal actors in Georgia which might have any relationship and any influence on the formation and direction of Georgia-Russia relations. Herein, the actors working within Georgia or Russia are qualified as internal actors; namely: individuals, political forces, intellectuals, business circles, NGOs/civil society, media/social media, international organizations and donors which make their contribution to the dialogue processes and work directly in Georgia or Russia.

The methodology of the paper is to study and review the declarations of political forces, leaders or any other actors, discourses and political behavior. The trends will be explored and analyzed.

There are many speculations with regard to the actors in Georgia and their motivations towards influencing Georgia-Russia relations. This paper will attempt to find those impulses that have led to the recent state of affairs between the two countries on different levels.

Actors are not political but they are involved in the political domain. From this, we define the term of "political actor;" namely, a political actor is not just an elected official but any person, group or organization that has great influence on a political situation or issue. Domestic means 'home' and is used in relation to the situation. On the one hand, there is quite a reasonable assumption that many actors are involved in Georgia-Russia relations. But it is difficult to judge the real influence as well as the positive transformation of these relations.

Analysis of the Scope

It is hard to distinguish the actors in Georgia-Russia relations. They seem to be intertwined. In the absence of official diplomatic relations, it is hard to determine which actor has any impact on Georgia-Russia relations. It is a fact that Georgia-Russia relations seem to be predetermined. The current situation is determined by ideological factors although it is important that the change of government in Georgia has resulted in a significant shift in the relations between the two countries. The analysis of the discourse and the perspectives of the actors enables us to once again review the current context and prevalent trends.

I started writing this paper in the summer of 2013. The October 2012 Parliamentary elections were

1 P. A. Reynolds, *Introduction to International Relations*, 3rd edition, 1994.

peaceful and the political situation of that period allowed us to assess the prospects of Georgia-Russia relations from a positive angle. After the Parliamentary elections, the appointment of the Prime Minister's special representative on the regulation of the relations with Russia and the Abashidze-Karasyn format created the outlook for organizing trade relations. Currently effective, we can say that this is quite a successful format for the trade and humanitarian relations between the two countries which have increased significantly. That said, however, the political climate has not been improved significantly. Another factor influencing the relations was the election of the new Georgian President under the country's new constitutional order.² The President is in charge of foreign and security policy and his first interview to the Russian public television channel was distinguished with a number of peace-centered messages that are unlike those of his predecessor. The fact that the President did not mention the occupied territories during the interview resulted in serious criticism emanating from the opposition as well as the public in Georgia.

According to data from the period January-September 2013, the export of wines and mineral waters saw a significant increase, apparently driven mainly by the reopening of the Russian market. Georgian wine export increased by 73.9% in value to USD 74.1 million, making its share in the country's total export 3.7%. Export of mineral waters rose by 60.1% y/y to USD 72.8 million, accounting for 3.6% of Georgia's total exports. The re-opening of the Russian market also boosted trade turnover between the two countries mainly due to increased exports, making Russia Georgia's fourth largest trading partner in the period January-September 2013 with USD 501.7 million, a 35% y/y increase. Russia was Georgia's sixth largest trading partner in 2012.

See: www.civil.ge/eng/article.php?id=26597

Against the background of this rhetoric, the "borderization" process in the Shida Kartli Region has been underway throughout the autumn of 2013 with the Russian authorities not having made a single official response to these activities.

The issues related to the Sochi Winter Olympic Games are interesting. The Prime Minister of Georgia has stated that the official delegation of the Georgian Government will not attend³ the Olympic Games although Georgian sportsmen will participate in international sports activity.

On November 28, 2013 Georgia initialed the text of the EU Association Agreement and the Free Trade Agreement that are being prepared for signature in the second half of this year.

The situation in Ukraine was developing in a very dynamic way. Several days prior to the EU Summit in Vilnius, Ukraine declined the process of EU association and the free trade agreement, citing the development of trade and economic relations with Russia and the CIS countries as a reason. This was followed by 4 months protests in the centre of Kiev, which ended with casualties, violence and change of Yanukovich regime. In response to changing situation in Ukraine Russia has taken drastic actions with taking off Crimea from motherland Ukraine. It seems it's in Russia's interest to isolate herself from the international community thus to strengthen status quo and continue attempts to reshuffle international regime in favor of her interests. In this context Georgia needs to be more concentrated to continue close cooperation with the EU and NATO. There is serious threat in destabilization of the region and there is more risk of making Georgia's Euro-Atlantic aspiration much more far reaching.

2 Since November 2013, the Georgian political system has been transforming from a purely presidential system (which is predominant in Latin America, large parts of Africa and non-Baltic former Soviet countries; also in Indonesia, the Philippines, South Korea and the US) into a mixed system which combines features of presidential and parliamentary systems and where the executive power is in the hands of the government which became more accountable to the parliament.

3 See: www.civil.ge/eng/article.php?id=26751

A number of studies and articles about Georgia-Russia relations have been produced over the past period. The main contributors are European and American researchers as well as Georgian and Russian experts who participate in various formats of the dialogue. There are varied assessments although given the priorities of the new government, the deepening of cooperation remains one of the significant tasks. In the existing situation taking into consideration developments in Ukraine Georgian-Russian cooperation agenda is under question and needs to be seriously think out for the elaborate new strategy.

Post-Sovietness

An even larger context, interesting against the background of the review of Georgia-Russia relations and analysis, is the Soviet heritage and its impact on the relations of the two countries. The Soviet heritage is still engrained within the bilateral relations and is another factor conditioning the specificities of the development and transition of the two countries.

The Soviet Union was the first state based on ideology rather than an economic system. The Soviet experiment ended with a grandiose collapse with a dozen of new states emerging after its dissolution. Despite various crucial differences between the newly independent states, they keep to be similar in terms of their Sovietness and transition challenges (the Baltic States faced different developments due to their closeness to Europe). These similarities are: on the one hand, a low labor culture, authoritarian mentality, deficit in self-organization skills and a low awareness of justice and freedom. On the other hand, there was a comparatively higher level of university graduates with a certain potential in the sciences (for example, Georgia's Institute of Physics had serious potential in nuclear sciences; Georgia succeeded in philosophy and psychology with Soviet Georgia having been the country of Merab Mamardashvili, Dimitri Uznadze, Beritashvili, Vekua and others).⁴ In parallel, certain achievements were made in sports and culture (the Georgian theatre and the Georgian cinema developed with success during the Soviet period). Malformed states with incompatible features created new challenges; that is, how to achieve democratic transformation? After the collapse of the Soviet Union, the existing social and political system collapsed and took away all kinds of social benefits and infrastructure from the population. Independence was followed by ethnic and political conflicts, the loss of territorial integrity and civil war. Political discontent and frustration emerged in the societies within the process of the slow transformation.

This situation has given rise to post-Soviet leaders and to the existing political system with all of its specificity. We can estimate that the Rose Revolution itself was also serving the idea of liberation from the Soviet grip. To refer to the Theories of Elites, the Eastern European countries that have managed to overcome the post-Cold War challenges and threats and forming democratic political regimes and becoming part of the West have attained this through the very change of their elites.⁵

Values of Georgian Society

In terms of the study of actors, the system of values determines the behavior, thinking and motivation of various actors involved in the process.

A study on values was conducted under the aegis of the Center for Conflicts and International Research between February and March 2011. The research was done using the first section of the Schwartz⁶ values questionnaire that is designed for the study of personal values as well as the study of the structure of hierarchy at the level of normative ideals. It has an enormous influence on a person although it is not always manifested in actual social behavior.

4 *In Search of Lost Space: the Politics of Culture in Post-Soviet Georgia*, Tbilisi, 2010 (a collection of essays on post-Soviet Georgia).

5 Eva Etzioni-Halevy, *Elite Connections, The Problems and Potential for Western Democracy*, 1993.

6 Shalom Swartz, Professor of Social Psychology, Researcher of Cross Cultural Studies and author of the Value Scale.

To briefly summarize the derived results, we can say that first, at the normative ideals level within the value system of Georgia, the priority is the protection and promotion of the interests of one's own group and not those of the entire public. But, at the same time, within this group striving towards personal success is evident. E. Fromm wrote that in unstable social-economic conditions, the satisfying of the need for safety is achieved via the identification and proximity to a group (family, clan, class) as well as by means of a continuous striving to gain support from the representatives of such a group.⁷ Respectively, quite possibly, such a result is due to the operation of an adaptive, protective mechanism.

Secondly, the trend of abandoning traditional social values can be observed but in the context of the absence of the readiness to accept new values. This means that we did not appear to be ready to accept the system of new values while we have abandoned the old one and this has given rise to a certain "gap" which, in turn, causes a number of psychological problems.

Thirdly, as has been expected, the inclination towards self-rescuing is characteristic of Georgian society and it becomes stronger with the worsening of the material situation. Finally, gender does not influence the value hierarchy and the material situation. Education has a certain influence while age has a lower level of influence.

A clear demonstration of the trend of striving towards personal success within a group are the processes within several political parties: the confrontation of leaders, the creation of new parties; as an example, we can recall that the majority of the United National Movement leaders are coming from the Union of Citizens while the leaders of the majority of the current opposition parties, in turn, are former members of the United National Movement or the parties associated with it.⁸ Secondly, the lack of trust of the population towards all parties is due to thinking that the priority is the interests of one's own group and not that of the entire population. In this case it does not matter if this approach is true or false, the subjective perception determines the actual situation. Owing to the projection mechanism, the electorate thinks that every party is concerned with its own interests and not those of society (Lazarus).⁹ How a person perceives a threat is more important than the threat itself (R. May).¹⁰

Based on the abovementioned factors and analysis, I will try to briefly outline those main trends that can be identified in Georgia-Russia relations with regard to the actors and their possible positive or negative influence.

The Role of Individuals in Politics – The Case of Georgia and Russia

Daniel Bynam and Kenneth Pollack¹¹ argue that international relations have devoted less attention to the role of individuals in politics for three reasons. One – individuals simply do not matter as the impersonal forces of the international system are stronger than individual will. Two – if the discipline pretends to be "social scientific" with treating individuals as unique actors, the generalization and predicting of the future will be impossible. Three – the most influential theoretical traditions of international relations do not prefer to reply to individuals to explain international relations. This idea has been developed by international relations theoreticians. I will not touch on other theories and approaches although international relations regard the role of individuals in international politics in this very way.

Georgia-Russia relations are something special. There are many talks that the personal negative

7 E. Fromm, *Healthy Society/Psychoanalysis and Culture: Selected Works of Karen Horney and Erich Fromm* (Russian version, 1995)

8 E. Chomakhidze and S. Lortkipanidze, "Peculiarities of the Georgian Society Value System," *Scientific Papers of Sokhumi University*, 2013.

9 Р.Фрейдджер, Дж.Фейдимен, *Личность*. М., 2001.

10 Р. Мей, *Смысл тревоги*, 2001.

11 "Do Individuals Matter? Great Men, Individual Interaction and Ideas in IR Theory," *Political Science Resource Blog*.

attitude between the leaders of the two countries determined the sequences of developments between Georgia and Russia. Can we argue that Saakashvili and Putin determined Georgia-Russia relations? Or, in this case, is there a systemic mismatch between the two and their leaders were just the personification of the existing problem? The research conducted by the International Center on Conflict and Negotiation in 2011 on the perception of Russia and Russians in Georgian society concluded that: "There is a social consensus in Georgian society around the evaluation of the Russian authorities' policy towards Georgia... The signs of conflict could be traced back to the late 1980s when the objectives of Georgia's democratic development turned out to be incompatible with Russia's political and geostrategic objectives. As a result, since the beginning of the post-Soviet period, Russia has been pursuing the policy that aims to undermine Georgia's statehood."¹²

The role of individuals in politics is strong but this should be perceived as an integral part of the system itself. Consequently, the de-personification of politics is very important for the further regulation of Georgia-Russia relations.

Democratization Process

To go back to democratization theories, we will discover many interesting points for us that will help us to determine when an individual turns into a political object or subject. In his article, "Theories of Democratization," Christian Velzel writes: "In addition to social-economic modernization, social confrontation, international regimes and the influence of alliances, interrelation of elites, social movements and mass convictions institutional factors have serious impact on democratization." Barbara Gedes (1999) stated that authoritarian regime types differently influence the possibility of attaining democracy. She differentiates between three types of authoritarian regimes: personalistic regimes, militaristic regimes and single-party regimes. Such regimes have different outlooks on the idea of democratization.

By generalizing this theory, in relation to Georgia it can be said that a personalistic regime (Saakashvili's influential figure) gives rise to many threats in terms of the transformation of the country, political discourse was limited and closed and this facilitated the deepening of hostile attitudes. Institutional configurations within the country determine the peculiarity of the regime while regimes influence the development of relations with neighbors.

The personalistic Saakashvili regime was pro-Western and this helped to enshrine the negative perception of the West in Georgia as Saakashvili's supporter.

Civil Society as an Influential Actor?

The recent change of the political regime in Georgia encouraged a new impulse in Georgian-Russian relations. At the same time, the steady process of talks and consultations does not satisfy the demands of the societies of the two countries. In this situation, special importance belongs to public diplomacy.

Following the 2008 Russia-Georgia war, the International Center on Conflict and Negotiation was the first NGO in Georgia to pioneer expert dialogue between Russia and Georgia through the Istanbul process. High-level experts from scientific and analytical circles from the two countries are involved in the process with ten meetings having been held in Istanbul since November 2008.

Later, the initiative of expert dialogue between Russia and Georgia was started by the Georgian Foundation for Strategic and International Studies that has been cooperating with the Carnegie

¹² The Survey on the Perception of Russia and Russians in Georgian Society was conducted within the framework of the Global Partnership for the Prevention of Armed Conflicts network. The survey was carried out by the International Center on Conflict and Negotiation in 2011. See: www.istanbulprocess.org/documents/-/asset_publisher/PLdPj4c3bWZT/content/perceptions-of-russia-and-russians-in-georgian-society-in-russian-/?redirect=http%3A%2F%2Fwww.istanbulprocess.org%2Factivities%3Fp_p_id%3D101_INSTANCE_ALBCSmvYxq7k%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3Dcolumn-2%26p_p_col_count%3D1

Foundation since 2011. A joint publication has been issued, entitled *Russia and Georgia: In Search of a Way Out*.¹³

Caucasian House hosts programs that support the deepening of the relations between Russian and Georgian young professionals.

Caucasian House projects are aimed at establishing relations between Georgian and Russian young politicians and political scientists and establishing platforms for cooperation directed at building a long-term peace between Georgian and Russian societies. Its current project started in 2011 with the support of the Black Sea Cooperation Foundation. Two meetings have been held with the participation of members of political parties as well as representatives from think tanks and universities from Russia and Georgia. A blog was established under the project where on a periodic basis articles and essays written by project participants are uploaded www.georuss.wordpress.com. The project is implemented jointly by Caucasian House and the Moscow Carnegie Center.¹⁴

Further, on the initiative of Caucasian House, an internet website was created and operates in the context of Georgia-Russia dialogue and peace (in Russian).¹⁵

One of the directions of the Friedrich Ebert Foundation is its Georgian-Russian dialogue. With the assistance of the Foundation, a report prepared by the American Progress Center¹⁶ was published in Georgian in 2011, entitled *A Plan for Short Term Progress in Georgia's Conflicts* which was prepared by US researchers and based on the studies conducted in both countries after the 2008 war. The publication comprises recommendations for all parties engaged in the conflict; namely, Georgia, Russia, Abkhazia, South Ossetia and the international community.

Political Parties

The attitude of the political spectrum towards Russia in Georgia is not uniform although among the reasons for the defeat of the United National Movement, the tense relations of the party with Russia are listed as well. The previous government and the ruling political party failed in their complex task. The new political power, the Georgian Dream coalition made up of six political subjects, sets the resolution of relations with Russia as a first order priority. The appointment by the Prime Minister of a special representative for relations with Russia following the 2012 Parliamentary elections has been a significant step in terms of the resolution of relations. Outside of Georgia's Parliament, there remain certain political parties that support the normalization of Georgia-Russia relations; even more, they see Georgia's future in cooperation with Russia. These are: Nino Burjanadze's political force, Democratic Movement – United Georgia, as well as Kakha Kukava's Free Georgia, both of which demonstrate a pro-Russian position. Their positions towards Russia, however, have not brought a place in Parliament or success in any presidential elections to either of these political parties.

The Role of Media in Georgia-Russia Relations

Media uses various tools to create images. The mass media of both countries, Russia and Georgia, played a particularly deciding role. There is a great political influence on the media in both countries with the situation having dictated the creation of a negative image of the counterparty as the adversary. So, it can be said that both sides have played a very negative role in the relationship and in creating a negative public opinion of Georgia in Russia and Russia in Georgia. This can be considered to be the kind of political call by the previous government of Georgia.

13 www.gfsis.org/media/download/library/articles/RUSSIA_AND_GEORGIA_SEARCHING_THE_WAY_OUT_English_Publication.pdf

14 See: www.caucasianhouse.ge/ge/qartvel-da-rus-akhalgazrda-profesionalta-dialogi

15 See: www.regional-dialogue.com/team-view/%D0%BE-%D0%BF%D1%80%D0%BE%D0%B5%D0%BA%D1%82%D0%B5/

16 See: Center for American Progress www.americanprogress.org

In a way, there are two realities: the mass media are under the impression of a reality that mass media creates. So, in essence, the mass media creates a second reality.

There are certain streams of information that dominate in the minds of the public and these are also the minds of the journalists themselves. There are stereotypes that are not necessarily created by journalists.¹⁷

The research produced by the International Center on Conflict and Negotiation on the perceptions of Georgia in Russian society and the perception of Russia in Georgian society highlighted the following conclusion: "Georgia appears quite often in the Russian media and the coverage is negative, in most cases. But, at the same time, it is interesting that more materials on Georgia as a tourist destination and as a country experiencing reforms are in place while reporting on Georgia."¹⁸

Georgian TV channels are very biased in reporting about Russia or on Russia. They contribute to the creation of the image of the enemy.¹⁹

After the 2012 and 2013 elections, both the situation and the political power have been changed. The new political leadership is not engaged in creating a negative message about Russia; on the contrary, there is an attempt to show Russia Georgia's intention to normalize the relationship with its northern neighbor. The closure of the PIK TV channel, perceived as the anti-Russian propaganda instrument in Georgia and in the region, could be understood as a step forward to the normalization.

Georgian Intellectual Elite and Paradigm about Russia

Georgia's relations with Russia have been characterized by necessity and ambivalence.²⁰ Necessity, because Russia was a powerful Orthodox empire able to protect Georgia from Muslim empires from the south and Caucasian raiders from the north. Ambivalent, because Russia was culturally dominant and imperial which has always threatened Georgia's sovereignty, independence and national idea. Georgia's intellectual elite has always perceived Russia, on the one hand, as a patron and, on the other, as a deceiver. Russia has always been the object of criticism in Georgia: The 1801 annexation, for example, although there is the opinion that Russia saved Georgia from demographic disaster in the 19th century and, in a way, became the channel for the flow of liberal Western opinion to Georgia. Neither the Russian culture nor the Soviet Empire is perceived by Georgians as European. To the contrary, Russia is viewed in Georgia as anti-West among certain parts of society.

The actions of actors are determined by political culture and behavior. The 2008 war played a significant role in establishing the image of Russia in Georgia. When working on this paper, I reviewed the socio-political publications from the autumn of 2008 in which the attitude of the intellectual elite towards Russia is clear. The publication *Hot Chocolate* was published monthly during that period. The war caused a full apathy towards Russia and the Russian language and this attitude is well prevalent in the magazine's articles.²¹ We cannot say this attitude was due to the publication's loyalty to the then government.

Russia gained many geopolitical scores as a result of the war although it finally destroyed the stereotype in Georgia of Russia as patron.

17 See: www.voiceofrussia.com/2010/10/15/26287926/

18 The research on the perception of Georgia in Russian society was conducted as a part of the Strengthening Civil Society Dialogue Capabilities, Istanbul Process, project implemented by the International Center on Conflict and Negotiation within the framework of the Global Partnership for the Prevention of Armed Conflicts network.

19 The survey on the perception of Russia and Russians in Georgian society was conducted within the framework of the Global Partnership for the Prevention of Armed Conflicts network. It was carried out by the International Center on Conflict and Negotiation in 2011.

20 Rick Fawn, ed., *Ideology and National Identity in Post-Communist Foreign Policy*.

21 *Hot Chocolate (cxeli shokoladi)*, No. 42, October 2008.

Conclusion

Georgia-Russia relations are highly complex. The circle of actors involved in the relations is also limited. The main forces influencing these relations are the interests of the two states and their preferences. This is a source for stimulating relations. The political force that came to power as a result of the last elections is talking about the normalization of relations while Russia is trying to achieve its strategic objective.

Georgia's main task is not to allow such an aggravation of relations that the threat of military aggression and violence becomes real again. It is important to remove the hostile rhetoric from the political vocabulary although, at the same time, justified response should be given to negative actions coming from Russia.

It is important to continue Georgia's Western course and the building of democratic institutions and, against this background, to develop relations with Russia. It is important to dispel the doubts about Georgia's odiousness and this is possible if there is more information and analysis in Russian media about Georgia.

Democratic development is the top priority along with the strengthening of democratic institutions, justice and the rule of law, open society and free and fair elections.

Currently, the only model for the development of Georgia is its Euro-Atlantic integration while breaking open new opportunities for and in Georgia-Russia relations is essential for a new future vision.

PROSPECTS OF NORMALIZATION FOR RUSSIAN-GEORGIAN RELATIONS

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Modern Russian policy in relation to Georgia is being modified by several factors. Georgia is located in the South Caucasus region, bordering Russia, in one of the modern world's many places of instability. Being adjacent to the most problematic region of today's Russia—the North Caucasus—the South Caucasus is considerably influencing the situation in the region from the standpoint of complicating or even aggravating inherent Caucasus regional problems. Thus, given the very geography, processes afoot in the South Caucasus are of much more importance for the Russian Federation than for other external world actors.

The ethnically and politically sophisticated North Caucasus, with its high level of internal conflict potential, remains the most vulnerable and troubled region of Russia. It is the location where international terrorist and religious extremist forces used to concentrate and, for several years, base themselves in the self-styled state of Ichkeria where they enjoyed the support of some Islamic countries and international extremist organizations.

For many years, Ichkeria was the major threat to post-Soviet Russia. Solving the problem of Chechen separatism is the greatest achievement of Russian policy in the Caucasus. Moscow's success was expressed not only through a military solution of the problem but a legal securing of the issue through a plebiscite conducted in Chechnya in March 2003. The vast majority of voters voted for a new Constitution of Chechnya and Laws On Election of the President of the Chechen Republic and On Election of Members of the Parliament of Chechnya. The very fact that a thumping majority of the population, former 'moderate separatists' included, voted for a broad autonomy of the republic within the Russian Federation marked a milestone of the settling of the Chechen separatism issue.

Regardless of the unending (and sometimes justified) criticism of Ramzan Kadyrov, within and without Russia alike, it is obvious now that his coming to power was in tune with Russia's interests. The current President of Chechnya is not only loyal to the federal center but is more than able to protect local interests against central control as well as knowing, most importantly, what is appropriate for local society. As a consequence, the stabilization trend in Chechnya is now sustainable enough to open up prospects of improving the political, social and economic condition for the whole of the North Caucasus. In the case if real steps are taken towards the elimination of the social and economic discrepancy between the North Caucasus and other regions of Russia, the stabilization trend might become sustainable.

The important role of the South Caucasus in the system of international relations sets out the nature of the challenges Russia is facing in its 'southern underbelly' and so Russian policy in the Caucasus is not pursuing any global imperial goals but, rather, is oriented towards a neutralization of both existing and prospective threats to the political, economic and social stability of the Russian Federation. In the meanwhile, internal and external threats are closely intertwined and, thus, in order to eliminate them, Russian authorities need to coordinate their policies in the North and South Caucasus.

Georgia's policy in the North Caucasus has changed following the opposition bloc Georgian Dream's victory in the Parliamentary elections in 2012. The new Prime Minister, Bidzina Ivanishvili, spoke out in favor of the normalization of relations with Russia. The Georgian Government declared its support of the Sochi Winter Olympic Games and pledged the participation of Georgian athletes, giving up its support of anti-Russian forces in the North Caucasus including radical Circassian organizations demanding a boycott of the Sochi Olympics. The propaganda television channel PIK was closed down in Georgia, the anti-Russian component of the Georgian media scene dropped considerably and the broadcast of Russian television channels has been recommenced. In its own turn, Russia also took certain steps towards Georgia through gradually opening its market to Georgian goods.

Regardless of the controversies on the Abkhazian and South Ossetian problems persisting in relations between Russia and Georgia, prospects of the normalization of mutual relations are real and serving not only the interests of Russia and Georgia but, from the standpoint of stability in the South Caucasus, also of the European Union as well, in the long run.

Owing to Georgia's refusal to support Circassian radicals, their effort to destabilize the North Caucasus and complicate Russia's international positions through political games around the issue of the Circassian question failed. The Circassian discussion, including painful historical questions, shifted to a more constructive scientific and expert field, thus contributing to the normalization of the media situation around the 2014 Sochi Winter Olympics, therefore creating a more favorable condition for the pursuit of the social and economic development of the North-West Caucasus.

As for its economic value, the South Caucasus is of less importance for Russia than it is on military and strategic planes. The moderately-sized region does not comprise a significant market for Russian exporters of oil and gas or industrial and agricultural goods nor is it a global 'breadbasket' of natural resources. However, Russia is interested in using the transit potential of the South Caucasus and in the further development of the North-South transport corridor connecting it with Iran, India and Near and Middle East countries through the shortest route least susceptible to weather (the marine route across the Caspian Sea is very vulnerable).

From the global economy standpoint, the South Caucasus is of interest not as a natural resources (energy carriers included) supplier but, rather, as a 'transmitter' from Central Asia to world markets and the EU, especially. Evidently, such a development would weaken Russia's influence over Central Asia, in particular, and on the international arena, in general, worsening the position of Russian energy companies on the European market. But Moscow's fears have been found to be exaggerated as China has proven itself much more efficient than the EU in pipeline construction and so the main supplies of Central Asian energy carriers went to the East rather than to the West.

For the whole post-Soviet period, a constantly increasing influence of the Caucasian factor on the internal political situation in Russia has been observed. The Caucasus has become an integral part of Russian life, manifold national diasporas may be found not only in large cities but in the very back of the beyond in Russia. Large-scale migrations that started even back in Soviet times are to blame but, unlike Soviet times, the integration of migrants into Russian society is much more complicated, often resulting in the aggravation of ethnic controversies and heating up internal tensions.

New state borders in the Caucasus led to the appearance of new 'divided nations' and an unprecedented firing up of the migration processes. In the wake of the break-up of the USSR, many peoples of the region found themselves divided by new borders, ethnic minorities (Ossetians, Lezgians, Avars and others) and 'titular' nations alike. For instance, Azerbaijanis now live not in two states, as before (the USSR and Iran), but four – Azerbaijan, Georgia, Iran and Russia. The majority of Armenians live outside of Armenia proper in diasporas dispersed around the world (the largest currently in Russia). Most of the Azerbaijanis live outside of their national state, in Iran, with the second largest diaspora having been formed in Russia.

Although, unlike in neighboring countries, the majority of Georgians still live in Georgia, here as well active migration led to the outflow of a considerable part of the populace to Russia (which now holds the largest Georgian diaspora in the world) and other countries. But, again, Georgia differs from its neighbors in the region as the Georgian community abroad is mainly made up of 'old migrants' who moved to Russia in the Soviet times or in the early 1990s, have obtained citizenship and represent a sufficiently socially and economically integrated and well-off layer of the population.

The Georgian community in Russia, unlike the Azerbaijani and Armenian communities, is not under heavy stress and is not facing the whole complexity of the problems related to illegal migration and the masses of non-integrated guest workers coming for wage earnings. Therefore, all of these cannot be counted as a factor negatively impacting Georgian-Russian relations, even more so as the Georgian community in Russia might be potentially engaged in the interest of both countries.

The coming to power of Ivanishvili's government in Georgia rendered it impossible for Moscow to continue its previous policy and retain the system of relations established after 2008 (alliance with Armenia, partnership with Azerbaijan, not to the injury of Armenia whenever possible, but disregard of Georgia). But the initiation of the negotiation process and the aspiration towards the normalization of mutual relations, as declared by Moscow, did not mean that it is ready to radically revise its position on Abkhazia and South Ossetia.

The USA and the EU, even after Russia's official recognition of Abkhazia and South Ossetia, did not choose to openly confront Moscow. The prospects of NATO's expansion to the East and Georgia's expected admission (different statements have been made with specific dates of the admission) to the coalition that worried Kremlin so much seemingly lost their urgency.

The reason behind the so-favorable-for-Moscow development of the situation in Georgia was a coincidence of several factors, including the grievous outcome of the 2008 events for Georgia, the change of administration in the USA and the consequential change of American policies in the South Caucasus alongside the world economic crisis that painfully affected the EU countries and the USA. Moscow has stood its ground on the Syrian question that led to complications in relations with the USA and the EU but, finally, American diplomacy not only took the Russian position into account but went further on to collaborate with Moscow in pursuit of a peaceful means for solving the Syrian crisis and the liquidation of chemical weapons in the country.

As an outcome, international conditions were in favor of Moscow which was given an opportunity to strengthen its positions southwards, in the vitally important direction. The main means for achieving this goal became an increasing of military presence and ensuring its longevity along with the political and financial support of its allies.

Russia concluded 49 year-long military cooperation agreements with Armenia and the Abkhazia and South Ossetia that it recognized with the possibility of tacit extension for 15 more years. An additional important addition for Moscow was the conclusion of similar agreements with Central Asian republics and Ukraine on the reservation of Sevastopol in the capacity of a military marine base for the Russian Black Sea Fleet until the year 2042.

As an outcome, Russia managed to set out the long-term response system for potential threats in the most problematic southward direction. At the same time, the changes that took place in Georgia made the Kremlin give up its previous policy of disregarding Georgia as it now found itself in need to react to changes afoot in Tbilisi and in such a way as to support those forces which are in favor of revising the previous course pursued by Mikheil Saakashvili in relation to Russia.

Despite the alteration of the political situation in Georgia, it would not be realistic to expect a cardinal change of its foreign policy concepts or the same level of relations with the USA and the EU that Saakashvili's government achieved at the cost of heavy losses. Bidzina Ivanishvili's government retained the Western thrust as a decisive one, although playing down certain openly confrontational factors of Georgian policy (such as tying up the Sochi Olympics in 2014 with the Circassian issue and so forth). Such a turn-about was not only based on internal political logic, but took place under influence of external factors as well. For USA and their allies, ahead of 2014 withdrawal of troops from Afghanistan and probable ensuing changes, and even possible disruptions in the Great Near East find it impractical to create just another headache out-of-turn escalation of Russian-Georgian confrontation will prove.

The main obstacle hindering the normalization of Russian-Georgian relations is conditioned by the fact that for the time being, neither Moscow nor Tbilisi can give up the mutually exclusive positions on the Abkhazian and South Ossetian issues. If the Russian Federation were to roll back its recognition of Abkhazia and South Ossetia, it would inevitably lead to an aggravation of the situation in the North Caucasus. The Kremlin cannot realistically expect any gain from such a decision internationally in that it will not change the nature of its relations with the USA and the EU since the condition of Russian-Georgian relations is not a decisive factor for these relationships. A loss of face interna-

tionally in the case of the change of position on Abkhazia and South Ossetia cannot be considered by the Kremlin as acceptable.

In Georgia, the position of the political elite and society as a whole makes it impossible for any government to give up on Abkhazia and South Ossetia and the situation is unlikely to change in the observable future. That is why Moscow and Tbilisi, engaging in the process of the normalization of mutual relations, had to take Abkhazia and South Ossetia out of the context of the current bilateral negotiations and focus on those social, economic and humanitarian problems that are solvable for the time being. Such an approach only seems possible given the current situation and might give certain psychological and socio-economic fruit. On the other hand, it is evident that the mutual relations of the normalization process are unlikely to ever become really successful and fruitful unless the Abkhazian and South Ossetian problems are thoroughly discussed and an approximation of the positions on the issue is achieved. Prior to that, Russia and Georgia will not be able to restore even official bilateral diplomatic relations. As a consequence, opportunities for the normalization of mutual relations at the disposal of Moscow and Tbilisi are utterly limited. The opening of the Russian market for Georgian agricultural producers had a certain positive impact on the development of mutual relations. This measure had a quick positive impact on the socio-economic situation in Georgia. The first products allowed for export to Russia were wine and mineral waters. In the first eight months of 2013, Georgian export to Russia increased almost three times. According to Georgian authorities, the total value of production exported to Russia in 2013 might reach 100 million USD,¹ thereby significantly improving the condition of Georgian agricultural producers.

Export from Georgia to Russia is expected to increase in the coming years which makes for the problem of the reliability and traffic capacity of existing transport routes. The parties have been discussing plans of the modernization of the customs check-point Kazbegi on the Russian border but the potential to increase its traffic capacity is limited due to the objective difficulty of road traffic over the main Caucasus Ridge. All of the above turns the opening up of alternative routes into a more current issue. Soon after the formation of the new government of Georgia, a proposal for the renewal of the railroad traffic between Georgia and Russia through Abkhazia was made by the State Minister for Reintegration, Paata Zakareishvili.

After the break-up of the USSR, the Abkhazian railroad lost its economic value for the South Caucasus but gained an important political one. On August 14, 1992, the protection of the railroad was the very excuse to have Georgian armed troops brought into Abkhazia. Back then, the railroad was used to serve as a formal excuse to justify Tbilisi's decision to solve the Abkhazian problem through force. In reality, brigandage on the railroad was not taking place in Abkhazia but in the adjacent Samegrelo Region.

Once the Georgian-Abkhazian war was over in 1993, railroad traffic through Abkhazia was not renewed and its economic value declined. Georgian authorities were trying to tie up the problem of the opening up of the railroad with several preliminary conditions. Initially, a major condition was the return of Georgian refugees to Abkhazia whose safety was to be guaranteed by Georgian forces inside Abkhazia. For the Abkhazian side, this meant a return to the pre-war situation with the further prospect of either surrendering to Tbilisi or an outbreak of a new war. Neither option would have been acceptable for the government or the population of Abkhazia.

Negotiations on the issue that took place from time to time usually ended up in protest actions (that Georgian authorities themselves supported) of the Georgian refugees and blocking transport routes, including highways. This was a convenience allowing Tbilisi to demonstrate the impossibility of the opening up of the railroad because of the large-scale unpopularity of the idea among refugees from Abkhazia and the population of Georgia as a whole.

With Mikheil Saakashvili coming to power, the course was changed in favor of solving the territorial integrity issue by force and so the topic of the opening up of the Abkhazian railroad lost all interest

1 www.civil.ge/rus/article.php?id=25242

in Tbilisi's eyes.

During the first post-war decade, the economic importance of the Abkhazian stretch of the railroad dropped to an almost zero level. There were commuter trains, used by petty traders (the bagmen that a large part of the local population turned into at the time) to bring agricultural produce from remote areas to markets in Sukhumi or to the Russian border for resale.

The traffic load increased significantly at the beginning of the 2000s, once Russian policy in relation to Abkhazia changed. The increase of the load required a prompt reanimation of the Abkhazian railroad. Repairs, in a short space of time, were conducted by Russian Railway Forces on the stretch from the Russian border down to the capital of Abkhazia. Technically, nothing prevents the same for the remaining stretch from Sukhumi to the Inguri River in order to make it fit for transit traffic in short terms. But it is not technicalities – but politics – that still remains the main obstacle preventing the restoration of railroad traffic through Abkhazia.

Abkhazian position. The authorities and the population of Abkhazia view the prospect of renewing railroad traffic with caution, or in a negative way. There are several reasons for this:

1. Prospects of possible profit from railroad transit fees are not considered high and so the project is not attractive for the authorities or the population.
2. The railroad's location in the coastal area might have a negative impact on the tourism business and the local population from environmental, household, noise-level and other standpoints.
3. There are considerations related to rail transportation security issues; the capacity of the security forces of Abkhazia itself to deal with potential threats is assessed as 'limited.'
4. There are fears that once open and letting through large-scale traffic, the railroad will turn into some kind of a 'state within the state' and Abkhazia will lose any leverage over the situation.
5. The current situation of using the railroad for local needs only suits both the authorities and the population who do not see any prospect of considerable gain that would compensate for possible complications.

All of the above does not mean that such a position of the Abkhazian authorities may be decisive and, because of it, that the restoration of the railroad transit is principally impossible. The current position might be dubbed not as 'strictly negative' (despite the famous statement of S.Lakoba about the 'unacceptability' of such an opening up for Abkhazia) but, rather, as 'skeptical.' It is unlikely that the current position will be the major obstacle for letting the railroad traffic through as the Russian side does have real capacity, through dialogue with the Abkhazian authorities, to achieve the alteration of the current skeptical position to one much more favorable.

The main obstacle hindering the opening of the railroad is still the high-level of dependency of Georgia on its neighbors – Azerbaijan and Turkey. The policies of these two countries pursue an economic constriction of Armenia through its isolation from the world. Although these two neighbors of Georgia as of yet fail to limit the transit of Armenian cargo through Iran and Georgia, they are still capable of rendering shipping difficult and keeping it expensive.

Following the very first declarations from Georgia on the possibility of the opening up of the Abkhazian railroad, Baku and Ankara jawboned Tbilisi in order to prevent the renewal of shipping by rail. The pressure did bring the desired fruit, although Georgians did not make a display of the negative reaction of Baku and Ankara, and the main reason given to explain the impossibility of the opening up of the Abkhazian railroad was a 'lack of interest' from the Russian and Abkhazian sides.

Given the current situation with Georgia's high level of political and economic dependency on neighboring Azerbaijan and Turkey, it does seem unlikely that the Abkhazian stretch of the railroad might be used for the shipment of cargo from Armenia and Georgia to Russia in the observable future. With much higher probability, it will remain blocked for a considerable period of time.

Things might change should the situation in the South Caucasus and/or to the South from the region alter considerably to create much more of a pressing issue for Azerbaijan and Turkey than the problem of railroad transit through Abkhazia might be.

To achieve turnaround in the agriculture of Georgia (and so to radically improve the social and economic situation as a whole), a long-term development program and large-scale funding are required. Exports of wine, mineral water and other goods from Georgia to Russia, limited in volume, will not have sufficient effect to play an important part in improving the socio-economic situation in Georgia and positively affecting mutual relations.

Currently, the new Georgian Government has to show the population the quick effect of dialogue with Russia and it simply lacks the time for a long-term agricultural development program and economy as a whole. It is even harder to find funding sources as, unless the economic crisis is over soon, the EU and the USA are in no position to credit Georgia with new billions of dollars. Russia, in its own turn, will not allocate such funding unless diplomatic relations are restored first but that is not likely to happen in the observable future.

If improvements in Georgia are not soon felt, the position of Bidzina Ivanishvili's government opponents might be reinforced while the policy of dialogue with Russia will get compromised, leading, in its own turn, to just another rung on the ladder of the escalation of tensions in the mutual relations. Against this background, every possible use of the already existing, however limited, means for the normalization of mutual relations between Russia and Georgia gain special importance.

GEORGIA AND RUSSIA - IN SEARCH OF A NEW AGENDA

Tengiz Pkhaladze

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For what has already been a year, Georgia and Russia have been negotiating a new bilateral format where the parties are attempting to create a positive environment, refraining from touching on the core bilateral problematic issues. Initially, this dialogue has triggered a sufficient number of questions, criticism and comments.

Despite this, immediately after winning the parliamentary elections in 2012, the new Prime Minister of Georgia, Bidzina Ivanishvili, introduced the post of his special representative for relations with the Russian Federation and appointed to the post an experienced diplomat, Zurab Abashidze. After some hesitation, Moscow also supported the initiative and the Deputy Foreign Minister, Grigory Karasin, who is also in talks with Georgia in the Geneva format, was charged with maintaining a dialogue with Georgia.

Five meetings were held from December 2012 to December 2013. At the last round held on November 21, the sides stressed that the original agenda, which was designated at the first meeting, has actually already been fulfilled. However, this statement is not to say that a solution to the key problems has been found. Accordingly, today, a year after the founding of the Georgian-Russian official dialogue, one can judge the results, the viability and vitality of the format, talk about its shortcomings and try to describe the possibility of new issues and/or a modification of the existing agenda.

Prerequisites for Existing Dialogue

It is believed that the change of power in Georgia was the determining factor for the start of the bilateral dialogue but this is unlikely to be the only real reason. Both Tbilisi and Moscow were well aware (or should have been aware) of the need for such contacts. For Georgia, this presented another opportunity to demonstrate its own constructiveness, enhancing the country's image, making it possible to reduce the political temperature and thus salvaging the country from a new bout of aggression.

Russia also needed to establish its own constructive image because the status of the aggressor and occupier refusing the negotiation process is not entirely consistent with the appearance of the host of the Olympics and, especially, the image of the "architect of a new European security."

In short, if the theory of international negotiations is followed, the parties examined the Alternatives to a Negotiation Agreement (ATNA) and concluded that the Best Alternative To a Negotiated Agreement (BATNA) does not exist. Accordingly, the parties came to an understanding that maintaining the current status was less fruitful than the negotiation process and that the beginning of a dialogue served the interests of both countries.

Furthermore, it is known that the negotiations are not only for the purpose of a shared resolution of a specific problem but also for the accomplishment of other tasks. In particular, the parties could have set other objectives, such as:

- Information – implies determining the points of view and the opinions of the opponent on specific issues and an exchange of views as well as the transmission of certain information to the other side;
- Communication – when the parties to the conflict establish channels for the exchange of information;
- Regulation – through which the control and coordination of the actions of the participants take place as well as a detailing of more general agreements for the purpose of their implementation;

- Resolving their own domestic and foreign policy tasks – when the parties (or one of the parties) are interested not in the joint resolution of the problem but they (or one of them) benefit from taking part in the process itself which contributes to the resolution of other domestic or foreign policy objectives;
- Advocacy – involves the impact on public opinion in order to legitimize the parties' own actions and clarify their position to wider circles, establishing an information environment favorable for the parties themselves (and sometimes antagonistic to the enemy) and attracting new allies to their side.

Among other things, negotiations are the best tool for the quality assurance of information and the verification of the reaction of an interlocutor to an event. Without negotiation, it is impossible to determine the existence of a BATNA and, accordingly, it is unfeasible to find an optimal solution to the existing problems.

Proceeding from the above, and the predominance of one or another function of negotiations, the essence and objectives of the Georgian-Russian dialogue are developed.

The Existing Agenda

Negotiations begin where there is space for negotiation – an area in which the parties find points of contact based on which an agreement can be reached. Given all the problems of bilateral relations, including the occupation of 20% of Georgian territory as well as the limited productivity of the Geneva format which deals with security issues in the South Caucasus, space for a new dialogue was initially restricted. The parties established a certain *Modus Vivendi* on the basis of which a range of issues was designated that could be discussed bilaterally as well as issues which were beyond the scope of this dialogue. Leaving the issues of the occupied territories and security to the Geneva format, the parties focused on the topics of transport communications, the economy and the humanitarian sphere.

Without a doubt, these topics cannot be labeled principal or determinant but they are less problematic and, consequently, solvable. Georgia's interest towards the Russian market is evident although it has been "diluted" by high political risk. Through the sanctions of 2006, Moscow taught Georgia to live without Russia. Thus, the solution of these issues mattered to Russia itself. The lifting of the sanctions could serve as an attempt to improve its own image and establish further dialogue with Tbilisi.

In certain political and analytical circles it is believed that the resolution of issues around all three thematic clusters is a matter of the political will of the Russian Federation rather than a subject of negotiation. After all, business activity, transport communication and the movement of citizens are limited by the Russian authorities. Georgia has long unilaterally abolished the visa regime for citizens of the Russian Federation, the checkpoint on the border between the two countries was closed only on the Russian side, Russian companies continued working in Georgia and their activity was not limited even during the war in 2008.

Given the above, there may be an assumption that the BATNA would be a unilateral decision of the Russian authorities to annul the sanctions against Georgia. However, this development was initially ruled out for two main reasons:

- Such a unilateral decision would reduce the possibility for Moscow to «demand something in return;»
- It would signify a landmark decision which was to be followed by major breakthrough topics for which Moscow was not prepared.

Over the past 20 years, more negative memories than positive examples have accumulated in the relations between Tbilisi and Moscow. This has resulted in a lack of trust and a complete misunderstanding between the parties. Accordingly, progress on the above issues could have become not

only a solution to particular problems but also a positive “case” in relations between the two states.

Negotiation and Parallel Processes

Definition of a constructive agenda and taking complex issues beyond the brackets has predetermined the positivity and efficiency of the negotiation process itself and its immediate outcomes. It can be said that the meetings took place without much tension. However, the constructiveness of bilateral dialogue has often been questioned via statements and actions that have taken place throughout the negotiating process. Sometimes there was an impression that the fragile achievements of the bilateral dialogue were doomed to be discredited and at the slightest progress, barriers and obstacles that should not have come into existence, appeared; in particular:

- It turned out that the proposed topics imply a solution not in a comprehensive way but, rather, in parts. Initially, there was talk about restoring air links, then about opening ground transport communication through the Kazbegi-Verkhny Lars checkpoint. Subsequently, the question of the return of Georgian products to the Russian market was under lengthy consideration. It turned out that the products could not be returned to the market all together and immediately, primarily, the mineral water option was reviewed, followed by alcoholic drinks and then talk began of citrus fruits and other types of agricultural products. A similar division affected issues in the cultural and humanitarian spheres. For instance, the question regarding the issuance of visas to citizens of Georgia has not been discussed but separate Georgian ensembles or creative teams were allowed to conduct a certain number of concerts in Moscow or St. Petersburg. Russian experts, analysts, scientists, representatives of various foundations and organizations can go to Georgia but their Georgian colleagues cannot enjoy such freedom of movement and activity on the territory of the Russian Federation.
- Against the background of the study of the return of Georgian products to the Russian market, Georgia was hit by a flurry of highly unimaginable allegations ranging from “maliciously poisoning the entire Russia” to accusations of “blasphemy.” Thus, in particular, Russia’s Chief Sanitary Doctor and Head of the Federal Service for Supervision of Consumer Rights Protection and Human Well-Being (*Rospotrebnadzor*), Gennady Onishchenko, accused Georgia of “disrespect” to grapes. “If they (Georgians) imported grapes, I would have transported them across the border myself but they spoil them by converting them into wine. Imagine this holy product, a product from God, glorified in both pagan and Christian religions, and they take it and make it into an alcoholic beverage. Just a nightmare!,” Onishchenko said at a press conference in Moscow on May 31, 2013.¹
- It should be noted that the very quality of Georgian products was sometimes “altered” depending on certain political decisions and statements made by Georgia. Thus, for instance, amid Tbilisi’s protests against the so-called “borderization” and the transfer of the occupation line (to be discussed below) as well as the harsh criticism of Russia’s policy echoed by President Saakashvili from the podium of the UN General Assembly, in early October 2013 the *Rospotrebnadzor* refused to admit to the Russian market 28 samples of Georgian alcoholic beverages provided by manufacturers for state registration.
- Specific claims were made in connection with the operation of the Richard Lugar Tbilisi Center for Public Health Research which Russian officials for some reason referred to as the “American Biology Lab.” On July 12, 2013, the Russian Foreign Ministry expressed “serious concern” with regard to the “biological activity of the U.S. Defense Department near the Russian border.”² Reasons for this concern and related diplomatic terminology were more clearly explained by Onish-

1 “Onishchenko: Georgia ‘spoils’ grapes, turning them into wine, and ‘Borjomi’ is not the same,” Newsru.com, 31.05.2013. Accessible at www.newsru.com/finance/31may2013/onischenko.html

2 Commentary of the Press and Information Department of the Russian MFA in connection with the publication of the report of the U.S. State Department on compliance with the agreements and commitments in the field of arms control, nonproliferation and disarmament. Accessible at www.mid.ru/brp_4.nsf/newsline/44C8A0DBC9AB5BF644257BAD001FAD8F

chenko. "According to our estimates, this laboratory is an important link in the offensive part of the military and biological potential of the United States," stated the Head of the *Rospotrebnadzor*. According to Onishchenko, the purpose of this laboratory is to study the natural foci of virus circulation in the territory of Russia and Transcaucasia. The lab also develops recipes that can be covertly engaged in the destabilization of the economy and the political situation in the country. The outbreak in Russia of African swine fever has occurred as a result of a planned diversion from the territory of Georgia. In this regard, Onishchenko suggested a radical solution to the problem – closing the Lugar Center which is a biological laboratory of the U.S. Navy.³ Naturally, no evidence was presented to validate these assumptions. In response to these accusations, Georgia has repeatedly declared its readiness at any time to admit experts from Russia to dispel their suspicions about the Lugar Center's activities. However, there has yet been no success in convincing some Russian officials. Moreover, Onishchenko stated openly that the presence in Georgia of the American "military biolab" remains an obstacle to the development of economic relations with the Russian Federation: "In essence, the colonial status of Georgia in connection with the uncontrolled work in this country of U.S. military structures cannot not concern us. And this is the principal obstacle to further steps towards the admission of Georgian products."⁴

- As already mentioned, the bilateral talks themselves were held in a rather businesslike and friendly atmosphere although the positivity of the Russian representative, Grigory Karasin, was bilaterally "diluted" by the sharpness and unconstructive attitude of the same Karasin at the Geneva talks. None of the peacekeeping initiatives put forward by the new Georgian leadership found a positive perception and understanding on the part of the Russian Federation which resulted in the disruption of several rounds of negotiations. In response to the proposals of the Georgian delegation, Karasin said that "the great hopes that the rise to power of new people in Georgia would lead to 'significant and fundamental decisions' within the framework of the Geneva discussions on ensuring security and stability in the Caucasus, did not materialize."⁵
- In December 2012, a new Foreign Policy Concept of the Russian Federation was adopted which stipulates that Russia will continue to support the statehood of Abkhazia and South Ossetia (p. 51) and with Georgia it will build a relationship "with the consideration of the political realities in Transcaucasia."⁶ It is noteworthy that this wording appeared already after Moscow expressed its agreement to begin a dialogue with the new Georgian authorities and when the first round of the dialogue had been conducted. Accordingly, such a note in the new strategy document can in no way be regarded as an attempt to build a relationship of trust and a real settlement of existing problems.
- Particular complications were caused by the so-called "borderization." In the spring of 2013, the Russian Federation intensified the process of transferring the occupation line on the territory of Georgia in the Shida Kartli region and began to build a barbed-wire fence. As a result, the fundamental rights and freedoms of the local population were restricted, including the right to travel, education and other civil and economic rights. Access to water and agricultural resources was also limited. Part of the population was deprived not only of agricultural land but also accommodation and was forced to leave their villages. As a result of the so-called "borderization," the length of the barbed-wire barrages installed constituted 22-25 kilometers and was moved

3 "Onishchenko Urges Georgia to Close US Biolaboratory," *Rossiskaya Gazeta*, 14.10.2013. Accessible at www.rg.ru/2013/10/14/lab-site.html

4 "Onishchenko has Expressed Concern Regarding the 'Uncontrolled' Operation of the U.S. Military Biolaboratory in Georgia," *Interfax*, 02.10.2013. Accessible at www.interfax.ru/news.asp?id=332268

5 "The change of leadership in Georgia led to principal decisions within the framework of the Geneva talks - Russian MFA," *ITAR TASS*, 06.11.2013. Accessible at www.itar-tass.com/politika/756478

6 Official website of the Ministry of Foreign Affairs of the Russian Federation; Foreign Policy Concept of the Russian Federation approved by the President of the Russian Federation, Vladimir Putin, on February 12, 2013. Accessible at www.mid.ru/brp_4.nsf/0/6D84DDEDEDBF7DA644257B160051BF7F

120-150 meters deeper into the territory controlled by the central government of Georgia.⁷ The «borderization» process in the villages adjacent to the conflict zone was resumed on September 17 and followed by a protest of the local population. As a result, the population was again limited in activity on their own agricultural land, entrance to the cemetery and the availability of primary health care. By the end of 2013, so-called 'border banners' had been added to the barbed-wire fencing by Russian border guards who had installed the additions in the Georgian villages of Knolevi, Avlevi, Tseronisi, Tamarasheni, Gogeti, Dirbi, Dvani, Ergneti, Ditsi, Kere, Plavi, Plavismani, Mejvriskhevi, Tsitsigiantkari and Zemo Nikozi.⁸

Results of the First Year

Despite these obstacles, the Georgian-Russian dialogue has rendered positive results and the majority of the initial agenda has been fulfilled. In one year of bilateral negotiations, air and automobile links were restored and Georgian mineral water, alcohol and agricultural products returned to the Russian market.

As a rule, when evaluating the negotiation process, benefits for the Russian side are not mentioned and there is only talk of the pros for the Georgian side. However, it would be too naive to consider these negotiations through the prism of unilateral concessions from the Russian Federation, especially since such actions are not attributable to Moscow. In addition to «indirect results» (for instance, the opportunity to improve their own image), Russia, in turn, received Georgia's consent not to boycott the Sochi Olympics and a proposal for cooperation on security during the Games as well as softened rhetoric on the part of Georgian officialdom, access to the Georgian TV space and the possibility to increase their cultural, educational and information activities in Georgia.

In general, the results of five rounds of dialogue can be considered satisfactory for both sides. The very existence of the negotiation space (albeit narrow) and a mutual desire to break the political deadlock is already a significant achievement. However, the results would look brighter had they not been darkened by the other aforementioned negative processes which developed in and around the occupied territories of Georgia. That positivity, which emerged as a result of bilateral negotiations, was visibly discolored and eclipsed primarily by the «borderization» policy. If a reference point in Russia's relations with the new Georgian authorities is actually a willingness to regulate and the desire to build a new relationship, then finding a logical explanation for the installation of the barbed-wire fencing is very difficult. States, which have entered into dialogue and are interested in its positive outcome, should at least strive not to create additional barriers to the negotiation process. Five years after 2008, the process of «borderization» began precisely when the parties entered into a dialogue and talked about the possibility of de-escalation. Given such realities, the problem lies not only in the international legal plane but the sincerity of one of the participants may be called into question which in no way will contribute to finding mutually acceptable solutions and consensus.

Future Prospects

The above realities once again show that the current status of Georgian-Russian relations is a profound and complex political crisis whose origins lie deep enough. Accordingly, its resolution requires a very careful and balanced approach.

The fact that both Georgia and Russia have realized the need for dialogue is very encouraging and the parties must do everything possible to maintain this format and to increase its efficiency. It is hardly possible to speak today about the expansion of the subject-matter for the bilateral format

7 Statement of the Ministry of Foreign Affairs of Georgia in reaction to the installation of barbed-wire fences by the Russian occupation forces along the occupation line of the Tskhinvali region. Accessible at www.mfa.gov.ge/index.php?lang_id=ENG&sec_id=59&info_id=16336

8 Statement of the Georgian Foreign Ministry in reaction to the illegal actions of Russian troops across the occupation line in the Tskhinvali region. Accessible at www.mfa.gov.ge/index.php?lang_id=ENG&sec_id=59&info_id=17051

but the existing agenda can be expanded and complemented with specific questions which will boost mutual trust and bilateral constructiveness. These may be specific proposals for developing cooperation in the fields of medicine, ecology, transport, etc., provided that the situation does not deteriorate and escalate in areas that the parties have designated as “red lines.”

Parties should be aware that stereotypes established since the Soviet era present the main obstacle for an objective assessment of the existing realities. Accordingly, everyone should find the will to abandon stereotypical thinking and undertake efforts to at least understand how this or that problem is seen from the other perspective and not aggravate problematic and painful topics.

Cultural and scientific relations between the two countries can serve as a good platform for discussion of controversial historical issues including with representatives of the Abkhaz and Ossetian societies. For example, the Russian and Georgian archives contain numerous documents which are crucial for the study of contemporary history. Joint studies would contribute to both the determination and evaluation of historical processes and individual facts and depoliticize certain controversial and sensitive issues. The range of problems and disputes is fairly wide and varied. However, the main difficulty of interstate relations closes on two substantial positions:

- Russia is confident that the European and Euro-Atlantic integration of Georgia is directed against Russia and is a threat to national security;
- Georgia believes that Russia is not interested in the existence of the Georgian state and will do everything to weaken or completely destroy its statehood.

At that, both statements are so powerful and viable that they are sometimes perceived as axioms. The danger of these considerations is enhanced by specific actions of politicians and even more by their embodiment in strategic policy documents (for example, the National Security Strategy of the Russian Federation). The vector of European and Euro-Atlantic integration is a key determinant for Georgian foreign policy. Despite the problems of territorial integrity, the foreign policy orientation of the state remains uncontested. Georgia began its cooperation with the EU and NATO immediately after obtaining independence. Euro-Atlantic integration is a conscious and free choice of the country's entire multi-ethnic and multi-religious population rather than an “obsession” of the political elite which was finally confirmed by the outcome of the plebiscite in 2008.⁹ However, Georgia will have to more convincingly explain and prove that this choice is not directed against Russia, that the quest for full membership in the democratic family does not suggest alliance against neighbors and that a developed, stable and democratic Georgia is not a threat but one of the guarantees of security and stability across the Caucasus; i.e., on the southern borders of the Russian Federation.

Georgia's membership in NATO today no longer seems an impossible idea and this is well understood in the political and analytical circles in Russia. Accordingly, one can endlessly talk about «the narrowing of the enemy ring around the Russian lands» and thereby strengthen the existing confrontation but one can also amass the courage and glimpse the long-standing reality beyond the ideological barriers that Russia and the EU and Russia and NATO have been immediate neighbors for numerous years and that the most minor risks (not only a military threat but terrorism, illegal migration, organized crime, drugs, trafficking, smuggling, etc.) emanate from the boundaries where the states of the North Atlantic Alliance are located.

For its part, Russia should also explain and confirm that it is able and willing to accept Georgia as an equal subject of international relations, having a right to its own free choice. Moscow would explicitly benefit if it can refer to Georgia's statehood with the same reverence with which it speaks about the historical friendship with the Georgian people.

The 20th century serves as undeniable proof that confrontation, as well as the policy of forcible decision of the future of a country, does not lead to the success of any one state. Today, there may be

⁹ Here it should be noted that the pattern has not changed, either after the 2008 war or after the parliamentary and presidential elections in 2012 and 2013, respectively. This is confirmed by numerous sociological studies conducted by both Georgian and foreign and international organizations.

no winners in the Zero Sum Game and it is unacceptable for the 21st century. Modernity (as well as the future) determines the weight and power of a state by the level of its economic and democratic development, skill to acquire partners and ability for peaceful settlement of disputes and disagreements. In today's world there are sufficient «young countries» which have recognized this reality and are able to adapt to it. The statehood of both Georgia and Russia totals not one millennium and on this historic path they were obliged to find new and sometimes unorthodox solutions. The current crisis is a very significant and decisive test for the further development of both parties. In addressing today's issues, there can be no loser or winner, the future of these countries is interconnected and it can be successful, but only by adhering to the win-win principle.

INTERNATIONAL ACTORS AND RUSSIAN-GEORGIAN RELATIONS

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Summary

The article investigates the issue of the impact of international actors on Russian-Georgian relations following August 2008 until the present. The urgency of this problem is determined by the significance of international factors for Russian-Georgian relations, the overall objectives of developing effective foreign policy solutions in the area of Russian-Georgian cooperation and the need for expert support of the process of foreign policy decision-making in the context of Russian and Georgian relations with international players.

The working hypothesis of the study is entailed by the fact that the interests and strategies of outside players do not always correlate with the objectives of the normalization of Russian-Georgian relations. The research questions raised in the paper include an assessment of the potential of the international actors, an analysis of their interests and goals, the peculiarities of their (political and economic) interaction with Russia, Georgia and the global power centers (US, EU) and the effectiveness of the strategies of external forces in the stabilization of Russian-Georgian relations.

The methodology of the paper is based on the conceptual groundwork of the modern political science of international relations employing, in particular, such *methods* as system analysis (which provides an approach to the study as a set of problems ensuing from a single process) and case studies. In conclusion, in the context of the changing position of the international players, alternative possibilities for the resolution of the problem are evaluated and *recommendations* for their optimization are given.

Introduction

The historic rivalries over the Caucasus among the Russian Empire, Iran (Persia) and Turkey (Ottoman Empire), having somewhat subsided during the presence of Caucasian territories conquered or peacefully annexed by Moscow in the composition of, initially, the Russian Empire, and, subsequently, the USSR, have resumed - albeit in a different capacity - following the emergence on the site of the Soviet Transcaucasian republics of three independent states of the South Caucasus. Today, along with Russia, the "old" participants of the Caucasian geopolitical game - Turkey and Iran, as well as new actors - the US and the European Union - are very active in the area. In connection with this, taking into account the international factor is required when analyzing the state and prospects of Russian-Georgian interaction, making the issue particularly *relevant*. It is also defined by the general challenges of developing effective foreign policy solutions in the area of Russian-Georgian interaction and the need for expert support of the process of foreign policy decision-making in the context of Russian and Georgian relations with international players.

The *objective* of the study is to identify the degree of the impact of international players on the interaction between Russia and Georgia. In order to achieve the objective, the following *tasks* are being addressed:

- The political and economic potential of international players is assessed.
- Their interests and goals in the context of relations with Russia and Georgia are identified.
- The effectiveness of the strategies of external forces in terms of stabilizing Russian-Georgian relations is analyzed.

The *relevance* of the topic studied in the paper is determined by the significance of the international factors for Russian-Georgian relations, the overall objectives of the development of effective foreign

policy solutions in the area of Russian-Georgian interaction and the need for expert support of the process of foreign policy decision-making in the context of Russian and Georgian relations with international actors.

The *practical significance* of the study carried out in the article is based on the fact that its principal findings and conclusions can be used in determining the vectors of development of Russia's and Georgia's relations with their international political partners as well as in informational and analytical support of Russian and Georgian policy in relation to international players.

The study *methodology* is based on the conceptual groundwork of the modern political science of international relations employing, in particular, such *methods* as system analysis and case studies.

Principal Content of the Problem

Turkey

Contemporary Turkey possesses considerable economic and financial weight across the entire post-Soviet space. Turkey's geostrategic position speaks in its favor and allows the Near-Eastern republic to control the Black Sea straits, play a prominent role in ensuring security in the Black Sea-Caspian Region (BCR) and in supplying Caspian oil and gas to the EU. Turkey can also be regarded as a country directly participating in the attempts of the United States and the European Union to gain a foothold in the BCR in order to exploit its oil and gas resources, bypassing Russia. This refers to the "small-scale" Baku-Supsa pipeline which transports Azerbaijani oil extracted from the Caspian shelf to Turkey and foreign markets and to the main export pipeline of Baku-Tbilisi-Ceyhan stretching to the Mediterranean Sea as well as the South Caucasian gas pipeline of Baku-Erzurum. All of these projects, in which Turkey plays a key role, are designed to reduce the economic dependence of Georgia, as well as Azerbaijan, on Russia.

In 2002, the Justice and Development Party (JDP), founded in 2001 on the basis of the Islamic Virtue Party, won a landslide victory in the parliamentary elections, consolidating its position in the subsequent parliamentary elections of 2007 and 2011. The leaders of the ruling party - Recep Tayyip Erdoğan and Abdullah Gül - assumed the positions of Prime Minister and President, respectively (in 2007). Against the JDP's expanding positions in Turkey's political life, the Russian-Turkish interaction in the political sphere increased. It was reinforced by the growing trade and economic ties, as a result of which Turkey became Russia's second-largest trade partner after the EU. This rapprochement with Russia has urged Turkey towards greater consideration of Russia's interests in the Caucasus region and the conduction of a more balanced policy. However, on the whole, Russian-Turkish relations have a more tactical rather than strategic content: both countries have no common political agenda and not so many similar political interests. In Russia, there is also a fear of the possibility of strengthening Turkey's cultural, educational, religious and political influence in the Circassian and other Muslim communities of the Caucasus, the Volga Region and Crimea as it may be conducive to radical Islamic movements, both in Russia proper, as well as in neighboring states. Such a prospect, in theory, should be cause for concern for Georgia given the notable strengthening of the religious proselytizing component in the JDP's modern foreign policy, closely intertwined with notions of "neo-Ottomanism."

Georgia occupies a special place in Turkish foreign policy strategy, actively developing with this military and political partner trade and economic relations, including joint projects in energy and transport infrastructure. Turkey is interested in Georgia as a country through which the transit of energy resources and trade goods to Russia and other countries can be conducted. A significant role in turning Georgia into a type of "economic bridge" between Turkey and Azerbaijan is played by the Baku-Kars railway.

In the past, Georgian authorities hoped that opening the country's borders for Turkey would enable it to weaken Russia's influence via the Turkish factor both in Georgia and the Caucasus region. The

result was a sharp increase in Turkish influence in certain regions of Georgia, which is particularly alarming in the context of Turkey's remaining claims on Adjara, which formally remains under Turkish protectorate and is often incorporated by certain Turkish publications into the borders of the "New Turkey." It is no secret that Turkey uses Georgia's domestic issues (economic, social, national and ethnic) and its complex relationship with Russia to realize its own geopolitical interests.

Iran

Iran's potential is determined by its geo-strategic position in the Near-East, the Caucasus and the Caspian regions, its role as the global center of Shiism and its possession of the largest sources of natural hydrocarbon resources. Iran remained in economic and political isolation until the 2013 presidential elections, won by Hassan Rouhani, a politician considered more moderate than his predecessor and, thus, essentially capable of normalizing relations with the US and the EU. Building good-neighborly relations with Russia and the South Caucasus countries still remains among Iran's other foreign policy objectives.

The Islamic Republic of Iran is one of the few countries in the world that has managed - through maximizing the distance from all of the existing centers of power - to prove its sovereignty and subjectivity in world politics. This means that no single state or international organization possesses practically any tools to exert influence on Iran. However, it is Russia, having already accumulated some experience (based, among other things, on the Soviet past) in creating balances and counter-balances in the global confrontation, which can engage Iran to construct a new and more sustainable system of regional security in the Caucasus. From the newly-elected Iranian president, Russia expects the enhancement of cooperation on the issues of the Caspian.

Iran, however, is a rather complex partner. Preferring, with all its power regimes, to form a system of foreign policy balances based on bilateral relations, Tehran has competing interests with Moscow in issues of oil and gas supply to Europe which are skillfully detached by Iranian foreign policy leadership from cooperation with Russia in the field of nuclear energy. Balance and caution are also inherent in Iranian tactics concerning Russian-Georgian relations. For instance, official Tehran has not condemned Russian actions in August 2008 but it has also not raised the issue of the recognition of South Ossetia and Abkhazia as independent states given the fact that the issue of the Azerbaijanis, the Kurds, the Baloch, Arabs and other peoples constituent of the Islamic Republic remains acute. Iran, moreover, is not willing to spoil relations with Georgia with such a step - a rather attractive trade, economic and political partner for Iran in the Caucasus.

The following factors are priorities for Iran:

- The possibility to use Georgian territory for the transportation of oil and gas products from Iran into Europe (in case of normalizing relations with the latter).
- The prospect of connecting to the North-South Transport Corridor, where Georgia is a significant element due to its access to the Black Sea, which may contribute to the development of Iranian-Georgian-European trade relations.
- Access to required goods and technology and the export of its own products.
- Maintaining regional security, combating ethnic separatism and religious extremism.

The deepening of Georgian-Iranian relations, which might result in the expropriation of a significant segment of the local economy by Iranian businesspersons, can be viewed from different perspectives: as evidence of Iran's expansion on the few global markets not closed down due to the EU/US economic blockade and as an indicator of Georgia's aspirations to regulate relations with economic partners alternative to Russia. The November 4, 2011 opening of an Iranian Consulate-General in the center of Batumi can, if desired, be seen as Tbilisi's ambition to balance Turkish influence in Adjara, which has become excessive.

At the time, however, Iranians attempting to conduct an independent game in Georgia did not achieve any tangible progress in their contacts with Aslan Abashidze - the leader in Adjara prior to the Rose Revolution. Tehran's efforts to establish a "base of support" among the Muslim (Shi'a) population in Kvemo Kartli led to practically nowhere. There is evidence that shortly before the hostilities in the Caucasus in August 2008, the Iranians exhibited interest in South Ossetia and Abkhazia - guided, as they explained it themselves, solely by the desire to provide service to Russia. Iranian politicians and experts also attempted, via intermediaries, to communicate to the Tskhinvali authorities the idea that Iran's interest in South Ossetia was driven by the common ethnic origin of Persians and Ossetians as well as the fact that Ossetians even speak the language of Northern Iranians. Nevertheless, South Ossetian politicians met Iran's initiative rather coldly, not to mention Abkhazia's negative reaction, for most of whose population, Iran's historic rival in the Caucasus - Turkey is undoubtedly ethnically and culturally closer.

Until recently, the United States opposed Iranian-Georgian contacts in the economic, transport and energy sectors as well as the establishment by Georgia in 2011 of a facilitated visa regime for Iranian citizens. The US insisted that Georgia treat American interests with a greater understanding which Georgia should be taking into account in its dealings with Iran. In this vein, one can consider Tbilisi's abolition of the visa-free regime with Iran on July 1, 2013: Georgia was compelled to fulfill its obligations and was unable to ignore the US policy of "containment" of Iran.

United States/NATO

United States policy in the Caucasus is primarily focused on the erection of a communications system for the transit of Caspian energy resources in order to set lower prices on energy commodities, bypass Russia as a key energy supplier to Europe and prevent the channeling of Caspian resources in the Eastern (Chinese or Japanese) direction. The US also seeks to minimize Iran's role - not only in the Near East, but also in the Caucasus. They are also interested in the promotion of economic and energy projects funded by them, thus - in the resolution of long-standing Caucasian conflicts and the prevention of new hostilities which may hinder the implementation of such projects.

In its policy towards the countries in the region, the United States, as a rule, tends to be guided by postulates upon which rests the identity of the American nation - individual freedom, human rights, democracy, civil society. The role of historic, cultural and religious factors the United States usually regards as less significant and, thus, in its assessments of political processes, as well as conflict situations, in the Caucasus, the US frequently underestimates the role of traditional, ethnic and religious factors which, in the Caucasus, at times, are placed higher than national and state identity.

The coming to power, as a result of parliamentary (on October 1, 2012) and presidential (October 27, 2013) elections, of a new political power in Georgia, symbolized by the Georgian Dream coalition, has not seriously affected Georgia's foreign policy priorities: the country continues its course towards European integration and the preservation of the strategic partnership with the US/NATO. The US-Georgian Charter on Strategic Partnership, signed in Washington, D.C. on January 9, 2009, envisioning greater integration of Georgia into the Euro-Atlantic alliance, as well as NATO's promises to open its doors for Georgia's entry into the alliance also remain in force. This was confirmed by the NATO Secretary General, Anders Fogh Rasmussen's statement, that "a stable and democratic Georgia has a future in NATO" on the condition that the country "would carry out required reforms, organize free and fair elections and respect the law and human rights."

Beginning in 2015, Georgia plans to become a part of the NATO Response Force and its foreign policy, aimed at the integration into the Euro-Atlantic structures, is supported by the elite and does not cause resentment among the population.

European Union

European Union policy in Georgia and the post-Soviet space as a whole - in comparison with the US attitude towards the processes of political transformation in the region - is based on a more realistic content. Unlike the US practice of “exporting democracy” (including the use of military means), which became especially widespread during the George W. Bush, Jr. administration’s period in office, many European politicians treat democracy primarily as a cultural value, which must evolve independently, without external pressure and over a lengthy historic period of time. The greater caution and restraint of the Europeans is largely due to the ongoing attempts to comprehend the changes in Eastern and Central Europe and the difficult “digestion” by the EU of its new members.

The economic crisis and the Arab Spring have introduced significant adjustments to the EU strategy in the Caucasus, prompting European countries to address challenges and threats more urgent to them - supporting the Euro, mass migration from North African countries, the energy deficit, triggered by wars and conflicts in Iraq, Libya and Syria. Nevertheless, the wrap-up of EU activity in the Caucasus, at least in the energy sector, prioritized by the EU, did not take place. A certain stirring up of the EU at the end of 2013 is largely associated with the Eastern Partnership (EaP) program, aimed at rapprochement of the EU with Azerbaijan, Armenia and Georgia, as well as Moldova, Belarus and Ukraine.

The Eastern Partnership, which does not envision EU membership, simultaneously implies deepening political and economic cooperation of its members with the European Union, including visa facilitation and collaboration in the energy sector. Recently, the European Parliament passed a resolution condemning Russia for allegedly pressuring the post-Soviet countries to prevent them from signing association agreements with the EU at the Vilnius Eastern Partnership Summit in November 2013. However, there are also numerous examples of direct pressure, having a distinct anti-Russian orientation, exerted by select EU countries on EaP members.

Thus, Armenia was hit by a wave of criticism and threats to “ban” it from the EU following its decision, voiced on September 3, 2013 by President Serzh Sargsyan, on joining the Customs Union (CU) and participating in the subsequent formation of the Eurasian Economic Union. Thereby, Armenia has postponed the issue - due to be addressed at the EaP Summit in Vilnius on November 28-29, 2013 - on its engagement in the EU free-trade zone. Yet, the geographical, economic and political imperatives have highlighted the Eurasian direction for Armenia, and in the framework of the Customs Union, which can yield tangible benefits to the Armenian economy, the Republic hopes to implement the task of the free movement of people, goods and services, and address the problem of labor migration.

The EU attempts to develop its own consolidated policy in relation to Georgia and Russia (as well as all Post-Soviet republics as a whole) and play an independent role in the resolution of conflicts were not met with much success, including due to the fact that on the most significant aspects of international cooperation with the Commonwealth countries, the Europeans must cooperate with the Americans; and the US, in addition, possesses other leverage over its West European partners. Nevertheless, it would be simplistic to consider EU policy in Georgia, the Caucasus and in the Post-Soviet space in general only as a reflection of American interests, since between the EU and the US there are discrepancies regarding several issues of supporting the CIS countries, their foreign policy, sovereignty and the resolution of conflicts.

Georgia, while remaining faithful to the course towards European integration, in relations with the EU will mostly be interested in the resolution of economic issues, related to the development of trade relations and the establishment of a free economic zone. Georgia realizes that the possible signing at the November Summit of the Eastern Partnership Association Agreement with the EU will not immediately resolve all issues; therefore, Georgia’s endeavors towards obtaining new mechanisms of partnership with the European Union in the future are seen as natural.

Alternatives of the Resolution of the Problem

1. Georgia's plans to restrict the influx of Turkish capital in the country and to reduce Turkey's excessive activity in certain regions (Adjara) can be aided by the restoration of full-fledged trade and economic relations with Russia.
2. In turn, the transit passage through Georgia into Russia, exceptionally profitable for Turkey, and the opening of a new border crossing at the Turkish-Georgian border will grant Ankara an additional competitive advantage to strengthen its positions on the Russian market.
3. For Iran, whose foreign policy priority remains the Near East (as well as the Persian Gulf), the Caucasus is of secondary significance, piquing Iran's interest primarily as a region, convenient for the transfer of energy and commodities. Thus, the interests of Iran and Russia coincide at least due to the fact that both players seek to maintain a status-quo and prevent the consolidation of non-regional forces (the US), whose activity is frequently seen by Moscow and Tehran as threatening to their interests in the Caucasus and undermining the security of the countries in the region. The natural strengthening of Iran's impact on the South Caucasus, if such will take place, will not pose a threat to the region's countries, despite the fact that the political and expert community of the US and Israel tend to exaggerate the threat.
4. As an alternative to the harsh pressure from the United States, aimed at preserving Georgia's strictly Atlantic and pro-US orientation, demands to follow at any cost the vector for Georgia's entrance into NATO in order to resolve security issues may be met with the following balanced foreign policy direction assumed by the US administration, which will take into account the objective fact of Georgia's presence within a civilizational (Eurasian) space common with Russia, and the existence of social, economic and geo-strategic challenges similar for Russia and Georgia.
5. For Georgia, as well as other members of the Eastern Partnership, the European scenario may become reality, perhaps only in the event of the EU's admission of Turkey, which so far seems unlikely as there are no prerequisites for it. An alternative to the development of Georgia's aspirations to join the European Union may become its entrance, one way or another, into the Eurasian Integration Project - in the event, of course, that it obtains specific content and acquires more attractive features in contrast with the EU. With regard to the modern concept of the Eurasian Union, it is treated by some Russian political scientists (Fyodor Lukyanov) as an attempt to "regulate the scheme of relations between three member States of the Customs Union." In perspective, intergovernmental working bodies can be established in the Eurasian Union by analogy with the EU, which could coordinate the positions of member countries.

Recommendations

- In forming their foreign policy strategies, Russia and Georgia will have to take into account the discourse created by the objects (Turkey, Iran) and subjects (US, EU) of the global system significant for the Caucasus region. As the political situation in the Caucasus region is experiencing redistribution of powers and balances, the dynamic developments in the area must be adjusted depending on certain actions of the stakeholders.
- In issues of regional security, including the conflict problem, the unstable Turkey, where there is a threat of domestic political opposition, including between supporters of secularism and moderate Islamism, where confrontation with Kurdish separatism remains, cannot be regarded as a "keeper of balance" not only in Georgia, but in the entire Caucasus region.
- The laying of the Akhalkalaki-Kars railway route, besides existing technical problems (the standard track gauge, used in Georgia, is wider than the Turkish railway tracks), may deprive Georgia's Black Sea ports of freight. Thus, in terms of Georgia's economic interests, it would be more advantageous to restore the Abkhaz railroad with an exit to Armenia, regardless of the political

considerations admixed to this decision (an alleged threat to national security of Georgia on the part of Russia, etc.)

- Supporting the strengthening of Turkey in the Caucasus and its transformation from a transit territory to a disposer of oil and gas reserves is objectively not in the interests of neither Russia, nor Georgia, nor even the EU. Given the ethnic (Turkic) and religious (followers of Islam) content of the exporter countries (Azerbaijan, Kazakhstan) and the principal transit country (Turkey) for energy resources, this is capable to entail irreversible and uncontrollable changes in the geopolitical balance of power in Eurasia - the consolidation of global hydrocarbon reserves in the hands of Muslim and Turkic peoples.
- The engagement of international players in the resolution of conflicts involving Georgia and Russia, the general expansion of the entire negotiation process through the participation of Turkey, the US and the European Community is unlikely to contribute to the speedy resolution of the problem - mainly due to the political involvement of these intermediaries, their serious interests in the conflict zone, not allowing them to become objective mediators of disputes. A more optimal solution is presented by the bilateral Georgian-Abkhaz and Georgian-South Ossetian format of negotiations with the invitation of the relevant stakeholder (Russia), as well as possibly Iran, having, like Russia, successful experience of mediation in an internal conflict (in Tajikistan in the 1990s).
- Relations between Russia and Georgia have been complicated largely due to the United States which, within the framework of remnants of confrontational thinking and stereotypical perceptions preserved by a number of US politicians (as well as, indeed, by some of their Russian counterparts), does not wish to take into account Russian interests in the Caucasus, which is itself a major Caucasian power. For Georgia, on the contrary, the preservation and development of normal neighborly relations with Russia is determined by such significant and enduring factors as geography, common history, economic interest, etc. Under these conditions, the involvement of Georgia in any form in the relatively pro-Russian Eurasian Integration Projects would not conflict with the signing of agreements with the EU, especially as Russia, as well as the EU, is guided by the rules of the WTO.
- The combination of in-depth cooperation with Euro-Atlantic structures and Georgia's full membership in NATO would constitute a serious obstacle to the normalization of relations with Russia. At that, the problem of the restoration of Georgia's territorial integrity will not be resolved, it will not attain internal political stability this way, as evidenced by Turkey's example: NATO membership did not save the country from a severe political crisis which was based on ethnic, religious and ideological contradictions.

RESET POLICY AND ITS IMPACT ON GEORGIA

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Introduction

Relations with the US and Russia have always held a key position on Georgia's foreign policy agenda. Since the late 1990s, when the US began to show interest in the South Caucasus, Georgia became Washington's prime ally in the region. Having the US as a strong partner and patron allowed Georgia not only to neutralize pressure from Russia (at least partially) but also to develop and strengthen its statehood. Although, such action, in turn, gave rise to opposition - Russia, irritated by the presence of the US in its "near abroad," stepped up its actions in Abkhazia and South Ossetia. This leverage proved to be sufficiently effective in deterring Georgia's ambitions; in particular, regarding its aspirations to join NATO. The US failed to persuade its allies to provide Georgia the Membership Action Plan at the Bucharest Summit in 2008, which constituted a serious blow for the Bush administration and, certainly, for Georgia. And during the August hostilities, the US was faced with a much more serious challenge - Georgia became embroiled in a war with Russia which in no way figured in Washington's plans. In the end, it was possible to salvage Georgia as a state but the US position in the region was seriously shaken while Georgia found itself in a very difficult situation. Georgia's fate and future depended on subsequent actions of the US. What policy should the US have pursued in relation to Russia following the war? This was the principal question posed by many, especially in Georgia.

Today, it can be said that the reset policy, initiated by the Obama administration, had a generally positive impact on Georgia: the country was rescued from a new war and retained a pro-Western course. Although, at the same time, it was impossible not to notice that Georgian-US relations became cooler and this could not have been admired by Saakashvili's government which was accustomed to a close friendship with Bush. Now that the reset process is almost complete, and there has been a change of government in Georgia, it is possible to delve into this issue and clarify what the reset policy has brought to Georgia and how it affected the situation in the region.

Political Background

Following the August war, the situation in Georgia remained tense. Hostilities were over but, at the same time, no armistice was signed between Tbilisi and Moscow. The only document that would guarantee peace was the notorious Medvedev-Sarkozy agreement which envisioned the withdrawal of the warring parties to their initial positions. This in no way was a truce but, simply, a ceasefire document. At that, it was not fulfilled completely - the fire was terminated but the Russian side did not return to its initial positions, justifying its actions by the notion that after its recognition of Abkhazia and South Ossetia as independent countries, "new realities" emerged in the region. Thus, the threat of renewed hostilities remained present, especially as many in Moscow regretfully stated that "the job should have been finished in August."¹

Finding a reason to "finish the job" was a simple matter. The internal political situation in Georgia escalated even prior to the war. In November 2007, the opposition brought an immense number of people to the streets to which authorities responded inadequately not only dispersing the protesters but, in addition, shutting down the opposition TV station and declaring a state of emergency. Soon, having realized the disastrous nature of such actions, the Georgian President, Saakashvili, resigned and called for early presidential elections. But despite all these measures, attempts to alleviate the tension were unsuccessful. However, during the war, the opposition declared a moratorium on all

1 For example, www.rossia3.ru/politics/foreign/dobitssaku

protest manifestations (justifying this by saying that all must be united before a common enemy) but it was obvious that the unity could not be eternal - Saakashvili lost the war and was as weak as never before. The commencement of new protests was a matter of time and anything could happen during the demonstrations. Once already, Saakashvili had lost his nerve and ordered the use of force against his own citizens. Another such error could lead to bloody clashes and civil strife. No one gave assurances that Russia would not use such an occasion to move troops to Tbilisi under the pretext of "protecting Georgian citizens from the murderous regime." More so, following the war, Russian troops were stationed 40 kilometers from the capital of Georgia. Even if the authorities themselves did not use force against the demonstrators, one could always find a provocateur, ready to ignite a gunpowder bomb against Georgian politics; for instance, firing shots at the protesters and then it would be too late. Many feared such a turn of events in Georgia and, especially, in the government. It was not easy to dispose of the fear that the rifle hanging on the wall would go off. After all, no one could guarantee that there would be someone to protect Georgia if Moscow decided to make a move on Tbilisi. Unlike August 2008, this could be accomplished in one night, taking into account the "new realities" - particularly, the new location of Russian troops.

No one gave assurance and no one could. The G. W. Bush administration, for which the August war became another international failure, lived out its final days and, in its person, Saakashvili was losing a loyal and powerful ally. Bush ultimately managed to literally come up with a bilateral strategic charter² - a document on the friendship between the two countries which, in the case of political will on the part of the United States, opened wonderful perspectives for Georgia but, in the absence of such a will, did not bind the US to anything.

Of course, much depended on the future US elections. Although not everything was clear - even if victory was won by Senator McCain who, during the August war, uttered the phrase "Today, we are all Georgians," it was still unclear how it would improve Georgia's position. No doubt, McCain was genuinely worried about Georgia but could he, as President of the United States, guarantee Georgia's security if even Bush failed to do so having a stronger position? In August 2008, the US had not yet experienced the burden of financial crisis (which soon fell upon it) and, even more importantly, there was no precedent of anyone dealing a hard blow to the face of a US protégé. The new president, in addition to the not-so-successful campaigns in Iraq and Afghanistan, would also inherit this legacy. McCain, for all his sympathy for Georgia, was unlikely to be able to offer any assurances - such countries as Germany would not let Georgia into NATO and drafting a bilateral agreement on mutual assistance was especially out of the question - this was feasible only with such countries as Japan. As a result, with his attacks on Russia, McCain could only further embitter the political elite in Moscow. And as the latter felt considerable power following the war in response to US attacks, it could once again take revenge by squashing America's small ally.

One thing was becoming clear - for countries such as Georgia, confrontation between the US and Russia posed a serious threat. Saakashvili in his time attempted to play this card of confrontation - with him in office, the small but proud Georgia opposed the enormous Russian Empire which on one day imposed an economic blockade against Georgia, the next day violated Georgia's airspace and so on. All this gave enough reason to sympathize with the small Georgia and, somehow, promote its interests in Washington and Brussels. But ultimately, the sympathies did not help the small country during the war. Although, it is worth mentioning that the Bush administration sent military aircraft (with humanitarian cargo on board) to Tbilisi in the midst of the hostilities which certainly played a significant role in rescuing Georgia. But still, the US failed in its time to finish the job - open the doors of NATO to Georgia. Everything stopped halfway then. And now that Russia had officially opened its military bases in Georgia, NATO became an even more distant prospect. Georgia was left with only one thing - preparing for the defense of Tbilisi and awaiting elections in the US.

2 See: www.civil.ge/eng/article.php?id=20249

Reset – View from Moscow, Washington and Tbilisi

Obama's victory in the elections, likely, did not encourage Saakashvili's government. Georgia has always reacted nervously to changes in the White House - it would take a great deal of time for the new proprietor of the Oval Office to get familiar with the ongoing developments well enough to pay its attention to a small country like Georgia. McCain was familiar with Georgia and it would not take him long (not to mention his pro-Georgian sentiment). But it was unclear what was to be expected of the first black US President. Although this question - what to expect from the then unknown Obama - tormented not only Georgia.

But Obama did not have much time. He had inherited a burdensome legacy. There were numerous questions and answers had to be given. The answer to the question "What to do with Georgia?" was given indirectly. Reset with Russia covered many issues, including Georgia. The US offered Russia to forget all the troubles which had spoiled their relationship and calmly proceed with dialogue as befits two great powers (or a superpower and a great power).

For Georgia, this could mean the following. Moscow and Washington agreed to shelve the issue of Russia's inconvenient neighbor. The status quo established in Georgia after the war had to be maintained. Russia, obviously, retained its positions in Abkhazia and South Ossetia (and no one was willing to confront Moscow in this matter) but it had to stop here. The US certainly recognized Georgia's territorial integrity but, at the same time, no longer as actively lobbied for Georgia's membership in NATO. In short, the issue of Georgia was frozen.

Such freezing suited both sides in their own way. Moscow was satisfied with its "spoils of war" - bases in Abkhazia and South Ossetia, which not only strengthened Russia's positions in the South Caucasus but also allowed to keep Tbilisi at gunpoint, thereby targeting the chances of Georgia's integration with NATO. However, reset demanded of Russia gentlemanly behavior and abstention from any further action but, at the same time, further action (i.e., a march on Tbilisi) was feasible only as a last resort (Russia did not go for this even in the midst of hostilities) and so there was not much to lose. The principal factor was that the war with Georgia did not tarnish relations with the US and Russia was not threatened with a costly confrontation with the West. As for the "unfinished business" in the person of Saakashvili, it could be settled at the hands of the Georgian political opposition which, since in the spring of 2009, had been planning a new wave of protests.

The main thing for the US was that in Georgia, at least a status quo was maintained. Russia retained what it had gained following the war but Georgian statehood had also been maintained. Lobbying for Georgia's membership in NATO was unlikely to make sense. Even the Bush administration did not succeed at this when no Russian military bases were in Georgia and expending resources on this issue after the August war would be irrational. The August war demonstrated that Russia had one advantage in the South Caucasus - military presence in the region owing to which the country felt itself as the 'number one' player there and, thus, was prepared to rebuff anyone. The US had spent much on Georgia but did not have military presence in the area and was still losing in this respect.

But, anyway, Georgia had been rescued and fairly large funds had been allocated for it under the Bush administration³ and this would assist the country in overcoming the post-war economic crisis. Thanks to this, the US was able to concentrate on other more significant issues like Iran, the campaigns in Iraq and Afghanistan and the financial crisis in the US proper.

As far as Georgia was concerned, there could be no talk of the intensive support such as was provided to Tbilisi by the Bush administration. Certainly, the United States continued to actively assist Georgia in numerous issues - this was expressed not only via financial assistance but also through diplomatic support for the policy of non-recognition of Abkhazia and South Ossetia. Nevertheless, it was quite obvious that Saakashvili no longer enjoyed the same sympathies. This was understandable - US leaders had repeatedly called on the Georgian President to exercise caution and avoid be-

3 For details, see www.georgiatimes.info/news/5395.html

ing drawn into a war with Russia.⁴ Despite all the aforementioned assistance, the US, in a way, left Georgia to take care of itself. A political crisis was brewing in the country but no one in Washington was in a hurry to come to Saakashvili's aid. He had to survive on his own. The Americans brought the tanks approaching Tbilisi to a halt but within Tbilisi itself, Saakashvili was responsible for finding some solution.

Georgian Policy during the Reset

On April 9, 2009, the political opposition brought a vast number of people to the streets. Tents emerged in Tbilisi and many downtown streets were blocked. Georgia was facing yet another crisis.⁵ Anything could happen during the rallies. If Saakashvili had used force, it would likely have been the end of him. Such an outcome would have suited certain opposition politicians but to what extent did it suit Georgia's statehood? It would have turned out that the country was unable to (yet again) change the government by legal means following which it would have been rather difficult to dispose of the label of a "failed state" which, at one time, certain Russian politicians and political scientists so fervently attempted to label Georgia.⁶ And, ultimately, no one gave assurances that Saakashvili's political demise would not escalate into civil war. After all, Saakashvili and his elite had a lot to lose and they would fight to the end. At such a turn of events, perhaps, even the Americans would not protest if Russia moved its troops into Tbilisi in order to establish peace. Georgia would simply have been written off as a country, let alone as a democratic state and a reliable partner of the West.

To the credit of Saakashvili's government, as well as the majority of the opposition, it should be noted that they clearly recognized this threat. The government decided simply to ignore the rallies, waiting until the opposition ran out of steam. The opposition, however, initially made a serious mistake, putting forward the demand for Saakashvili's resignation but, at the same time, it acted with caution and attempted to prevent violence. As expected, Saakashvili was not frightened and did not resign but, simultaneously, he never tried making generous gestures like inviting the opposition to dialogue, thereby pursuing unbeatable tactics. As a result, the opposition was deadlocked. The situation deteriorated in early May when an attempted mutiny at a military base near Tbilisi was averted⁷ (according to the official version) and that was the end of it. Protest rallies gradually waned and rifts emerged among the opposition. Saakashvili's government was rescued and, at the same time, the country peacefully overcame another challenge. Much of the opposition realized that the era of rallies and, more so, of revolutions already belonged to the past. If some in Moscow truly expected unrest in Tbilisi, they had now to alter their plans.

But with all this the government still feared aggression from Moscow. The principal evidence for this was the so-called simulated newscast which developed the following scenario: the opposition does not recognize the results of the elections and expands the street protests which are followed by provocation, civil unrest, revolution and a march of Russian troops into Tbilisi.⁸ The infamous simulated newscast was released in 2010 - after the principal danger had passed and Georgia lived in relative peace, but local elections were forthcoming. And elections in Georgia always used to take the form if not of civil war, then at least of civil strife.

But contrary to such expectations, in May 2010, elections in Georgia took place peacefully and quietly. Perhaps, they were not completely honest (the ruling party won a landslide victory) but the opposition recognized the election results. This marked a new era in Georgian politics - the political class recognized elections as the only means for a power shift. A year later (in May 2011), one of the

4 For example, www.theatlantic.com/international/archive/2011/11/condoleezza-rice-warned-georgian-leader-on-war-with-russia/248560/

5 See: www.civil.ge/eng/article.php?id=20691&search=

6 For example, www.news.day.az/armenia/48909.html

7 See: www.civil.ge/eng/article.php?id=20854&search=

8 For details, see www.mignews.com/news/disasters/world/140310_102140_73471.html

opposition leaders, Nino Burjanadze, resorted to the “good old” street protests but she was almost isolated in her attempts which failed miserably. Burjanadze’s escort (who hastily retreated from the area after the legal time limit for the demonstration expired) ran over a police officer who died at the scene and the authorities dispersed Burjanadze’s supporters in an extremely cruel manner which resulted in casualties.⁹

These events additionally discouraged Georgian society from street methods and, at the same time, played a significant role in further discrediting Saakashvili whose party suffered defeat in parliamentary elections a year and a half later. It is safe to say that Saakashvili generally coped well with the difficult task of managing the country after losing the war. In 2009-2010, when Moscow still pondered on how to finish the job started in 2008, Georgia was rescued. It was assisted by the reset policy, which contained Moscow, but the moderate policy of the Georgian authorities themselves still played a significant part. In 2011, it became apparent that Saakashvili had exhausted himself and Georgia needed an alternative which did not take long to emerge in the person of Bidzina Ivanishvili who managed to unite the Georgian opposition. Although this is a different story.

Georgia’s foreign policy developed on par with domestic policy. Following the August war, the government of Georgia virtually found itself in diplomatic isolation. Saakashvili hardly managed to meet with the Western leaders. Unofficially, Georgia was placed under an arms trade embargo. It was evident that the process of integration into NATO could come to a standstill. However, almost immediately after the war (in September 2008), a joint commission between Georgia and NATO was established although, most likely, this was conceived as a response to Russian actions while in reality NATO perhaps did not fully realize what to do with Georgia which was facing a major crisis. Under such circumstances, all the Alliance could do was to wait for developments in the country and only then make decisions.

Seeing all of these difficulties, Georgian authorities took a bold step. Having overcome internal difficulties, it was decided to remind the West of the country’s existence through Afghanistan. The United States was in need of allies and Georgia could become such an ally. In 2010, Georgia became actively engaged in peacekeeping operations conducted in Afghanistan.¹⁰ This step had some success and Georgia began to send additional troops. Ultimately, if at the 2009 NATO Summit it was simply mentioned that the Alliance remained faithful to its 2008 decision (that Georgia and Ukraine would one day become members of NATO),¹¹ the Summit communiqué in 2010 stated that Georgia (alone, without Ukraine) would become a member of the Alliance as it was agreed at the 2008 Summit.¹² Georgia’s contributions in Afghanistan received special mention. The 2010 Summit reiterated all of the above and, in addition, included Georgia into the list of candidates, along with Bosnia, Montenegro and Macedonia. Georgia’s contribution in Afghanistan was even further commended.¹³

Beginning in 2010, Georgia began to gradually emerge from isolation. Official guests began visiting the country, the first being US Secretary of State, Hillary Clinton, and NATO Secretary General, Anders Fogh Rasmussen. Clinton publicly promised support for Georgia¹⁴ and this was what Saakashvili’s government needed - the support itself and a public proclamation of support. The October 2011 visit of the French President, Nicolas Sarkozy, to Georgia was seen as an event of immense significance¹⁵ - as a sort of end to isolation. By then, one more success had been achieved - the US Senate had adopted a resolution On the Occupied Territories of Georgia.¹⁶ Naturally, all of the above in no way pleased Moscow which believed that through war, Russia had permanently settled the

9 See: www.civil.ge/eng/article.php?id=23527&search=

10 See: www.in.reuters.com/article/2009/06/23/idINIndia-40547920090623

11 See: www.nato.int/cps/en/natolive/news_52837.htm

12 See: www.nato.int/nato_static/assets/pdf/pdf_2010_11/2010_11_11de1db9b73c4f9bbfb52b2c94722eac_pr_cp_2_010_0155_eng-summit_lisbon.pdf

13 See: www.nato.int/cps/en/natolive/official_texts_87593.htm?mode=pressrelease

14 See: www.civil.ge/eng/article.php?id=22484

15 See: www.civil.ge/eng/article.php?id=23988

16 See: www.civil.ge/eng/article.php?id=23811

problem of Georgia and that expressions of support on the part of NATO and the United States did not fit into the logic.

Georgia's relations with Russia remained strained. Realizing that the West expected constructive gestures of him, Saakashvili declared a unilateral commitment to the non-use of force to resolve issues of territorial integrity.¹⁷ Moscow did not react in a similar manner which certainly played into the hands of Georgia in the eyes of the West. Besides, Saakashvili repeatedly offered Moscow to convene at the negotiating table¹⁸ but, again, no response followed. The Russian government stood firm - Saakashvili¹⁹ was "unhandshakeable" and relations with Georgia could only improve after his departure. Saakashvili was in no way dispirited by such a reaction - he simply needed to demonstrate his good will at which he succeeded. Rapprochement with Russia would likely have prevented his ambitious plans to reform Georgia and create a new generation of Georgian-Europeans free of Russian influence. In general, he managed to both run the country without hindrance and reaffirm his positions globally.

However, together with the end to isolation came an end to Saakashvili's government on the international level. This became apparent during Clinton's final visit to Georgia which took place in June 2012. The Secretary of State spoke of a "democratic transfer of power"²⁰ making it clear that the US wanted to see a systemic shift and the progress of Georgian democracy. Without Saakashvili's departure, this was impossible.

Certainly, the US was well aware of the fact that Saakashvili was its loyal ally. It was also seen that Saakashvili successfully coped with a number of post-war issues with which he somehow made amends for August 2008. But despite all this, the United States had numerous reasons for desiring the departure of its ally. Firstly, the Georgian President was losing support in his homeland. Secondly, his second presidential term was due to expire and a "Putin scenario" in Georgia was categorically unacceptable for the Americans (Saakashvili would become Prime Minister and, in fact, the head of state), all the more that such signs were already present - in October 2010, the Parliament of Georgia adopted constitutional amendments²¹ according to which, following the 2013 presidential elections, the powers of the Prime Minister would increase and those of the President would decrease. It was difficult to believe that this was done solely for the sake of transforming Georgia into a parliamentary republic and not just for conveniently staging the "Putin scenario." In any case, Washington likely did not believe in such a development. The Obama administration needed to justify its support for Georgia and it would prove rather difficult if the latter had followed the suit of Russian "sovereign democracy." Georgia was obliged to make another leap in its development.

Conclusion

Paradoxically, it can now be concluded that the reset policy, which entailed the weakening of US attention towards Georgia, ultimately assisted the latter in democratic development. Finding itself facing a serious threat after the war, Saakashvili's government began to operate more cautiously and deliberately. Realizing that, unlike Bush, the Obama administration was not prepared to turn a blind eye on the violations of democratic norms, Saakashvili resorted to a number of concessions which opened the political field for the opposition and, ultimately, made possible that which was absent in Georgia since the restoration of its independence - a constitutional change of government. Many things - both positive and negative - can be said of Ivanishvili's government but one thing is undeniable: without this achievement (the constitutional shift in power), Georgian democracy would remain flawed. This was an imperative, systemic leap for development. The government of the first president, Gamsakhurdia, was overthrown in a military coup, Shevardnadze's government

17 See: www.civil.ge/eng/article.php?id=22880

18 For example, www.en.ria.ru/world/20110211/162560555.html

19 See: www.civil.ge/eng/article.php?id=23824&search=

20 See: www.civil.ge/eng/article.php?id=24853

21 See: www.civil.ge/eng/article.php?id=22717

- via a peaceful revolution and Saakashvili's government - through elections. As a result, the weakening of support from the US for a specific government of Georgia and demands to accelerate the democratization process benefited the country.

Besides, Georgia managed to re-launch the process of integration into NATO with renewed vigor through active participation in peacekeeping operations in Afghanistan. Certainly, the country is still rather removed from full-fledged membership but participation in NATO operations, coupled with democratic reforms, make Georgia a very strong candidate before which slamming the doors of the Alliance will become increasingly difficult.

Finally, another significant factor cannot go without mention: following the August war, Georgia received Russian military bases on its territories but, at the same time, it gained an opportunity to focus more on the issues of democratization and development. As long as Russian military bases remain deployed in Abkhazia and South Ossetia, chances for regaining control over these territories are reduced to zero. Thus, more time and energy remain to build a conventional state which may ultimately be capable of attracting the residents of Abkhazia and South Ossetia.

EASTERN PARTNERSHIP AFTER THE EU SUMMIT IN VILNIUS

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This paper offers an analysis of the reasons why the EU put forward the Eastern Partnership Program (EPP) for six post-Soviet states of Eastern Europe and the South Caucasus. Special address is dedicated to the EU's position on Georgia and Russian-Georgian relations and the prospects of the conclusion of framework documents with Ukraine and Moldova as well as the special position of Armenia. An effort is made to answer the question: What is there to expect following the EU Summit in Vilnius?

Late in November 2013, Vilnius hosted the European Union Summit dedicated to the activation of the Eastern Partnership Program (EPP) reserved for six post-Soviet countries – Azerbaijan, Armenia, Belarus, Georgia, Moldova and Ukraine. The declared goal of the program is to support the economic and democratic development of these countries, human rights and the elimination of negative developments such as negligence of the law, corruption and arbitrary rule. During the Summit, it was assumed that Ukraine would sign the Association Agreement (AA) with the EU while Moldova and Georgia would be initialing the same; that is, agreeing on the final texts of the documents. Armenia, Azerbaijan and Belarus also participated in the Summit with Belarus in attendance in the capacity of an observer.

Many international experts evaluate the Vilnius Summit as the ‘Summit of Broken Dreams.’ The largest of the failures was Ukrainian President Viktor Yanukovich’s refusal to sign the Association Agreement, a feat viewed by European leaders as ‘the consequence of Moscow’s pressure.’ Although Russian authorities did view the EU’s actions as an un-agreed attempt to intrude into Russia’s geographically and historically adjacent region and was putting some effort towards countering this, the Vilnius Summit has also proven itself unfruitful for other reasons as well.

In order to better understand the atmosphere of the preparation and holding of the Summit, it would do, at least briefly, to describe the nature of the Eastern Partnership Program (EPP) and the means and methods of its formation.

Initially, the Program (EPP) was considered as a component of the 2004 European Neighborhood Policy (ENP), pursuing the goal to surround the frontiers of the EU with friendly states, both democratically well-developed and posing no threats.

The ENP was quite loose and included a number of South Mediterranean countries as well and, along with these, Eastern European countries, Russia and Turkey.

In the spring of 2008, Poland and Sweden, evolving the initiative, proposed a special program for six particular states of the post-Soviet space, detailing the goals of their gradual approximation with EU standards; that is, the development of well-managed, democratic, economically free societies observing human rights. The majority of the population of these states was enthusiastic about the idea of ‘joining Europe,’ although not being fully aware of what kind of obligations were to be assumed in order to get European legal and labor standards of everyday life.

The reasons for forwarding such a program have been assessed in many ways. The Spanish newspaper, *El País*, believed it to be a counterweight to the French-initiated Union for the Mediterranean not to topple the balance in the EU at the expense of the Central and Eastern European countries. But there were other views as well: The main goal, as perceived by one Western European diplomat, was to use ‘soft power’ to ‘anchor the six as they managed to do in the Balkans by that time’¹

1 See: www.alleuropa.ru/index.phpview=article&catid+62+2011-06

and so weaken the ties these countries had with Russia.

The advance of the Eastern Partnership has been made easier but created controversies between Russia and its CIS partners. The Program has found its final shape following the Russian-Georgian conflict of 2008 when the EU scathingly criticized Russia for 'going beyond necessary self-defense.' In the winter of 2008, the EU actively interfered in the 'gas war' between Russia and Ukraine. In May 2009, during a joint Summit of the EU and six invitee states, the announcement of the Eastern Partnership Program was made.

It should be noted that the Summit was underestimated and ignored by the leaders of the largest European countries (of these, only Angela Merkel was present). The Presidents of Belarus and Moldova, A. Lukashenko and V. Voronin, were also absent. The 'Eastern Partners,' having been invited to the Summit, were disappointed with the EU's decision to allocate a meagre EUR 600 million and only until 2013 for the support of the efforts of the democratization of the whole 'Six' although no decision was made on the gradual liberalization and prospective cancellation of the visa regime with the EU. Even the approximate terms of integration of at least the most advanced of the 'Six' into the EU were also not announced while the ensuing documents continually stressed that the Eastern Partnership 'does not provide an open path to EU membership' at all.

According to the Polish Ambassador to the Russian Federation, Wojciech Zajączkowski, as expressed in his interview with the informational agency *Regnum* (September 23, 2011), the Eastern Partnership Program is based on the principle of the counteraction of the EU to the specific achievements of the participating states. At the same time, the success of one of the states, like Ukraine which was offered the possibility to sign the Association and Deep and Comprehensive Free Trade Agreements with the EU even back at the time, should not hinder the development of others.

European analysts noted that, unlike the ENP and the Black Sea Synergy Program, neither Russia nor Turkey were offered a place in the Eastern Partnership Program.² And even though it is obvious that both of these countries have their own EU partnership programs (Turkey being an Associated Member and Russia enjoying the status of a Strategic Partner), the politicians in both countries were gradually growing more and more cautious. Russia now began broadcasting its displeasure at the enhanced cooperation of the post-Soviet countries within the Eastern Partnership, now applying direct pressure as was revealed during Vice Prime Minister Dmitri Rogozin's visit to Moldova. Advisor to the President of the Russian Federation, S. Glazyev, even back then was forecasting the possible decline of more than a voluminous economic exchange between Ukraine and Russia up to the very abolition of the free trade regime.

In his interview to *RIA Novosti*, Permanent Representative of the Russian Federation to the EU, V. Chizhov, said: "There are no grounds whatsoever to call the Eastern Partnership an association. This is just a project, an EU initiative, undergoing a challenging and much complicated formation stage." Chizhov also marked out that the Program is perceived much differently by the participating countries themselves: "Some believe it to be a political instrument allowing them to avoid engagement with the prospective of full membership in the EU while others again consider it an attempt to forcibly drag them into cooperation with the EU."³

Restrictive measures adopted by Russia against trade with Ukraine prior to the Vilnius Summit in relation to Kyiv's plans of signing the Association Agreement with the EU have been deemed by EU leaders as unacceptable. At the same time and beyond any doubt, they did understand the undesirability of complicating relations with Russia while the latter was seeing the Eastern Partnership as an attempt to intrude into the 'lawful area of its interests.' It was no accident for the Minister of Foreign Affairs of Germany, Guido Westerwelle, to make a statement on the eve of the Summit declaring the Eastern Partnership as not being directed against Russia and inviting Russia to "invest together into a good neighborhood in support of sustainable democratic societies based on the rule

² See: *ISBSS Policy Brief #12*, February 2009, p. 3.

³ See: www.yerkramas.org/3013/03.21

of law and operating in a reliable business environment.”⁴

In the heat of the debate that ensued, the parties tended to forget that Ukraine’s (as well as many other Eastern Partnership countries’) European drive has been evident as early as the end of the 1990s when then President, Leonid Kuchma, declared Ukraine’s strategic choice in favor of the EU in 1998. Certain steps have been taken by Viktor Yushchenko and Yulia Tymoshenko as well and it is not by accident that a part of European politicians rightly sees repressive measures against Ukraine as being at odds with its political choice.

Not only the position of Ukrainian politicians but also public opinion, however wavy as it remains, should be taken into account. Talking at the Radio Freedom show in late August 2013, Ukrainian journalist, Vitaliy Portnikov, mentioned the curious regularity of the public opinion polls in Ukraine in the lead-up to the EU’s Vilnius Summit. The majority of the respondents do not consider themselves to be Europeans but believe European integration to be necessary and show zeal for the Association Agreement. At the same time, a considerable part of the respondents is equally zealous about signing an agreement with the Customs Union while signing agreements with both Brussels and Moscow is viewed as just the best option of all.

According to Portnikov, this means that Ukrainian society is still undecided on the *benefits*, not the *values*, and that European identity is not yet sustainable.⁵ Notwithstanding, the mass protests in Kyiv, Lviv and several other Ukrainian cities upon President Yanukovich’s refusal to sign the Association Agreement in Vilnius have demonstrated that a large part of the Ukrainian public prefers the European way of development. In the meanwhile, the populations of the economically developed eastern and south-eastern regions of Ukraine were holding on to a moderate stand for fear of losing jobs if economic ties with Russia were to be disrupted.

Apart from Ukraine, the spotlight of the Vilnius Summit was on Georgia and Moldova. As early as late June 2013, Georgia successfully completed negotiations with the EU on free trade and was ready to engage on Association Agreement negotiations although intensified internal political tensions on the eve of the presidential elections in Georgia made the EU lower the level of negotiations to free trade discussions and the initialing of the Association Agreement. Nevertheless, according to the Minister of Foreign Affairs of Georgia, Maia Panjikidze, the Association Agreement initialed in Vilnius will give Georgia an opportunity to become part of a pan-European economic space as Georgia will become more attractive to foreign investors that further will be able to attain the market of the whole of the EU.⁶

The evaluation of Russian experts differed somewhat, pointing out that removing barriers by virtue of agreements of the kind is not equally profitable for every party involved but only for those who are prepared to supply better quality goods for lower prices. Non-competitive economies, such as, for instance, Bulgarian, might suffer and an agreement of the kind will only lead to the bankruptcy of local producers and the saturation of the market with low-quality European goods.

Similar to Ukraine, in Georgia the also majority pro-European public opinion should be taken into consideration. As has already been noted, the military conflict of 2008 was one of the main triggers for the development of the Eastern Partnership Program (and not only in Georgia) as Russia’s actions perplexed not only post-Soviet countries but the EU itself, showing that Russia is ready to go far in defense of its interests.⁷

That is why the signing (or initialing) of the Agreement with Georgia has not only economic but also quite an essential political context, a feat repeatedly spoken about by the former Prime Minister of Georgia, Bidzina Ivanishvili. At the same time, early in October 2013, meeting with members of the Political and Security Committee of the EU Council, Ivanishvili stressed the importance of an

4 See: www.newsgeorgia.ru.world/2013.10.11/215945982.print.html

5 See: www.svoboda.org/articleprintview/25090957/html

6 See: www.georgiatimes.info/news954457html

7 See: www.inrussia.org/30.09.201

intensive and essential dialogue between the EU and Russia to dispel the latter's perception of the increasing affinity of ENP countries to the EU as an anti-Russian policy. As stressed in his recent article by Georgian analyst, Ivlian Khaindrava, there is still no answer to one of the most urgent questions of what are the prospects of the normalization of mutual relations with Russia against the background of an unaltered Euro-Atlantic integration course.⁸

The Vilnius Summit also witnessed the initialing of the Association Agreement with the Republic of Moldova. As a consequence, foreign policy strategy also became the number-one topic in Moldova for 2014. The ruling coalition (the Liberal-Democratic Party of Moldova and the Democratic Party of Moldova) stresses European integration as a principally important issue along with continual assertions that Moldova should be a meeting place – but not a battlefield – of affinity between Europe's West and East.

According to Moldovan analysts, the Republic of Moldova, being part of Central Europe constituting geographically the so-called 'European borderland,' was quicker than others in taking up the prospects of 'joining Europe.' Although the main sector of economy in its main right-bank parts is agriculture, politically, Moldova managed to display a certain level of European political culture, being the only one in the whole post-Soviet space to continuously replace its Parliament and President legally for two decades, through the electoral preferences of the voters.

This was apparently the reason for European politicians to declare Moldova the 'Flagship of the Eastern Partnership.' On the other hand, in his conversation with European Commissioner, Ștefan Füle, the former Prime Minister of Moldova, Vladimir Filat, described Moldova's European integration as the 'process of the elites, not the people' and recent developments show that he was right. "As Vilnius approaches, Moldovan society finds itself more and more divided," said the newspaper *Panorama*. On the everyday level, citizens worry more and more about possible sanctions Russia might apply like banning exports of wines and agricultural goods, introducing visas for labor migrants whose number might vary from 60 to 700 thousand people with their possible deportation and, finally, loss of a certain part of their territory – Transnistria.

On the verge of the Vilnius Summit, the Social-Democratic and Communist parties of Moldova organized mass protests against the decisions of the authorities not to hold a plebiscite on joining the Customs Union. Communists (PCRM) are against Moldovan participation in the Eastern Partnership regardless of the fact it was the very party whose leader, V. Voronin, declared European integration as the new course in 2002. Today, the PCRM has dubbed the Eastern Partnership a 'Vilnius Conspiracy,' claiming it plots to 'draw new dividing lines on the European continent.'

Adoption of the Eastern Partnership Program by Moldova led to a new burst of 'unifying' aspirations of Romania whose President, Traian Băsescu, stated that 'unification with Moldova should become the third national project of Romania following admission to the EU and NATO.' The Prime Minister of Moldova, Iurie Leancă, visiting Hungary, hurried to relieve tension in Moldovan society by stating that the 'problem of unification with Romania is not on the agenda.'⁹

Moldova initialed the Free Trade Agreement in Vilnius but European Commissioner, Ștefan Füle, did state that the initialing of the agreement by no means should have meant Moldova's giving up of the eastern market and labor migration to Russia, adding that European integration cannot be the process for elites only but should accommodate the interests of the whole society. Füle also mentioned that as early as in the beginning of September, the European Parliament passed a resolution calling upon Russia to respect the right of the Eastern Partnership countries to be free in their choice, whether to sign Association Agreements with the EU or not and to forbear from pressuring Ukraine and Moldova through economic sanctions or Armenia through direct threats.¹⁰

Many forecasts and concerns about the future of the Eastern Partnership Program, in essence, did

8 See: Ивлиан Хаиндрава, От революции к кохабитации, Южный Кавказ: потенциал мира, свободы и процветания, Тбилиси, 2013.

9 See: *Независимая газета*, 26.12.2013.

10 See: www.regnum.ru/news/170687.html

come through at the Summit held on November 28-29.

Armenia found itself in the most complicated condition, being under constant pressure about the Nagorno Karabakh conflict. As is known, following the negotiations of Serzh Sargsyan with Vladimir Putin in Moscow on September 3, the President of Armenia did announce that Armenia will not be initialing the agreement with the EU but, to the contrary, will join the Customs Union (CU) and, later on, participate in the formation of the Eurasian Economic Union. Soon after, the Russian business newspaper, *Vzgliad*, published information about the benefits (as calculated by the Eurasian Bank) that Armenia will get from joining the CU (a reduction of the natural gas price Russia supplies Armenia from USD 270 to 180, a positive trend of support for Armenian labor migrants, the removal of fees and other preferences). According to some experts, however, the decision was mainly imposed not by economic consideration but, rather, by concerns related to the possible escalation of the conflict in Nagorno Karabakh.

Nevertheless, in his speech at the Vilnius Summit, President of Armenia, Serzh Sargsyan, noted that the major goal for Armenia is the development of an efficient means of cooperation with the EU that, on one hand, would reflect the nature of deep mutual socio-economic and political relations while, on the other, would be compatible with other means of cooperation. Sargsyan also noted that the five-year long history of the Eastern Partnership is proof of the necessity and viability of cooperation formats of this kind.¹¹

As for Azerbaijan, although not refusing to participate in the Vilnius Summit, it took up a special position based on the special nature of its relations with EU member states in the field of energy carriers' supply and signed an agreement on the easing of visa restrictions which it was offered. According to some Russian analysts, Azerbaijan is not against Europe. It simply does not need such a level of integration that would put even a virtual question mark over the economic and political monopoly of the current regime.¹²

And, finally, not only for the realization of the Eastern Partnership Program but for Russia as well, China continues to gain weight. Investing billions into joint projects, China offers 'to set up partner relations' and underlines the 'importance of political sovereignty and independence.' The outcomes of the sudden and unexpected visit of Viktor Yanukovich to Beijing at the very height of the November crisis in Ukraine call that into question. Following the visit, construction in the region of Sevastopol of a deep-water trans-shipping port was decided upon with China allocating USD 10 billion for the purpose. China's advancement westward through Central Asia and the Black Sea area, asserted as a renaissance of the Great Silk Road, might impose certain threats upon European and Eurasian geopolitical plans.

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It would be premature to already draw conclusions from the Vilnius Summit but it is clear even now that it marked the inception of changes in the Eastern Europe region and testified to the evident change of mass perception in largest and most significant regional state – Ukraine. Brussels was ready to sign the Association Agreement with Ukraine on any conditions even upon completion of the Summit, referring to the mass support of European integration by the population, but did not exhibit any readiness to offer Ukraine economic support in the face of an economic crisis escalating through the loss of Russian markets. The loss of Russian markets, not only by Ukraine but by other countries of the Eastern Partnership, cannot be compensated for by the EU because their share in the foreign trade of the EU member states is extremely negligible (according to Eurostat, in 2012 it amounted to 2.3% in export and 2.0% in import).

It follows, then, that post-Vilnius problems are gaining mainly a political or, even up to a point, geopolitical nature. This has been discussed in an editorial in the British *Financial Times* – 'Russian-led

11 See: www.regnum.ru/news1739043.html

12 See: *Новая газета*, 02.12.2013.

union threatens to divide Europe anew' so the EU should 'try to calculate and make provisions for the probable scale of Moscow's answer.'¹³

The experience of the previous decades of the twentieth century has shown how dangerous and undesirable the creation of dividing lines of various kinds and the formation of confronting blocs in Europe can be. In order to avoid it, all sides should exert some effort and, as a first step, agree upon the 'rules of the game' that would avoid mutual exclusiveness of the trade procedures in the EU and the Customs Union. A wider range of topics with the participation of all parties concerned – the Eastern Partnership countries themselves, the EU and Russia – should also be negotiated upon.

At the same time, young Eastern European states, including Russia, should define their priorities of further development – transition, through considerable effort, to market democracy founded on the respect of basic human rights or sticking to conservative governance not requiring any effort on the part of the main portion of the population. Recent events in Ukraine testify that the necessity of making such a choice led to a search for mutual compromises, laying down the foundation for a new grassroots movement, the *Euromaidan*, that gathered societal groups, different by their political nature, under the European aspiration.

Similar processes are afoot in Georgia which initialed the Association and Free Trade Agreements in Vilnius. According to Georgian analysts, the perception of the necessity of the modernizing of the economy and the governance system for thorough reformation, however painful for the society, is ripe among educated layers of Georgian society. The conducting of these reforms would require the cooperation (cohabitation) of internal societal forces.¹⁴

The foreign factor is of no less importance – Georgia must search for its own place in Europe and in the region. In the words of reputed Georgian politician, and Chairman of the Foreign Relations Committee of the Parliament of Georgia, Tedo Japaridze, this is a 'regional architecture of such a kind that would not exclude Russia but would not provide for its leading role, either.'¹⁵

With Russia, but not *in* Russia 'might become our common goal,' concludes Japaridze and such a conclusion seems of importance not only for Georgia.

13 See: www.inosmi.ru/world/2014.01.04/216241640.print.html

14 Ивлиан Хаиндрава, *Ibid.*

15 Тедо Джапаридзе. Поиск соседа: с Россией, но не в России. – Россия в глобальной политике. 30.12.2013. www.globalaffairs.ru/global-processes/Poisk-soseda-s-Rossiei-no-ne-v-Rossii-16299

COMPARATIVE ANALYSIS OF THE MODELS OF ECONOMIC DEVELOPMENT OF GEORGIA AND RUSSIA

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Summary

This paper investigates the peculiarities of the models of economic development of Georgia and Russia. Taking into account the catch-up effect, the paper shows adjusted economic growth indicators of these countries during the post-Soviet period. Due to the presence of necroeconomy in both countries, the so-called “post-Soviet post-industrialism” is analyzed. The large scale of Russia’s economy has aggravated the issue of necroeconomy more in Russia than in Georgia which manifested in the global financial and economic crisis. It has been shown that both in Georgia and Russia, essentially identical consumer models of development of poor countries have established. In order to transfer to an innovative model of economic development, it is essential to stimulate the interest of the private sector of the economy and, towards this end, the exchange of relevant experience would prove mutually beneficial.

Introduction

The problem of the selection of the model that would ensure sustainable economic development is one of the most relevant issues both for economic theory as well as for economic policy. Unfortunately, it should be noted that the generally accepted model of economic development, based on innovation economics, was gradually supplanted by a model of financial economics,¹ which eventually led to a global financial crisis, escalating into an economic crisis. As a consequence, the modern world, especially due to the financial and economic crisis, continues the search for a new model of economic development.

Not surprisingly, this problem is no less of a concern of the post-Soviet countries for which the focus on an economic model that would ensure sustainable development has been – and remains – one of the most critical in the process of transitioning to a market economy.

In researching the problem of economic relations between Georgia and Russia in the post-Soviet era,² as well as the evolution of these relations,³ especially against the background of the recent Russian-Georgian conflict,⁴ the comparative analysis of existing models of economic development acquires considerable importance.

The *purpose* of the paper is to study the peculiarities of the economic development of Georgia and Russia in the post-Soviet period and compare the prevailing models of economic development in order to identify priority tasks, the resolution of which should facilitate the transition to a new model of sustainable economic development.

Prior to proceeding to the analysis of the models of economic development of Georgia and Russia, it is advisable to consider the dynamics of economic growth in these countries in the post-Soviet

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- 1 A. E. Gorodetsky, “Antikrizisnoe regulirivanie i modeli postkrizisnogo razvitija Rossii [Crisis Management and Post-Crisis Development Model in Russia],” *Ekonomika Ukrainy [The Economy of Ukraine]*, 2013, No. 5, p. 67 (in Russian).
 - 2 E.g., V. Papava, “Post-Soviet Economic Relations between Georgia and Russia: Reality and Development Potential,” in *Russia and Georgia: The Ways Out of the Crisis*, G. Khutsishvili, T. Gogueliani, eds., Tbilisi, ICCN, 2010.
 - 3 V. Papava, “The Evolution of Economic Relations between Georgia and Russia in the Post-Soviet Period: Past Trends and Perspectives,” in *Russia and Georgia: Searching the Way Out*, Tbilisi, GFSIS, 2011, www.gfsis.org/media/download/library/articles/RUSSIA_AND_GEORGIA_SEARCHING_THE_WAY_OUT_English_Publication.pdf.
 - 4 V. Papava, “The Economic Component of the Russian-Georgian Conflict,” *The Caucasus & Globalization*, 2012, Vol. 6, Issue 1.

period which will allow, at least in general terms, for characterizing their economic development in the post-Soviet era.

On the Quantitative Characteristics of Post-Soviet Economic Growth

It is well known that the comparison of the rates of economic growth across countries and regions constitutes one of the problems of measuring economic growth. The essence of the problem is that because of diminishing returns of capital, *ceteris paribus*, in countries with relatively low levels of economic development it is easier to achieve higher growth rates than in countries with more developed economies. In economics, this phenomenon is named the “catch-up effect”⁵ or convergence. Only the leveling of the catch-up effect in economic growth indicators will make it possible to compare the latter, regardless of the levels of development of various countries.

Based on the hypothesis of the proportional overlapping of the catch-up effect, we have developed a method of calculating the rates of economic growth, taking into account the catch-up effect.⁶ This hypothesis is based on the assumption that if the level of economic development of a country is n times higher than the level of economic development of a second country, then achieving the same economic growth rates in the first country will be n times more difficult than in the second. At the same time, gross domestic product (GDP) per capita is utilized as the indicator of economic growth.

The following table (see p.63) presents the World Bank’s economic growth⁷ data and the level of economic development of Georgia and Russia over the period of 1992-2012.

According to the economic growth indicators for Georgia and Russia over the 20-year period of post-Soviet development, in most cases, the situation in Georgia was more favorable (i.e., the growth rate was higher and the rate of recession – lower) than in Russia. In particular, economic growth in Russia exceeded that in Georgia only in seven (1992, 1993, 1999, 2000, 2001, 2004 and 2008) of the 20 years. At the same time, levels of GDP per capita in Russia throughout the entire 20-year period are significantly higher than in Georgia (the lowest figure for Russia exceeded the analogous figure for Georgia by 2.13 times in 1999 and the highest figure – by 5.33 times in 1993).

Consequently, owing to the catch-up effect, achieving better indicators for economic growth in Georgia was easier than in Russia.

The table above provides data for hypothetical economic growth rates in Georgia calculated on the basis of the proportional overlapping of the catch-up effect. Comparing these figures with the figures of actual economic growth rates in Russia, we find that during the review of the 20-year post-Soviet period, in most cases, the situation in Georgia was worse (i.e., the growth rate was lower) than in Russia. In particular, the hypothetical economic growth rates for Georgia are better than the actual economic growth rates in Russia during the early years (1992-1998) after the collapse of the USSR and in 2009. Following these periods, economic growth rates in Russia significantly outperform the hypothetical economic growth rates in Georgia;⁸ in 2009, during the economic and financial crisis, the economic downturn in Georgia at both actual and hypothetical levels was less than that in Russia.

5 N. G. Mankiw, *Principles of Economics*, Mason, Thomson South-Western, 2004, pp. 546-547.

6 V. Papava, “Economic Growth in the Central Caucaso-Asian Countries Adjusted for the Catch-Up Effect” *Central Asia and the Caucasus*, 2012, Vol. 15, Issue 4; V. Papava, “Problema efekta bystrogo starta i prostranstvennoe sravnenie pokazatelei ekonomicheskogo rosta [The Problem of the Catch-Up Effect and Spatial Comparison of Economic Growth (The Case of the Eastern Partnership Countries)],” *Ekonomika Ukrainy [The Economy of Ukraine]*, 2013, No. 1 (in Russian).

7 As is known, in practice, in order to measure economic growth, the rate of increase of real GDP growth is usually employed.

8 On the retrospective analysis of economic growth in Russia see A. Aganbegyan, “O meste ekonomiki Rossii v mire (po dannym o mezhdunarodnom sravnenii valovogo vnutrennego produkta) [On the Place of Russia’s Economy in the World (As per the New Data on the International Comparison of GDP)],” *Voprosy ekonomiki [Issues of Economics]*, 2011, No. 5 (in Russian).

Economic Growth Rates and Levels of Economic Development of Georgia and Russia in the Years 1992-2012

Years	Economic growth rates *		GDP (in US dollars) per capita **		The ratio of the actual economic growth indicators in Georgia to those in Russia	The coefficient of the proportional overlap of the catch-up effect (the ratio of GDP per capita in Russia to that in Georgia)	Hypothetical economic growth rates in Georgia	Ratio of hypothetical economic growth rates in Georgia to the actual economic growth rates in Russia
	Georgia	Russia	Georgia	Russia				
1992	-44,9	-14,5	757	3095	3,10	4,09	-10,98	0,76
1993	-29,3	-8,7	550	2929	3,37	5,33	-5,50	0,63
1994	-10,4	-12,6	517	2663	0,83	5,15	-2,02	0,16
1995	2,6	-4,1	569	2670	-0,63	4,69	0,55	-0,14
1996	11,2	-3,6	670	2651	-3,11	3,96	2,83	-0,79
1997	10,5	1,4	775	2749	7,50	3,55	2,96	2,11
1998	3,1	-5,3	805	1844	-0,58	2,29	1,35	-0,26
1999	2,9	6,4	629	1339	0,45	2,13	1,36	0,21
2000	1,8	10	692	1775	0,18	2,57	0,70	0,07
2001	4,8	5,1	734	2101	0,94	2,86	1,68	0,33
2002	5,5	4,7	779	2375	1,17	3,05	1,80	0,38
2003	11,1	7,3	922	2976	1,52	3,23	3,44	0,47
2004	5,9	7,2	1187	4109	0,82	3,46	1,70	0,24
2005	9,6	6,4	1470	5337	1,50	3,63	2,64	0,41
2006	9,4	8,2	1765	6947	1,15	3,94	2,39	0,29
2007	12,3	8,5	2318	9146	1,45	3,95	3,12	0,37
2008	2,3	5,2	2920	11700	0,44	4,01	0,57	0,11
2009	-3,8	-7,8	2441	8616	0,49	3,53	-1,08	0,14
2010	6,3	4,5	2614	10710	1,40	4,10	1,54	0,34
2011	7	4,3	3220	13284	1,63	4,13	1,70	0,39
2012	6	3,4	3508	14037	1,76	4,00	1,50	0,44

* GDP growth (annual %), *The World Bank*, 2013, online at <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>

** GDP per capita (current US\$), *The World Bank*, 2013, online at <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>

In summary, it can be concluded that overall, the economy in Georgia grew faster during the period of 1992-1998 than the economy of Russia and beginning in 1999 (with the exception of recessionary 2009), Russian economic growth has been significantly superior to the economic growth in Georgia.

In order to understand the reasons behind these indicators of economic growth, it is necessary to understand the qualitative characteristics of the economy of the post-Soviet period.

On the Features of “Post-Soviet Industrialism”

Unlike the conventional content (which has already become classic) of the concept of “post-industrial society,”⁹ the deindustrialization of post-communist countries, with some irony, could qualify

9 E.g., D. Bell, *The Coming of Post-Industrial Society: A Venture in Social Forecasting*, New York, Basic Books, 1976; V. L. Inozemtsev, ed., *Novaija postindustrial'naija volna na Zapade [New Wave of Post-Industrial West: An Anthology]*, Moskva, «Academia», 1999 (in Russian); F. Block, *Postindustrial Possibilities: A Critique of Economic Discourse*, Berkeley, University of California Press, 1990.

as «ugly post-industrialism» and, rather, as «post-Soviet, post-industrialism.»¹⁰ The fact is that in these economies, the decrease in the share of industry was not due to the growth of high-quality innovative services but, rather, an immediate decline in industrial production, in some cases, in the absence of any significant development services of the aforementioned nature.

As is known, following the collapse of the Soviet Union, the large-scale deindustrialization of the Russian (and the entire post-Soviet) economy took place, resulting in many sectors and industrial enterprises (which had laid the foundation for the Soviet economy) being lost.¹¹

The reason for this was the phenomenon of «necroeconomy» which combines so-called dead enterprises (because of the inability to produce competitive goods) and is the result of the negation of competition in a command economy.¹² Naturally, necroeconomy in itself does not exist in a healthy market economy system since the operation of non-competitive enterprises leads to the impossibility to sell their products, resulting in the insolvency of these enterprises, which ultimately leads to their bankruptcy.

Due to the fact that necroeconomy was conceived in the bowels of the command economy and the post-Soviet experience of transition to a market economy has shown that the process of this transition could not rid the economy of the dead enterprises, the established societal system can be described as post-communist capitalism.¹³

As recorded in the first years after the collapse of the USSR, the economic downturn both in Georgia and Russia (see table) was largely determined by the necroeconomy. In particular, potentially dead enterprises, while continuing to operate in the non-existent mode of command economy, led to their warehouses being loaded with non-competitive goods; the impossibility, in principle, of their sale resulted in the accumulation of nonpayment of wages, bad debts to the national budget, social funds, the energy sector and other enterprises. This gave rise to a tangled web of mutual debts of enterprises.¹⁴

The absence in the post-communist (and not only) countries of effective bankruptcy legislation,¹⁵ as well as a lack of the political will of the respective governments to adopt and engage a capable of functioning bankruptcy law, led to the preservation of the dead enterprises.

Due to social instability from the very beginning of the transition to a market economy, there was a danger of mass bankruptcy of Russia as a result of which Russian bankruptcy legislation was practically inapplicable.¹⁶ In turn, state aid to enterprises of the necroeconomy allowed them to continue

10 The new phenomenon of “post-socialist post-industrialism” is described in the article by A. E. Gorodetsky, “Antikrizisnoe regulirivanie i modeli postkrizisnogo razvitija Rossii [Crisis Management and Post-Crisis Development Model in Russia],” No. 5, p. 68.

11 E.g., A. E. Gorodetsky, “Antikrizisnoe regulirivanie i modeli postkrizisnogo razvitija Rossii [Crisis Management and Post-Crisis Development Model in Russia],” No. 4, p. 72.

12 V. Papava, “Nekroekonomika – fenomen poskommunisticheskogo perekhodnogo perioda [Necroeconomics – A Phenomenon of the Post-Communist Transition Period],” *Obshchestvo i ekonomika [Society and Economics]*, 2001, No. 5 (in Russian); V. Papava, “Necroeconomics – The Theory of Post-Communist Transformation of an Economy,” *International Journal of Social Economics*, 2002, Vol. 29, No. 9-10; V. Papava, *Necroeconomics: The Political Economy of Post-Communist Capitalism*, New York, iUniverse, 2005.

13 V. Papava, T. Beridze, *Ocherki politicheskoi ekonomii postkommunisticheskogo kapitalizma (Opyt Gruzii) [Essays on the Political Economy of Post-Communist Capitalism (The Experience of Georgia)]*, Moskva, “Delo i Servis,” 2005 (in Russian).

14 E.g., A. Åslund, *Rossija: Rozhdenie rynochnoi ekonomiki [Russia: The Birth of a Market Economy]*, Moskva, Republic, 1996, pp. 256-264 (in Russian); A. Åslund, *Building Capitalism: The Transformation of the Former Soviet Bloc*, Cambridge, Cambridge University Press, 2002, pp. 244-248, 328-330, 333-337.

15 E.g., S. Claessens, S. Djankov, A. Mody, eds., *Resolution of Financial Distress: An International Perspective on the Design of Bankruptcy Laws*, Washington, D.C., World Bank, 2001.

16 B. Sokolin, *Krizisnaja ekonomika Rossii: Rubezh tysiachalennii [Crisis Economics in Russia: Millennial Frontier]*, Sankt Peterburg, Liki Rossii, 1997, p. 168.

their operation.¹⁷

Although in Georgia, in the absence of effective bankruptcy laws, there have also been attempts by the government to maintain the necroeconomy but the liberalization of foreign trade policy,¹⁸ coupled with the scarcity of public resources, led to an actual shutdown of many dead enterprises.¹⁹

It should be noted that the difference in approaches to government support of necroeconomic enterprises in Georgia and Russia mostly stemmed from the fact that the Georgian state, unlike Russia, possessed significantly limited financial resources, including for the purpose of maintaining these dead enterprises.

However, in times of the absence of crises in large countries (such as Russia), the problem of necroeconomy is less acute than in relatively small countries (such as Georgia), since necro-enterprises, due to the large scale of their economy, with government support, have the opportunity to compete amongst themselves²⁰ which creates the illusion of the absence of necroeconomy. In small countries, the problem is more acute since for many necro-enterprises there are simply no other analogues within the country.²¹

Because of the relatively smaller-scale necroeconomy in 2009; i.e., in the midst of the global financial and economic crisis, the downturn in the economy of Georgia, compared with the decline in Russia (see table), was much more moderate. This is not surprising since it is in the conditions of financial and economic crisis that necroeconomy makes itself felt via a significant decline in industrial production caused by a moral depreciation of plant of necroeconomic firms concentrated in industry.²²

It must be emphasized that in the context of the global financial and economic crisis, measures taken by the governments of Georgia and in Russia²³ did not substantially differ from those that were commonly used in post-communist countries,²⁴ as well as throughout the world,²⁵ and are based on

17 B. Lindsey, *Against the Dead Hand: The Uncertain Struggle for Global Capitalism*, New York, John Wiley & Sons, 2002, pp. 126, 153; A. Shleifer, D. Treisman, *Without a Map: Political Tactics and Economic Reform in Russia*, Cambridge, MIT Press, 2000, pp. 106-107.

18 E.g., V. Papava, T. Beridze, "Industrial Policy and Trade Regime in Georgia," *Eurasian Studies*, 1996/1997 Vol. 3, No. 4.

19 V. Papava, M. Tokmazishvili, "Necroeconomic Foundations and the Development of Business in Post-Revolution Georgia," *The Caucasus & Globalization*, 2007, Vol. 1 (4).

20 E.g., M. Schaffer, B. Kuznetsov, "Productivity," in *Can Russia Compete?*, R. M. Desai, I. Goldberg, eds., Washington, D.C., Brookings Institution Press, 2008.

21 E.g., V. Papava, M. Tokmazishvili, "Necroeconomic Foundations and the Development of Business in Post-Revolution Georgia."

22 A. Illarionov, "Noijabr'skii spad promyshlennogo proizvodstva – Katastrofa, kotoraija usugubljaetsija leistvijami vlastei [The November Decline in Industrial Production – A Disaster Compounded by the Authorities' Actions]," *Institut ekonomicheskogo analiza [Institute of Economic Analysis]*, www.iea.ru/macroeconom.php?id=14 (in Russian); A. Illarionov, "Eto – katastrofa. Bespretsedentyi promyshlennyi spad noijabrija [This is a Disaster. Unprecedented Industrial Decline in November]," *Institut ekonomicheskogo analiza [Institute of Economic Analysis]*, www.iea.ru/econom_rost.php?id=26 (in Russian).

23 V. Papava, *The Economic Development Complex in the Black Sea Area: The Impact of the Global Financial and Economic Crisis*, Xenophon Paper, No. 9, Athens, ICBSS, 2010, pp. 45-48, 54-58, http://icbss.org/media/113_original.pdf.

24 E.g., V. Papava, "Problema zombirovanija poskommunisticheskoi nekroekonomiki [The Problem of Zombification of the Post-communist Necroeconomy]," *Vestnik Instituta Kennana v Rossii [The Kennan Institute Bulletin in Russia]*, 2009, Issue 15 (in Russian), www.kennan.ru/index.php/kennan/content/download/1348/7622/version/3/file/Vestnik_15.pdf; V. Papava, "Economy of the Post-Communist Capitalism under the Financial Crisis," *Studies in Economics and Finance*, 2010, Vol. 27, No. 2; V. Papava, "Post-Communist Capitalism and Financial Crisis or the Mixing of the Necroeconomics and the Zombie-Nomics," *Georgian International Journal of Science and Technology*, 2010, Vol. 2, Issue 1; V. Papava, "The Problem of Zombification of the Post-communist Necroeconomy," *Problems of Economic Transition*, 2010, Vol. 53, No. 4.

25 E.g., C. Harman, *Zombie Capitalism. Global Crisis and the Relevance of Marx*, Chicago, Haymarket Books, 2010; Y. Onaran, *Zombie Banks. How Broken Banks and Debtor Nations are Crippling the Global Economy*, Hoboken, John Wiley & Sons, 2012; J. Quiggin, *Zombie Economics. How Dead Ideas Still Walk Among Us*, Princeton, Princeton University Press, 2010.

the Japanese miserable experience of the zombie economy;²⁶ i.e., the preservation of non-competitive firms that have turned into such due to the crisis. The difference between these countries was only in the scale of state support to firms on the verge of bankruptcy.

On the Consumer Model of Economic Development of Poor Countries

In describing the current model of economic development of Georgia and Russia, it is necessary to emphasize that despite the fact that there are significant differences between them, these models are largely similar. Let us consider the models separately.

Georgia's Model. While referring to the pattern of economic development in Georgia, it must be highlighted that for over 20 years of independent statehood, the issue of choosing a path of development has always remained topical for Georgia.²⁷

The current model of economic development of modern Georgia, unfortunately, is based not so much on production growth but, rather, on **stimulating consumption**.

Stimulating consumption without proper development of real economy has led to the fact that in recent years, import has been three times greater than export.²⁸

The focus of the Georgian economy on consumption, rather than on production, is also evidenced by the fact that the total volume of private and public consumption equals approximately 90% of GDP.²⁹

With the relative backwardness of production, growth in consumption is ensured due to the inflow of funds from abroad: in the first years after the Rose Revolution, this was primarily carried out through foreign direct investment (FDI)³⁰ and remittances to Georgian citizens conducted by their relatives living abroad.³¹

As a rule, FDI was accumulated in real estate which generally created additional financial resources within the country. This financial resource, incoming mainly via the banking system, contributed to the growth of residential construction which, in the absence of proper government regulation, progressed into the well-known «financial pyramid» or «Ponzi scheme.»³²

After regaining independence, many residents of Georgia left the country for one reason or another. To date, about 20% of Georgia's population (more than one million people) reside abroad (of which two-thirds are located in Russia).³³ The size of remittances just through banking channels annually exceeds USD 1 billion.³⁴ These funds are usually used for the purchasing of essential goods.

Following the onset of the global financial and economic crisis, FDI inflows to Georgia fell sharply.

26 E.g., A. G. Ahearne, N. Shinada, "Zombie Firms and Economic Stagnation in Japan," *International Economics and Economic Policy*, 2005, Vol. 2, No. 4; T. Hoshi, "Economics of the Living Dead," *Japanese Economic Review*, 2006, Vol. 57, No. 1; T. Hoshi, A. K. Kashyap, "Solutions to Japan's Banking Problems: What Might Work and What Definitely will Fail," in *Reviving Japan's Economy: Problems and Prescriptions*, T. Ito, H. Patrick, D. E. Weinstein, eds., Cambridge, MIT Press, 2005; D. C. Smith, "Loans to Japanese Borrowers," *Japanese International Economics*, 2003, Vol. 17, No. 3.

27 E.g., T. Beridze, "The National Economic Model and Globalization (the Case of Georgia)," in *Georgia in Transition*, L. King, G. Khubua, eds., Frankfurt am Main, Peter Lang, 2009; K. Gogolashvili, "In Search of Georgia's Economic Model," *South Caucasus—20 Years of Independence*, Tbilisi, Friedrich-Ebert-Stiftung, 2011, <http://library.fes.de/pdf-files/bueros/georgien/08706.pdf>; I. Samson, "The Search for a Development Path: Challenges for Georgia," *Georgian Economic Trends*, 2006, No. 4, March.

28 External Trade, *National Statistics Office of Georgia*, 2013, geostat.ge/index.php?action=page&p_id=137&lang=eng.

29 E.g., I. Samson, "Medium-Term Prospects for the Georgian Economy," *Georgian Economic Trends*, 2008, February, p. 73.

30 E.g., M. Schmidt, "Foreign Direct Investment to Georgia: Can Active Investment Promotion Policies Make a Difference?," *Georgian Economic Trends*, 2007, January.

31 E.g., M. Kakulia, "Labour Migrants' Remittances to Georgia: Volume, Structure and Socio-Economic Effect," *Georgian Economic Trends*, 2007, October.

32 V. Papava, *The Economic Development Complex in the Black Sea Area: The Impact of the Global Financial and Economic Crisis*, p. 46.

33 I. Samson, "Medium-Term Prospects for the Georgian Economy," p. 74.

34 Data on remittances published on the website of the National Bank of Georgia: <http://nbg.gov.ge/index.php?m=306&lng=eng>.

This was also facilitated by the Russia-Georgia war in August 2008. At the same time, Georgia, as the aggrieved party in the war, was offered financial assistance in the amount of USD 5.8 billion³⁵ by the international community. This, for its part, ensured the possibility to preserve the consumerist nature of economic development of the country, not to mention the fact that the effects of the global financial and economic crisis were relatively tolerable for Georgia.

Orientation towards consumption with an underdeveloped real sector of the economy in Georgia led to the fact that 40% of the population found themselves below the poverty line.³⁶ According to estimates, 86% of the population experience serious social problems.³⁷

Thus, *the modern model of economic development of Georgia is the consumer model of the development of poor countries.*³⁸

Russia's Model. The issue of selecting a model of economic development has been and remains topical for Russia.³⁹

As is known, the economic success of post-Soviet Russia is mainly determined by the extraction and export of hydrocarbon resources.⁴⁰ The Russian economy was jokingly termed a «pipe economy.»⁴¹ Despite the fact that, especially in the pre-crisis period, the economic policy of the Russian government relied on the oil and gas industry, this sector of the Russian economy, as well as the whole real sector of economy, was in a state of conservation of deep technological backwardness.⁴²

In 2008 (when oil prices remained high and continued to rise), the government developed a concept of long-term socio-economic development of Russia until 2020 which was based on a more sustainable model of growth by stimulating innovation with the purpose of decoupling economic growth from the level of production of raw materials.⁴³ The implementation of this concept was primarily prevented by the onset of the global financial and economic crisis.

Enormous sums, accumulated in the Russian stabilization fund during the pre-crisis years of 2000-2008, were purposefully used to prevent the collapse of the banking system and the stock market which, at the same time, helped to preserve the priority of the fuel and raw materials sector in the structure of the Russian economy, aggravating its technical and technological backwardness.⁴⁴

According to studies conducted by the Institute of Economy of the Russian Academy of Sciences, within the Russian GDP structure there was a steady trend of a negative correlation of the volume

35 V. Papava, "Post-War Georgia's Economic Challenges," *Central Asia-Caucasus Analyst*, 2008, Vol. 10, No. 23, November 26, www.cacianalyst.org/?q=node/4991.

36 E.g., I. Meskhia, "Living Standards and Poverty in Georgia," *Georgian Economic Trends*, 2008, May, p. 57.

37 E.g., D. Giorkhelidze, "Sotsial'noe polozhenie: Sushchestvuiushchie problemy [Social Status: Existing Problems]," *Kavkazskii aktsent [Caucasian Accent]*, 2010, No. 10, p. 40 (in Russian).

38 V. Papava, "Ekonomika Gruzii: V poiske modeli razvitiia [Georgia's Economy: In Search of a Model of Development]," *Mir peremen [A World of Change]*, 2013, No. 3, pp. 51-53 (in Russian); V. Papava, *The Main Challenges of 'Post-Rosy' Georgia's Economic Development*, Expert Opinion, No. 4, Tbilisi, GFSIS, 2013, www.gfsis.org/media/download/library/articles/Expert_Opinion_ENG_4.pdf.

39 E.g., A. Illarionov, "Modeli ekonomicheskogo razvitiia Rossii [The Model of Economic Development of Russia]," *Voprosy ekonomiki [Issues of Economics]*, 1996, No. 7 (in Russian); D. Sorokin, "O strategii razvitiia Rossii [On Russia's Development Strategy]," *Voprosy ekonomiki [Issues of Economics]*, 2010, No. 8 (in Russian); S. Dobryshevsky, S. Sinelnikov-Murylev, "Makroekonomicheskie predposylki realizatsii nvyi modeli rosta [Macroeconomic Preconditions of the Realization of a New Growth Model]," *Voprosy ekonomiki [Issues of Economics]*, 2012, No. 9 (in Russian); E. Yasin, N. Akindinova, L. Jakobson, A. Yakovlev, "Sostoitija li novaija model' ekonomicheskogo rosta v Rossii [Is the New Model of Economic Growth Feasible in Russia?]," *Voprosy ekonomiki [Issues of Economics]*, 2013, No. 5 (in Russian).

40 E.g., "Ekonomicheskii obzor OESR po Rosiiskoi Federatsii, 2009 god [OECD Economic Survey of the Russian Federation, 2009]," *Voprosy ekonomiki [Issues of Economics]*, 2009, No. 8, pp. 54-56 (in Russian).

41 E.g., A. E. Gorodetsky, "Antikrizisnoe regulirivanie i modeli postkrizisnogo razvitiia Rossii [Crisis Management and Post-Crisis Development Model in Russia]," No. 4, p. 69.

42 E. Gurchich, "Neftegazovaija renta v rossiisoi ekonomika [Oil and Gas Rents in the Russian Economy]," *Voprosy ekonomiki [Issues of Economics]*, 2011, No. 11 (in Russian).

43 "Ekonomicheskii obzor OESR po Rosiiskoi Federatsii, 2009 god [OECD Economic Survey of the Russian Federation, 2009]," p. 56.

44 A. E. Gorodetsky, "Antikrizisnoe regulirivanie i modeli postkrizisnogo razvitiia Rossii [Crisis Management and Post-Crisis Development Model in Russia]," No. 4, p. 70.

of savings and investments in fixed assets while the share of savings in Russia's GDP did not exceed 20% (which lags behind similar indicators, for instance, in Belarus, India, Kazakhstan, China, South Africa and Brazil).⁴⁵

The technological and structural backwardness of the Russian economy has formed a model of economic development that is categorized as the **consumerist model of development**.⁴⁶

It is also essential to emphasize that according to research conducted by the Institute of Sociology of the Russian Academy of Sciences, nearly every third resident of Russia is virtually poor; i.e., in actuality, 30% of Russia's population belongs to the disadvantaged group rather than the 9% that is recognized officially.⁴⁷ At that, it is significant to note that the Russian type of poverty is characterized by a concentration of poor population in rural areas which, as a rule, is attributable to Third World countries.⁴⁸

Summing up, it can be concluded that the modern *model of economic development in Russia is the consumer model of the development of poor countries*.

Conclusions and Recommendations

Economic growth in the post-Soviet period, both in Georgia and in Russia, was characterized by unevenness. By taking into account the catch-up effect, one can come to the conclusion that Georgia's economy grew faster than the economy of Russia during the period of 1992-1998 and since 1999 (except for the crisis of 2009), economic growth in Russia was significantly superior to the growth of Georgia's economy.

In the post-Soviet period, both in Georgia and in Russia, there emerged a specific phenomenon of "post-Soviet post-industrialism," the basis for which is necroeconomy; i.e., non-competitive enterprises preserved since the era of the command economy. Prior to the global financial and economic crisis, in Russia, as a country with a large-scale economy, the problem of necroeconomy was felt less acutely than in Georgia with its significantly smaller economy because due to the large scale of the economy, with government assistance, necro-enterprises have the opportunity to compete with each other creating the illusion of a lack of necroeconomy. At the same time, in small countries, this problem is more acute since for necro-enterprises there are simply no other analogues within the country. On the other hand, the larger-scale presence of necro-enterprises in the Russian economy led to a more significant economic slowdown in the crisis year of 2009 than in Georgia.

To date, both in Georgia and in Russia, there is a so-called "cartoon version of the consumerist society"⁴⁹ as both countries have developed a consumer model of economic development of poor countries.

To create objective conditions for sustainable economic development, both countries need to rid themselves of necroeconomy since the more a country lags behind advanced technological achievements, there is little chance that increased competition within the country will accelerate the latter's economic development through ensuring high economic growth rates.⁵⁰

In turn, in order to dispose of dead enterprises (a problem that is much more acute for Russia than

45 *Ibid.*, p. 75.

46 *Ibid.*

47 *Bednost' i neravenstvo v sovremennoi Rossii: 10 let spustija. Analiticheskii doklad [Poverty and Inequality in Modern Russia: 10 Years Later. Analytical Report]*, Moskva, Istitut Sotsiologii RAN [Institute of Sociology of the Russian Academy of Sciences], 2013, p. 159, www.isras.ru/files/File/Doklad/Analit_doc_Bednost/full.pdf (in Russian).

48 E. V. Balatsky, "Bednost' i neravenstvo v Rossii [Poverty and Inequality in Russia]," *Kapital strany [Capital of the Country]*, 2010, 17 December, www.kapital-rus.ru/index.php/articles/article/180796 (in Russian).

49 A. E. Gorodetsky, "Antikrizisnoe regulirivanie i modeli postkrizisnogo razvitija Rossii [Crisis Management and Post-Crisis Development Model in Russia]," No. 4, p. 75.

50 O. Golichenko, "Modeli razvitija, osnovnogo na difuzii tekhnologii [Models of Development Based on Technology Diffusion]," *Voprosy Ekonomiki [Issues of Economics]*, 2012, No. 4, p. 121 (in Russian).

Georgia), it is essential to make use of bankruptcy legislation.

In order to transfer from the consumer model of economic development of a poor country to an innovative model, it is vital to pique the interest of the entrepreneurs themselves since solely government efforts in this regard will render very limited results which, at best, will be used by foreign partners and competitors.⁵¹

Thus, economic policies must be constructed to encourage (including by means of tax incentives) a private sector-oriented innovative type of economic growth.⁵² And towards this end, the exchange of experience between Georgia and Russia can be substantively rewarding.

51 D. Sorokin, "O strategii razvitija Rossii [On Russia's Development Strategy]," p. 32.

52 In this context, it is especially attractive for Georgia to obtain a free trade regime with the EU and the U.S. The fact is that without the technological renovation of the Georgian economy, production of competitive goods, for which there is demand in the EU and the U.S., will be impossible (V. Papava, "Ekonomika Gruzii: V poiske modeli razvitija [Georgia's Economy: in Search of a Model of Development]," pp. 53-56; V. Papava, *The Main Challenges of 'Post-Rosy' Georgia's Economic Development*, pp. 7-9).

SOCHI-2014: BEFORE AND AFTER

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The topic of the Winter Olympics-2014 in Sochi has been significantly politicized. The broad context of the Olympics includes the “Georgian” component which is why the present paper is dedicated to Georgian-Russian relations through the prism of Sochi-2014. An analysis of various factors that have a direct impact on the dynamics and content of the process suggests that the set of issues related to the Sochi Olympics and the challenge of ensuring its security - specifically, contains both positive and negative potential for the future of Georgian-Russian relations.

Sochi’s Triumph in Guatemala

On July 4, 2007, at the IOC session in Guatemala, the city of Sochi was selected as the host of the Olympic Winter Games in 2014. The Russian President, Vladimir Putin, personally arrived in Guatemala and, within the framework of presenting the application, delivered a speech before the delegates of the IOC. It was as if, with his presence, he “attached” to himself both the positive decision of the IOC and the Winter Olympics as such. Despite the fact that in the following year, 2008, Putin was scheduled to lay down his presidential powers, it was also no great secret that in time for the Olympics in Sochi, he, once more as the President of the Russian Federation, would be prepared to reap the laurels of the chief inspirer and organizer of such a prestigious event. Shortly after the IOC decision, listing the achievements of Russia (read - his own), which tipped the scales in Guatemala in favor of Sochi, Putin primarily named the restoration of the territorial integrity of the country.¹ His own country, clearly, rather than some neighbor.

In an interview with the BBC, the Head of the Sochi-2014 Olympic Organizing Committee, Dmitry Chernyshenko, stated that the principal objective was «to organize outstanding, the most memorable and the most spectacular Games in the history of the Olympic movement.”² In addition, he noted that in order to achieve this objective resources would be mobilized not only in the city and region (Krasnodar Krai) but across the country. Thus, the significance of the upcoming Olympics for Russia, and Vladimir Putin personally, is evident, and it is regarded by him as an opportunity to strengthen his authority within the country and abroad.

However, the Olympic Games in Sochi in February 2014 are admittedly destined to become unique in themselves due to a number of other circumstances:

1. These are the first Winter Olympic Games to be held in the subtropics;
2. Well before their commencement it became clear that they will become the most expensive Games in history, including the much more large-scale (and, hence, more costly) Summer Games;
3. The Olympics will take place in the immediate vicinity of the troubled North Caucasus republics and thus security issues take on particular significance;
4. Olympic venues are located in areas where tragic incidents took place during Russia’s conquest of the Caucasus (the Russian-Caucasian War which lasted for half of the nineteenth century) which increases risks associated with the security of the Games;
5. The Olympics will be held not in one of the internal regions of Russia but near the disputed border, viewed by Russia as the border with Abkhazia, recognized by the former, while by Georgia (as well as by the vast majority of the world) - as an interstate border of Georgia and the Russian Federation.

1 www.newsru.com/russia/24jul2007/myaso.html

2 www.bbc.co.uk/russian/sport/2011/12/111220_sochi2014_chernyshenko_interview.shtml

In the work «Sochi-2014: Ethno-Political Dimension»³ Sergei Markedonov identifies several problematic points of the forthcoming Olympic Games, namely: a) the situation in the Krasnodar Krai, b) the «Circassian question» and its dynamics, c) the factor of the volatility of the North Caucasus, d) Olympics in the context of Georgian-Russian relations and e) the asymmetrical partnership of Russia and Abkhazia. Similar motives in the «Olympic saga» are captured by other well-known Russian analysts.⁴ Thus, the «Georgian topic» is undoubtedly present in the Olympic context and, under current conditions of a rather limited menu of direct interaction between Georgia and Russia, is capable of impacting the further development of bilateral relations.

Georgia's Reaction

Despite the fact that by July 2007 Georgian-Russian relations were already quite strained, several hours prior to the decision in Guatemala, Georgian President Mikheil Saakashvili once again gave full support to Russia's bid to hold the Olympic Games in Sochi, expressing hope that they would contribute to stability, peace and mutual understanding among the peoples of the Caucasus.⁵ He then personally telephoned Putin to congratulate him on «Russia's great success.»⁶ However, the President's optimism was not shared by everyone in Georgia. Thus, Paata Zakareishvili (currently the State Minister for Reintegration) was inclined to believe that holding the Olympics in Sochi - in the immediate vicinity of Abkhazia - would «bind» the latter to Russia even more and hope for progress in the resolution of the Georgian-Abkhaz conflict would be futile for at least the following seven years.⁷

Further on, the situation became worse than even Zakareishvili's pessimistic forecasts. The Russian-Georgian war, which broke out in August 2008 (it should be noted here that Georgia did not conduct military operations in Abkhazia), led to the displacement of the Georgian population from the Kodori Gorge (there was no other population there), the recognition of Abkhazia's (and South Ossetia's) independence by the Russian Federation, the severing of diplomatic relations between Georgia and Russia and the actual continuation of war by other means («All diplomacy is a continuation of war by other means» - Zhou Enlai). It is the post-war period that witnessed the intensification of Georgian policy towards the North Caucasus⁸ which was directly linked to the Sochi Olympics.

Among other things, two international conferences held in Tbilisi in March 2010 can be highlighted: «Unknown Peoples. Enduring Crimes: the Circassians and the Peoples of the Caucasus between the Past and Future» organized by Ilia State University of Tbilisi in cooperation with the Jamestown Foundation (United States). The first of these conferences adopted an appeal to the Georgian Parliament to recognize the Circassian genocide and the second called for a boycott of the Olympic Games in Sochi.

On May 20, 2011, the recognition of the Circassian genocide by the Parliament of Georgia indeed ensued.⁸ Relegating this step to the level of one of the elements of the campaign aimed at the boycott of the Sochi Olympics would be incorrect; its consequences were conceived as more far-reaching. However, the «Sochi» segment in this step is undeniably present. It will suffice to recall that already in June, the aforementioned Jamestown Foundation conducted a round table on the subject «Sochi 2014: Can the Olympics take place at the site of the expulsion of the Circassians 150 years ago?», laying the ideological foundation for the idea of boycotting the Sochi Olympics. The then-President of Georgia, Mikheil Saakashvili, thus answered a question of the Czech TV channel

3 www.magazines.russ.ru/nz/2013/2/m11.html

4 See e.g., Alexey Malashenko: «Controversy and Concern Over the Sochi Olympics» April 10, 2013, www.carnegie.ru/2013/04/10/controversy-and-concern-over-sochi-olympics/fyyc#

5 www.civil.ge/rus/article.php?id=13854&search=

6 www.izvestia.ru/news/4036516 July 2007.

7 www.civil.ge/rus/article.php?id=13854&search=

8 For details, see Ivlian Haindrava: «Georgia's Recognition of the Circassian Genocide in the Context of Georgian-Abkhaz-Russian Relations» www.3view.az/articles/12558/1/ June 13, 2011.

ČT24 on whether or not Georgia would boycott the Games in Sochi: „This is an ethnically cleansed territory. And this is the area where the Circassian genocide took place. Sochi indeed has a complicated history. In addition, there are security issues. The North Caucasus is a difficult area. The year 2014 is fast approaching but the resolution of these issues will require time. I am unable to say what will transpire by 2014.”⁹

However, already in February 2011, Saakashvili said that the creation of a «physical threat» to the Olympic Games in Sochi «is not only not in our plans but also outside our capabilities.»¹⁰ But, traditionally, Moscow did not believe him. Thus, the Plenipotentiary Envoy of the Russian President to the North Caucasian Federal District, Alexander Khloponin, called Georgia’s recognition of the Circassian genocide an attempt «to play the Circassian card for the Olympic games»¹¹ and when in May 2012 weapons and ammunition caches were discovered in Abkhazia intended, presumably, to conduct terrorist attacks during the preparation and conduction of the Olympics in Sochi, many in Moscow accused the Georgian special services of collaborating with the terrorists and the Russian press blossomed with corresponding headlines.¹² But no evidence confirming Georgia’s involvement in the incident was presented, either then or later.¹³

Up until the change of power in Georgia as a result of the Parliamentary elections in October 2012, bilateral tensions surrounding the Sochi Olympics (and not only, of course) were mutually maintained: Saakashvili sustained the idea of boycotting the Games (failing to acquire, however, supporters of this notion in the international arena) while Russia attempted to portray Georgia as the principal source of threat to the security of the Olympics (also, incidentally, without any success in the international arena).

Tbilisi Changes Attitudes

Following the change of power in Georgia, Tbilisi’s attitude towards the Sochi Olympics shifted 180 degrees. Even before taking office, the future Prime Minister, Bidzina Ivanishvili, stated that Georgia should take part in the 2014 Olympic Games in Sochi.¹⁴ At its session on May 2, 2013, the National Olympic Committee (NOC) of the country took the decision to send Georgian Olympians to Sochi, citing the fundamental principles of the Olympic Charter. Incidentally, in September 2013, 76% of surveyed citizens of Georgia were in favor of participation in the Olympics, while 11% of respondents were against, and others did not have a clear opinion on the issue.¹⁵

The decision, however, should be regarded in a broader context, rather than purely sports. Even prior to winning the elections, the Georgian Dream Coalition, represented by its leader Ivanishvili, had declared that putting relations with Russia in order was one of its priorities and the step towards Sochi should be seen precisely as part of this course. Furthermore, behind the decision to participate in the Olympics there is a readiness to review the North Caucasian policy of the former authorities in general, stripping it of elements causing Russia’s irritation and concern (thus, the broadcasting of the PIK TV channel was terminated, Circassian and other North Caucasian topics are no longer being

9 www.ceskatelevize.cz/ct24/exkluzivne-na-ct24/osobnosti-na-ct24/139360-cilem-ruska-bylo-prevzeti-gruzie-rika-michail-saakasvili/ October 12, 2011.

10 www.civil.ge/eng/article.php?id=23182 February 25, 2011.

11 “Khloponin: Georgia Plays the ‘Circassian Card’ for the Olympic Games” *The View*, July 14, 2011.

12 See e.g.: “Georgia Wanted to Blast Sochi with the Hands of Umarov?” *Argumenty i Fakty*, May 10, 2012. www.sz.aif.ru/crime/article/26923; “The State Duma Believes that Doku Umarov may be Supported by Georgian Special Services” *United Russia*, May 10, 2012, <http://er.ru/news/2012/5/10/umarova-mogut-podderzhivat-gruzinskie-specsluzhby-schitayut-v-gosdume/>; “Gamarjoba, Umarov” *Rossiyskaya gazeta*, May 11, 2012, www.rg.ru/2012/05/10/terrorism-site.html

13 See e.g., Sergei Markedonov: “In Search of a ‘Georgian Trace’” May 13, 2012. www.ekhokavkaza.com/archive/programs/latest/2737/2737.html

14 www.ria.ru/sport/20121016/902899284.html October 16, 2012.

15 Survey conducted by the National Democratic Institute (NDI): www.ndi.org/node/20641

discussed at the official level and conferences, such as the above, are no longer taking place).

Georgia has even offered Russia assistance in ensuring the security of the Games, as stated by the Minister of Defense of Georgia, Irakli Alasania, during his visit to the United States (the location seems not to have been selected by chance).¹⁶ Earlier, in June 2013, Russian President, Vladimir Putin, spoke of the same from the Russian side, welcomed the actions of the new Georgian authorities in regard to the Olympics and even mentioned that the establishment of cooperation between the special services of the two countries to counter terrorism could bring about the abolition of the visa regime for Georgian citizens.¹⁷ It would seem that the political will from both sides was evident and the process might have commenced. And it was commenced from the Georgian side - on September 13, 2013, a Russian citizen and a native of Chechnya, Yusuf Lakayev, was detained. Lakayev, who was present on the Russian list of persons posing a threat to the 2014 Olympics,¹⁸ is suspected of involvement in the murder of a Russian diplomat (and his spouse who later succumbed to her injuries in hospital) in Sukhumi. In his commentary on this occasion, the Deputy Minister of Foreign Affairs of Georgia, Davit Jalaghania, stated that several months prior, official Tbilisi offered Moscow to cooperate on ensuring the security of the Sochi Olympics; however, «unfortunately, this proposal to this day remains without a response on the part of Russia. Therefore, any claims will be unfounded.»¹⁹

However, no claims were officially voiced by Russia during the period of time following the change of power in Georgia. Although, the submission of documents for the extradition of Lakayev can hardly be regarded as an equivalent step towards cooperation. For instance, issues of Russian-Turkish cooperation in the field of security at the Olympics were discussed during the meeting between Putin and Erdoğan in late November.²⁰ Earlier, the Federal Security Service (FSB) confirmed the resumption of contacts between Russian and UK special services on the grounds of ensuring the safety of the upcoming Olympics (the ties were previously severed following the scandalous murder of an ex-officer of the FSB, Alexander Litvinenko).²¹ However, the circumstances of Georgian-Russian relations today are even more complex and the interaction of special services (if any has indeed initiated) is not necessarily subject to broadcasting.

At the same time, several actions of the Kremlin, following the fundamental shift of official Tbilisi's approach to the Sochi Olympics, should not at all be viewed in terms of steps aimed at the improvement of the climate in bilateral relations. This relates to the «borderization» of Abkhazia and South Ossetia along the dividing lines between them and the rest of Georgia with the tightening of the regime of movement of citizens. In the case of South Ossetia, this is realized via scandalous and provocative means where Russian border guards stretch barbed wire straight through villages leaving neighbors and relatives, houses and plots of land on opposite sides of the thus demarcated «state border.»²² In Georgia such actions are viewed, at best, as inappropriate and contrary to the spirit of the new developments in bilateral relations.²³ Russian political scientist, Andrey Sushentsov, also acknowledged that the so-called borderization of South Ossetia carried out against the background of the planned normalization of the Georgian-Russian relations, serves as an irritant.²⁴

Another irritant is the fact that a Russian pilot, who managed to land his aircraft on his own base after taking a hit in Georgian airspace during a combat flight in August 2008, has been granted the privilege of being one of the first bearers of the Olympic torch. This was also seen by many in Geor-

16 www.ekhokavkaza.com/content/article/25083440.html August 22, 2013.

17 www.politrus.com/2013/06/13/putin-georgia/ June 13, 2013.

18 www.ekhokavkaza.mobi/a/25107977.html

19 www.ekhokavkaza.com/content/article/25107977.html September 16, 2013.

20 www.izvestia.ru/news/561355

21 www.newsru.com/russia/08nov2013/rus_brit.html

22 The decision was taken earlier but the demonstrative part of the process somehow took place in the course of the improvement of Georgian-Russian dialogue – author's note.

23 See e.g.: www.interpressnews.ge/ru/2010-05-25-09-32-40/52551-2013-09-25-09-06-56.html

24 www.ekhokavkaza.com/content/article/25136848.html October 14, 2013.

gia as a direct challenge which entailed demonstrations demanding a boycott of the Sochi Olympics. Curiously, in an interview with a popular weekly newspaper, the German ambassador to Georgia stated that if he were a Georgian, he would also oppose the participation in the Olympics following the incident with the torchbearer as he would interpret it as a provocation and an insult.²⁵ The Government, however, continues to support the NOC's decision regarding participation in the Olympics but if over the remaining time the number of irritants increases, it may find itself in a difficult position.

On the whole, it seems (and most observers share this view) that before the conclusion of the Olympics, no abrupt, destabilizing steps should be expected either from the Russian or, especially, the Georgian sides. The successful conduction of the Games in safety is a matter of prestige for the Russian Federation and its president personally, and keeping the peace, including - political peace, surrounding the Olympics, is essential. Georgia, under its present leadership in any case, is genuinely interested in detente in relations with Moscow and will not cause it any wiles on the eve of the Olympics. If the number of irritants on the part of Russia will cease to grow, failing to reach a critical point, the Georgian delegation will travel to Sochi.

Consequently, the Olympics in Sochi provides opportunities for interaction between the Georgian and Russian sides in the fight against terrorism - in particular and more broadly - in terms of ensuring security and stability along the entire length of their common border.

What will happen at the Olympics?

However, subsequently, a number of questions arise whose convincing answers are very hard to find ahead of time. So, for instance, Georgia participates in the Olympics, the Games proceed successfully and security excesses do not occur. The issue of concern to Georgia is whether or not Russia will aspire to use Olympic and adjacent events for propaganda of Abkhazia as a state recognized by it. The now-former president of Georgia said on this occasion: "We need to know the political cost of participation in the Sochi Olympics. There, meetings will certainly be arranged with the so-called South Ossetian and Abkhaz delegations and their flags will undoubtedly be raised. Putin will certainly employ all of the circus tricks at which he is so apt. Tours of the territory of Abkhazia will certainly be arranged for the participants of the Olympics. In short, we will be largely neglected."²⁶ If this occurs, the political cost for the current Georgian government can be very high indeed and Saakashvili and Co. will obtain a strong argument in favor of their persuasion that putting relations with today's Russia in order is impossible by any means.

Option Two. In the course of the Olympics, there are setbacks in the provision of security and in search of a scapegoat, Russian officials, due to the force of habit, or for other reasons, point to Georgia as the culprit. This has already occurred (see above the incident involving the ammunition caches in Abkhazia) and developments in this scenario will inevitably lead to new tensions in the bilateral relations with consequences that are difficult to predict.

Option Three. Georgians participate in the Olympics, Russia refrains from organizing the presentation of an «Independent Abkhazia», no security issues arise, Vladimir Putin reaps the laurels of the organizer and inspirer of the event and his positions strengthen even further within and outside the country. A favorable situation emerges for the provision of specific content to the process of detente between Russia and Georgia, a platform for mutual trust for the purpose of collaboration on cross-interests is established (e.g., security along the Georgian-Russian border).

Other scenarios could also take place; e.g., in the case of Georgia's non-participation in the Olympics. In general, however, there are grounds to assert that the **Winter Olympic Games in Sochi in**

²⁵ *Kviris Palitra*, October 28, 2013, www.kvirispalitra.ge/politic/19254-qevropis-stabilurobas-saqarthvelos-gulisthvisac-ver-shevelevithq-eqskluzivi.html (in Georgian)

²⁶ www.regnum.ru/news/fd-abroad/georgia/1714109.html October 1, 2013.

February 2014 entail both opportunities and risks for putting Georgian-Russian relations in order and all depends on the political will of the sides and, primarily - of Russia.

But then, shifted to the foreground are issues of a geopolitical dimension, objectively present on the bilateral agenda over the last fifteen years, and which will not disappear following the conclusion of the Olympics in Sochi. The issues concern the conflicting interests of Georgia and the Russian Federation on the following fundamental parameters of foreign policy and national security:

- a) Georgia aspires to join NATO; Russia opposes NATO's expansion;
- b) Georgia seeks to integrate into the EU; Russia promotes a competing integration project within the framework of the Customs Union, the Eurasian Economic Community (EurAsEC), with an exit to the Eurasian Union,²⁷ and Georgia's course towards the EU is perceived as a hindrance in the realization of Russia's project;
- c) Georgia is committed to reconciliation with the Abkhaz and the South Ossetians and the restoration of the unity of the country; Russia ensures the cessation and independence of Abkhazia and South Ossetia from Georgia.

What will happen after the Olympics?

Since neither Georgia nor Russia are going to revise their interests and positions, a breakthrough in relations after the Olympics should not be expected; this opinion is maintained by PACE co-rapporteurs on Georgia and Russia.²⁸ Furthermore, there are fears that following the Olympics, Russia's pressure on Georgia will increase; since the nearest post-Olympic future brings forth events which will not at all contribute to the alleviation of contradictions between the two countries but, rather - the opposite. Suffice it to mention the signing of the Association Agreement between the EU and Georgia scheduled for 2014 and Georgia's joining the NATO Response Force in 2015 (at the Vilnius Summit, Georgia signed a framework agreement on engagement in EU's civilian missions and military operations). Based on Ukraine's experience, it is likely that Russia's position will toughen in an effort to prevent the signing of the Agreement between Georgia and the EU. In addition, there is also the topic of Armenia, which is being actively drawn into the Customs Union, but the «customs» relations with which figuratively and literally are suspended in the air without communication by land. And subsequently, perhaps, it will be possible to «engage» Georgia itself by introducing it to the idea of the Eurasian Union.²⁹ Thus, the way to complete removal from the agenda of the already mirage-like notion of Georgia's accession to NATO, complicating Azerbaijan's position, gaining control over its (and Central Asia's) energy resources and firmly «affixing» the South Caucasus as a whole to Russia, ultimately ousting the West, will be open.

However Russia's levers of political and economic pressure on Georgia, following its recognition of Abkhazia and South Ossetia, have somehow become rather scarce. The embargo on Georgian products can be re-imposed, however, as practice has demonstrated this will not lead to the collapse of the Georgian economy. Within the framework of "bringing into order" or "optimization" of the migration policy, Georgian labor migrants (together with the Moldovans, for example) can be expelled from Russia, which would negatively affect the current situation, where Georgian citizens, who have found work in Russia, transfer more money to their homeland than from the rest of the world's countries combined. The process of the Geneva consultations - the only platform which fosters an exchange of views between officials from Tbilisi - on the one hand, and Sukhumi and Tskhinvali - on the other hand, can be dismantled. Although, in Georgia, this will also not be perceived as a disaster since these consultations produce little real impact and illusions of a quick reintegration of Abkhazia and South Ossetia into Georgia are no longer nourished. The "borderization" of South Ossetia can be continued, seizing on the way segments of adjacent Georgian regions; but this idea

27 Vladimir Putin: "New Integration Project for Eurasia - a Future Born Today" izvestia.ru/news/502761 October 3, 2011.

28 www.assembly.coe.int/CommitteeDocs/2013/amondoc14rev_2013.pdf June 27, 2013.

29 See e.g., Dmitry Trenin: "Georgia on Russia's Mind?" www.carnegie.ru/eurasiaoutlook/?fa=53627 November 18, 2013.

is costly, not only politically but also financially: approximately 75% of the South Ossetian perimeter falls on the rest of Georgian territory while human resources for the development and protection of these areas are neither available nor envisioned. Problems in the energy sector of Georgia can be instigated - dependence on Russian import in the recent years is not substantial but the positions of Russian companies (including with regard to state-owned capital) in Georgia are strong, both in the generation and distribution of electricity. Attempts can be made to destabilize the situation in the country or one of its regions but this requires a conducive socio-political background which can only be established by the Georgian authorities themselves through their negligent actions.

Neither of these threats, individually, is lethal to Georgia although their compounded involvement is capable of delivering a great deal of trouble. In parallel with the “policy of the stick” it is possible to employ the “policy of the carrot” although here, Russia’s resources are also limited. Special representatives of the parties, Zurab Abashidze and Grigory Karasin, while welcoming the outcome of the first year of dialogue, find it difficult to specify the areas where, in the presence of well-known “red lines” bright prospects for future cooperation would open. For the most part, Georgians expect nothing from Russia apart from the easing of the visa regime (on December 19, Vladimir Putin stated that “we might well go for a return to the visa-free regime”³⁰) and it is unlikely that this factor will outweigh further liberalization of the visa regime with the EU if it comes to a choice. Talk of how beneficial a meeting with Abkhazia (and South Ossetia) will be for Georgia within the Eurasian Union for the purposes of restoration of the unity of the country, for instance, via a confederation, can deceive only those who are naive or those pretending to be so.

However, there remains a military resource, e.g., the threat of force (an excuse can be forged) and even its actual use (although it is said that a threat is more effective than the actual use). Writing about this issue against the background of reducing tensions in Georgian-Russian relations is even awkward, nevertheless... A Russian military expert states that in case of resumption of war between Armenia and Azerbaijan over Nagorno-Karabakh (which he considers “almost inevitable”), Russia will have to “break through Georgia” to assist the 102nd military base. “If a need will arise to advance by themselves, and at the same time *maintain long-term control over a part of Georgian territory and communication through it with Armenia* (emphasis added - IH) - it will be a much more difficult task, the SMD³¹ is unlikely to manage without the assistance of other Districts,» - the expert believes.³² Previously, considering the scenario of a Western military operation against Iran,³³ another Russian military expert speculated on the necessity to «ensure the viability» of Russian troops in Armenia. According to him, the Russian General Staff will plan some proactive measures aimed at the rear support of its troops in critical conditions.³⁴ For the Russian 102nd base in Gyumri, the «rear» is Georgia. It is noteworthy that the viewpoint of Georgia on this development is ignored while offensive weapons are being deployed at the Russian military bases in Abkhazia and South Ossetia (7th and 4th, respectively).³⁵

Colonel Andrey Ruzinsky, commander of a Russian military compound in Armenia, also openly speaks about the «entry into armed conflict» of the Russian military base in Armenia «in case of a decision of Azerbaijan’s authorities to restore jurisdiction over Nagorno-Karabakh by force.”³⁶ In this context, it should be noted that Russia has been strengthening its military presence in Armenia, extending, in the process, the area where military facilities are deployed. It is significant that in his state visit to Armenia on December 2, 2013, Russian President Putin commenced with a visit to the

30 www.newsru.com/russia/19dec2013/pressputin13.html#15

31 Southern Military District - editor’s note.

32 Alexander Khranchikhin: “The Southern District: Russia Not Afraid of Opponents in the Caucasus,” www.rusplt.ru/policy/yujnyiy-okrug-protivniki-na-kavkaze-rossii-ne-strashnyi.html October 7, 2013.

33 By the time the article was completed, the danger of such a development of affairs was low as ever in the recent years but no one will undertake to vouch for the future - author’s note.

34 “Maneuvers of Special Significance” www.ng.ru/politics/2012-01-16/3_kartblansh.html January 16, 2012.

35 The Armies of Russia and Georgia: 5 Years Later, www.belvpo.com/ru/28815.html August 8, 2013.

36 www.redstar.ru/index.php/news-menu/vesti/iz-vmf/item/12045-yuzhnyj-forpost-rossii October 10, 2013.

Russian military base, landing not in Yerevan but in Gyumri. Generally, Moscow has been intensively arming two immediate neighbors of Georgia in the South Caucasus (not only Armenia but Azerbaijan as well), attributing it to the need to maintain military parity in the region.³⁷ At the same time, however, glossed over is the fact that with such a development of affairs, Georgia «falls out of» the regional parity.³⁸ All of this seems particularly disturbing against the backdrop of Russia's persistent refusal to commit to the non-use of force vis-à-vis Georgia.³⁹

Thus, based on the analysis of the realities, the following conclusions can be drawn:

1. Over the period of time since the change of power in Georgia, tensions in Georgian-Russian relations began to decline and within the framework of the postulate «politics - the art of the possible» positive results were achieved;
2. Prior to the completion of the Sochi Olympics, we should not expect drastic steps aimed at undermining progress with the threat of large-scale destabilization;
3. The bilateral relations will be subject to further trials following the conclusion of the Winter Olympics when Russian will attempt to «lead Georgia away» from the path to Euro-Atlantic integration in the opposite direction - towards the Customs Union, EurAsEC and, subsequently - the Eurasian Union;
4. The dynamics of political confrontation of the two disproportionate sides will largely depend on whether or not European “soft power” will prove capable of expressing itself with real power, rather than impotence.

37 www.regnum.ru/news/russia/1676314.html June 26, 2013.

38 In the ranking of the Global Militarization Index-2013, compiled by the Bonn International Center for Conversion (BICC), Armenia is ranked fourth in the list of the most militarized countries in the world, Azerbaijan – 9th and Georgia - 54th (Russia ranks 3rd, Turkey - 23rd and Iran - 28th), www.regnum.ru/news/fd-abroad/georgia/1730118.html November 8, 2013.

39 “Attempts to seek certain commitments from Russia regarding the non-use of force against Georgia make no sense: Permanent Representative of the Russian Federation to the OSCE” www.regnum.ru/news/1719901.html October 15, 2013.

NORTH CAUCASUS: DYNAMICS, RUSSIA AND GEORGIA

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Summary

The general dynamic of developments in the North Caucasus over the past year can be designated as negative. This may not be evident by the dynamic of statistics on terrorist acts¹ but is manifested in the ongoing reduction of the social space controlled by Russia. Russian institutions and Russian norms mean less and less for the daily regimentation and the real regulations by which people live in the North Caucasus.

Alternative regulatory systems are not necessarily and solely radical Islamism although the reduction of Russia's political, social and cultural spheres of influence is precisely significant. The process of the mutual alienation of Russia and the Caucasus has been markedly incorporated into the Russian domestic political agenda. The issue of conflict, associated with migrants of North Caucasian descent, worries voters in large Russian cities and the escalation of xenophobia exacerbates the loss of Russian influence in the North Caucasus.

Against this background, certain nuances cannot be left without mention. Firstly, Russia strives to guarantee the security of the Olympic Games in Sochi. This leads to the engagement of largely law enforcement efforts and efforts to neutralize potential political threats such as, for instance, a public discussion of the Circassian genocide. These circumstances – preparing for the Olympics – certainly open up new opportunities for cooperation between Russia and Georgia with examples of such cooperation having already materialized.² The issue is for these emerging practices not to complicate relations with the peoples of the North Caucasus for either Russia or Georgia.

The second notable aspect of the North Caucasus policy, essential for Russian-Georgian relations, is the spread of North Caucasian political and management practices to South Ossetia and Abkhazia. The assessment and analysis of the consequences of this trend for both countries, as well as for South Ossetia and Abkhazia, will be the subject of one of the segments of the present study.

Background. North Caucasus: Morphological Alterations

As mentioned above, the North Caucasian situation as related to security issues does not look so bad in terms of statistics.

According to statistical data, employed by the report developed by the Moscow office of the International Crisis Group, it can be concluded, for instance, that there has been an approximately three-fold decrease in fatalities in the first half of 2013 in contrast with 2012; that is, roughly from 600 to 200 persons in six months.³ Dagestan, Chechnya and Ingushetia remain the regional leaders in terms of the violence level.

1 In October 2013, FSB Director, Alexander Bortnikov, stated that for the first nine months of 2013, 144 “terrorism-related” cases had taken place in Russia; of these, 120 of them were in Dagestan which is two times less than over the same period in 2012. In 2012 in Dagestan, clashes between militants and security forces killed 700 people and left another 525 wounded. Of the 700 killed, 404 were militants, 209 were law enforcement officers and 87 were civilians (statistics provided by the independent news agency *Caucasian Knot*). Most of the victims were Dagestani. In 2012, as compared to 2011, a down-drift in the number of casualties, especially among the civilian population, could be observed. It should be noted that one resonant attack outside the North Caucasus has definitely more weight in public opinion than all the dead and wounded in Dagestan. In this sense, the attack on a charter bus in Volgograd on October 21, 2013 devalued the positive trends as noted by Bortnikov a few days prior.

2 In June 2013, for example, two Russians, Kadyev and Omarov, were detained in Tbilisi on suspicion of terrorism. In September 2013 in Batumi, police detained a Chechen involved in the murder of the Russian diplomat, Dmitry Vishernev, on September 9.

3 “North Caucasus: Integration Complexity,” – III. Accessible at www.kavkaz-uzel.ru/articles/231230/.

This reduction in the level of violence recorded by independent studies must not deceive the careful observer.

Firstly, this decrease is achieved in the process of creating a wide safety loop around the upcoming 2014 Winter Olympics in Sochi.

Russian troops certainly have the task of ensuring such a loop and achieving a maximum reduction in the level of instability and terrorist threat in the adjacent regions. They strive to accomplish this task to the best of their ability.⁴

This is not only about the elimination of dozens of members of illegal armed groups.⁵ The idea of establishing a safety circuit was also served, in particular, by the technological failure to conduct direct elections of regional leaders in Dagestan, Ingushetia and, in November, North Ossetia.⁶

A pragmatic justification for this failure, in fact, was the fear of growing political turbulence in the regions located a few hours' drive from Sochi; so far, there is no reason to state that this is the beginning of a mass return to the practice of *de facto* appointment of governors.

At that, a systemic effect is, unfortunately, not achieved.

A dismissal of elections in three separate regions bolstered disillusionment in the Russian political and legal systems and enhanced the sense of discrimination towards the rest of the country.

The successful eliminations of warlords as well as single militants and their supporters have not significantly altered the situation in the public eye where the main trend is the loss of confidence in the state, its norms and institutions. The eradication of militants is effective but requests for efficiency on the part of the overwhelming majority of the population in the North Caucasus are "placed" in a completely different sphere; that is, the efficiency of schools, the healthcare system, the municipality, local police, prosecution and courts.

These institutions are so inefficient that they gradually stop being utilized. The elimination of militants in no way changes this trend but instead, the number of people convinced that the state as such ceases to exist in the North Caucasus escalates. This automatically forces them to formulate new rules of life in the circumstances of the state's absence and organize a type of "ersatz" of failing state institutions.

The first thing that comes to their minds is the Sharia and here, it is essential to note the tendency to reduce confrontation between so-called traditional Muslims and the Salafis on the split between whom the state has long built its North Caucasian and, in a broader sense, Islamic policy. Recently, followers of the so-called traditional Islam, including imams, have openly spoken about the admissibility of a partial introduction of the Sharia law and sometimes about the permissibility of the jihad against Russia which has technically simply been postponed.

The second aspect, which must be taken into account when analyzing the situation in the North Caucasus associated with the Sharia as a foundation of an alternative rule base, is the conventionality of the Sharia in the understanding of both the traditionalists and radical Islamists. Elementary knowledge in the implementation of the Sharia is not sufficient: people who once lived in areas of the so-called military and national rule during the Russian Empire, where the Sharia was partially

4 According to the Ministry of Internal Affairs, about 40,000 police and internal troops will be engaged in ensuring the safety of the XXII Olympic Games in Sochi. See: www.echo.msk.ru/news/1109098-echo.html.

5 Only in October and September 2013 40 militants were killed in the North Caucasus Federal District. In November, the eradication of a terrorist attack in Volgograd on October 21, 2013, was announced.

6 In the case of North Ossetia, the motive for the rejection of the election was unrelated to security issues, especially Olympic security. This case refers to the fact that Teimuraz Mamsurov, whose second term as governor expires in April 2015, would prefer to ensure the continuity of interest in the transmission of power and is not convinced that this will be possible by universal suffrage. In a broad sense, North Ossetia's rejection of the election increases the number of Caucasian regions choosing exceptional, as compared to the rest of the country, modes of forming the government which certainly increases the political distance between the Caucasus and the rest of the country and contributes to a discriminatory component of the North Caucasian identity.

operational, have long since passed and the young people who receive specialized education in the universities of the Near East are physically scarce.

Thus, one can speak of a “conditional Sharia” of sorts which eccentrically brings together some segments of religious percepts, elements of common law (*adat*) and rudiments of state regulation. In different areas of the North Caucasus, “conditional Sharia” has varying levels of distribution and infiltration although in any case this becomes an alternative strategy for social behavior, signaling the extinction and the ultimate collapse of the Russian system of norms and institutions; in other words, a creeping secession.

The third aspect related to this process of morphological changes in the society (or societies) in the North Caucasus ensues from the first and second; namely, the protest consolidation of the North Caucasus Ummah which is gradually moving away from disagreements along the lines of “traditionalists-radicals” and grouping itself on a common platform which is shifted closer to Sunni fundamentalism and, generally, is in opposition to the state. It can be maintained that this platform fosters the vast majority of North Caucasian youth under 25-30 years of age.

Background. Growth of Ethnic Conflicts

The North Caucasus remains a hotbed of explosive demographic growth. According to unofficial data provided by Dagestani government officials, just this republic annually brings from 35 to 70 thousand new workers to its internal labor market⁷ and clearly this volume is superfluous for the regional economy. Realistically, this ratio cannot be changed via the implementation of government proposals to establish 400,000 additional jobs in the regions of the North Caucasus Federal District in the nearest 12 years.⁸ This essentially means that in the next few years Russia will have to deal with a consistently high level of labor force outflow from the North Caucasus to other regions of the country. Primarily, this will be to the economically active regions such as the southern districts adjacent to the North Caucasus, the oil- and gas-rich areas in the north and dynamic large cities such as Moscow, in particular.

In turn, this will lead to a further escalation of mutual hostility between the indigenous people-recipients and migrants from the North Caucasus whose personal qualities (level of education, professional training and preparedness for cultural integration) are decreasing from year to year.

Against the background of a technical rejection of basic public institutions such as the police (the situation in Moscow’s district of Biryulevo on October 10-14, 2013 fully demonstrated that this problem is not confined to the North Caucasus but is also characteristic of the most stable and economically successful areas of the country), this creates grounds for the growing mutual repudiation between the North Caucasus and the remainder of the country.⁹

Integration mechanisms, able to relatively durably “attach” the North Caucasus to the rest of the country and engage it in the nationwide modernization project, do not exist and are not yet foreseen.

Resolution. The Limits of Economic Integration of the North Caucasus

To date, this role of integration is played solely by the funding of the federal budget, still generously injected into the regions of the North Caucasus. Despite the incipient recession of the Russian economy, it is clear that the funding of the North Caucasus remains one of the key priorities of the

7 The author’s own material.

8 Strategy for Socio-Economic Development of the North Caucasus Federal District to 2025 approved by the Government of the Russian Federation on September 6, 2010. Accessible at: www.kavkaz-uzel.ru/articles/175166.

9 According to one poll published in 2013, 26% of Russians support the idea of separating the North Caucasus from Russia. See: www.newsland.com/news/detail/id/1258586/. In this case, there is a fairly large sample of 4,000 people from 400 cities. In the summer of 2013, approximately similar data were also obtained by the more respectable Levada Center. See: www.levada.ru/01-07-2013/otdelenie-chechni-i-severnyi-kavkaz.

federal government.

Nevertheless, budget cuts are inevitable. Taking into account that the budget is the principal source of funding for the modern North Caucasian economy, the basis of the existence of both its legal and informal sectors, which includes Islamist radical militias, the competition of various groups of beneficiaries for the current “budget market” among themselves and within the groups will inevitably grow.

The situation is complicated by a number of contradictions.

Until very recently, the Russian government has regarded (and continues to regard) as the principal recipe for resolving problems in the North Caucasus a strategy which can tentatively be labeled as “stability through prosperity.” This entails mainly the unfolding in the North Caucasus of large-scale financial and economic projects which are likely to have involved local elites and labor resources such as, for instance, the project for the establishment of the Resorts of the North Caucasus or the Strategy for the Socio-Economic Development of the North Caucasus to 2025.¹⁰ In reality, major financial projects “over the landscape” only exacerbate the current situation, enriching the beneficiaries but failing to change anything substantially.

Moreover, as we have already observed in the examples of the progression of the Olympic project and the Resorts of the North Caucasus project, there is a breakdown of economic structures existing in these localities. A large-scale project inhibits business activity on the level of small- and medium-sized businesses, promising their participants integration into the growth process. But as growth is questionable, there is a high risk of creating a situation where the small- and medium-sized projects will be terminated and large-scale ventures will not even be launched. This is an obvious risk to the local and regional economies.¹¹

At the same time, in discussing the need to establish and develop these large-scale programs for the social and economic rehabilitation of the North Caucasus, the government reasons from disappointing macroeconomic data: the critically low share of the North Caucasus in the Russian GDP, an extremely low level of tax collection, critically high unemployment, etc.¹² If these data adequately described the economic reality of the North Caucasus, a socio-political outburst would have been long inevitable. We are clearly dealing with a gap between reality and official historical indicators.

In reality, the North Caucasus is a hotbed of relatively high economic activity, largely based on the development of the budget market but, at the same time, being in the shade. The engines of economic activity are a rapid urbanization of the mountainous rural population of the modern highland North Caucasus and a rapid modernization of the suburbs in large cities such as Makhachkala, Nalchik and Vladikavkaz.

In case of a partial and progressive failure of Russian institutions, these processes lead to a local increase of conflict but, at the same time, salvage the North Caucasus from an immediate social explosion and create new norms and institutions.

Support for hearths of economic success emerging in this regard would be less costly for the budget than large-scale “over the landscape” projects. The effect of this support would be incomparably greater and more positive. But, so far, the federal center has reasoned from the necessity to withdraw the economy from the shadows. And since much of it can, in principle, operate only in the “gray” modality, such an approach threatens to destroy existing economic “safety cushions.”

10 See note 8.

11 See materials on Sochi, in particular, the Imereti Valley in Steffi Wurster’s documentary (Germany), *Homes for the Games*.

12 Data of the Strategy, see notes 8 and 10. Unemployment in the North Caucasus Federal District is nine times higher than the Russian average with the share of tax revenues from the North Caucasus Federal District constituting 0.9% of tax revenues across the country.

Resolution. A Pause before the Olympics

With high probability we can assume the following: decision-makers in Moscow hold a perception that the situation in the North Caucasus is extremely complex and close to critical. But the general idea, so to speak, promoted by a part of the Caucasological examination, is that the real transformation of the situation in the North Caucasus will lead to serious opposition from numerous and diverse beneficiaries of the current state of affairs and, hence, an increase in turbulence. This automatically signifies that the North Caucasus lives in some expectation, perhaps partially justified, of radical changes following the Olympics.

Over the several months leading up to the Olympic Games, the federals would prefer not to disturb anything in essence and so sudden movements such as, for example, the summer arrest of Makhachkala's ex-mayor, Said Amirov, or the commencement of proceedings in respect to one of his political opponents, the Head of Dagestan's Pension Fund, Saygid Murtazaliyev, are rather in excess. However, the emergence of claims towards the latter are perceived with optimism in Dagestan: this signifies that Amirov's case will not be the last.

Nevertheless, the vague expectation prevailing in the North Caucasus associated with the probability of triggering radical reforms of the Russian administration of these territories such as, for instance, large-scale purges and including even the hypothetical retirement of a number of influential regional leaders following the 2014 Olympics, has so far been devoid of any practical reason.

Resolution. Changing the "Olympic" Agenda. The Circassian Question

If the Sochi Olympics was not initially taken into consideration by the authors of the project, it at least had a chance to become precisely a Caucasian event aimed at improving the image of the region and an affirming of the Russian consolidating and constructive role therein.

But the practice is such that, as the Games approach, they become a project increasingly cut-off from the Caucasus. Since it is impossible to objectively ensure the shift of the principal negative trends in the North Caucasus itself and in its relations with the rest of the country, the Games in Sochi, on the contrary, begin to be presented with the maximum possible separation from the Caucasus. The less the Games will be associated with the North Caucasus, the less there will be unnecessary, from the point of view of the Russian government, negative image-related consequences.

Sochi is being physically isolated from the rest of the region. There are restrictions on citizens' access to the zone where the Games are conducted which will affect the interests of the local population, regardless of ethnicity. There are also restrictions on traffic movement which risks affecting Abkhazia's economic interests (in winter, Abkhazia experiences the highest peak of export of agricultural products to Russia which is critically vital for its economy).

This also concerns the Circassian issue whose surrounding tensions are being supercharged into the public space throughout the entire period of preparation for the Olympics.

The Circassian issue, whose essence is reduced to the problem of recognition by the Russian state of the fact of the mass extermination and expulsion of the indigenous population of the western part of the North Caucasus in the process of its accession and colonization in the 19th century, has been actively raised by the Circassian community even several years before the Olympic Games. In particular, there are the examples of the support of several Georgian CSOs and, ultimately, the last convocation of the Georgian Parliament which adopted a resolution in 2010 on the public recognition of the Circassian genocide in Russia.

The involvement of the Circassian community in the Georgian-Abkhazian war of 1992-1993 initially split the Circassian community in Russia, as well as beyond its borders, on the issue or relating to the resolution on recognition. This division eventually led to the complication and deceleration of the public "promotion" of the Circassian subject and thus, on the eve of the Olympics, it is difficult

to assume that the engagement of Circassian activists will become a problem for the conduction of the Games. The mechanical alliance of Islamic radicals and Circassian nationalists is also unlikely as nationalists and radical Islamists in the Circassian part of the North Caucasus today consider each other as adversaries. The creation of the possibility of a terrorist interaction here can only be accomplished by the Russian state itself if it deems Circassian nationalists a serious threat and begins to exert repressive military pressure.

The most likely is the scenario in which the Circassian issue will not affect the Games in Sochi at all although with some flexibility of the Russian organizers of the event, it could become the starting point for the resolution of the Circassian problem. This, however, is possible only if Russia maintains the capacity to hold the Olympics as a Caucasian event and a Caucasian celebration rather than an event isolated from the North Caucasus and its diverse communities to the maximum. Similarly impractical is the budding emphasis on the emerging Russian Cossack ethnography which will undoubtedly cause an additional irritation for the Circassians as well as all of their neighbors in the Caucasus and, in response, creating a new round of mutual xenophobia and exclusion.

To date, the attention of the Olympic organizers to the Circassian subject is clearly insufficient. However, on the other hand, its status and the level of public interest in it are such that it is not likely to cause serious problems in Sochi in 2014.

Background/Resolution. Abkhazia (and South Ossetia)

After 2008, Abkhazia and South Ossetia can in some sense also be considered as part of the North Caucasus.

Abkhazia is a problematic area of the Caucasus and geographically is the closest to the region of the Games. Although after the start of the Olympic project in Sochi and Russia's recognition of Abkhazia with the former having repeatedly made it clear that it plans to actively involve the republic in the preparation for and conduction of the Games, Abkhazia is clearly disappointed with its level of participation. Even the export of crushed stone for Olympic construction projects was not implemented by Abkhazia to the extent to which it would have liked.

Abkhazia is also risking, in connection with the Olympics, the frustration of its season of agricultural export to Russia due to the obstruction of vehicular traffic in the vicinity of Sochi during the Games.

Russia will most likely succeed in the further manifestation of the participation of Abkhazia (and South Ossetia) in the Olympics only if Georgia refuses to participate in the Games. Otherwise, it will cause not only additional tension in Georgian-Russian relations, which are considered to have a tendency to normalization, but also unnecessary demarches at the Olympics.

Abkhazia (and South Ossetia) are currently locked in a kind of political timelessness. Their annexation or associate membership in the Russian Federation continues to seem very unlikely (although in the case of South Ossetia it is not completely excluded).

Abkhazia has never put forward demands for joining the Russian Federation and the South Ossetian President, Leonid Tibilov, regularly makes contradictory statements on the merger of the two Ossetian government entities (North and South Ossetia) within Russia or the possible accession of South Ossetia to the Customs Union.¹³

At the same time, in Abkhazia and South Ossetia a developing trend towards the partial reproduction of the management practices of the North Caucasus can be noted which, to some extent, was inevitable given the highest proportionate share of participation of the Russian budget in the formation of the Abkhazian and South Ossetian economies.

The degree of the penetration of these management practices in South Ossetia is proportionate

¹³ Corresponding statement from Tibilov dated October 16, 2013.
See: www.rosbalt.ru/exussr/2013/10/16/1188390.html

to the weakness (if not the complete absence) of its own economic resources (even compared to Abkhazia). A vivid demonstration of such a penetration is the presidential election in South Ossetia in the winter of 2010-2011 in whose implementation Russia grossly interfered in the person of the presidential administration.

At the same time, South Ossetia apparently retains some possibilities to influence Russia. It is possible, therefore, in the opinion of the author, to explain the history of the outfitting of the South Ossetia-Georgia border with barbed wire, including the partial transfer of the boundary line deeper into Georgian territory. It seems that the conscious aggravation of the situation on the border was not included in Moscow's strategic plans and could well be the result of the efforts of the South Ossetian leadership while Russian border guards played the role of technical executors in accordance with the inter-governmental agreements previously concluded between South Ossetia and Russia.

In any case, in analyzing the status of Georgian-Russian relations, in no case can the independent positions and independent interests of South Ossetia and Abkhazia be discounted. Such a neglect is counter-productive and only complicates the background for relations of the four, albeit unequal, but in fact existing entities.

Abkhazia also has a certain measure of internal autonomy which is clearly higher than in the case of South Ossetia. But this leads to the gradual formation of a background of conflict relations between Russia and Abkhazia. Both Abkhazian and Russian observers have observed a gradual increase of political tension in Abkhazia associated with the fledgling opposition to the incumbent President Ankvab. According to one version, behind this process is a fraction of the Russian leadership which considers Ankvab as a difficult and unsuitable partner. Against this background, incidents in Abkhazia, such as the murder of a Russian diplomat (September 9, 2013), do not explicitly reinforce Ankvab's positions and Russian-Abkhazian relations in general.

President Ankvab's domestic opposition builds its political protest on the issue of the passportization of Mingrelians in the Gali district. The opposition, in essence, promotes the concept of an ethnic Abkhazian state for Abkhazians which, however, cannot be reconsidered in the near future: according to unofficial expert estimates, ethnic Abkhazians have not constituted a majority in Abkhazia for several years already. This directly implies the need for the rapid full integration of non-Abkhazian ethnic groups into the socio-political structure of Abkhazia and the passportization of Mingrelians, in this case, is one of the most effective tools towards this end.

However, the fundamental problem in the relations between Russia and Abkhazia is certainly not the Mingrelians (Russia is rather interested in building a showcase political project in Abkhazia which in no way implies the ghettoization of whatever segment of the population) but the impossibility of direct Russian investments in real estate in Abkhazia. On the one hand, Abkhazia would favor these investments and, on the other, it would quickly strip it of its economic benefits in the form of consistently low prices on summer holidays for the Russian provincial middle-class and would exacerbate the demographic problem. This is an intractable contradiction; reaching a compromise will be difficult for any Abkhazian leader, be it Ankvab or someone else.

The future of Abkhazia and South Ossetia still looks pessimistic. This topic, as might be expected, is slowly exiting the focus of Georgian domestic policy: during the last presidential election, interest in it was low. At the same time, the volume of Russia's problems in the North Caucasus is growing so rapidly and its success in building "showcase" projects in Abkhazia and South Ossetia is yet so limited that it is impossible to exclude a critical decline in the interest of Russia towards its own projects in Abkhazia and South Ossetia in the medium-term. Strictly speaking, the signs of this decline can already be observed. Unfortunately, these processes (loss of interest on the part of Georgia and on the part of Russia) can already in the post-Olympic run lead both territories to a rather hopeless impasse.

Recommendations. Opportunities for Cooperation

Opportunities for bilateral cooperation between Russia and Georgia in the field of policy in the North Caucasus, in general, and in the preparation of the Olympic Games, in particular, paradoxically may have been very optimistically assessed already two or three years ago. Now, they are more limited: much of what could have been done (even without the restoration of diplomatic relations) was not accomplished.

This primarily refers to the mitigation of support for the Circassian movement in the North Caucasus (it is experiencing a current decline in its capacity and intensity in itself and not due to any officially declared change in position. Moreover, while reducing the capacity and intensity of the movement in general, the role of Georgia as a political landmark for this movement has been maintained and is even growing as evidenced by the increasing number of applicants for Georgian citizenship among the Circassians).

This also concerns the potential of police cooperation in the area of security at the 2014 Olympics. The potential could be realized even without the restoration of diplomatic relations: such a possibility is evidenced by police operations carried out in Georgia in relation to Russian citizens suspected of planning terrorist attacks in Tbilisi as well as the murder of the second secretary of the Embassy of Russia in Abkhazia.¹⁴ But instead of expanding such cooperation in Russia, on the contrary, inertia persists to consider Georgia as a source of potential security threats during the Sochi Games.¹⁵

Now that there is no longer time to implement these good intentions, it appears that the maximum constructive participation of Georgia in the Olympics is a refusal to boycott them.

Nevertheless, that for which there was no time before the Olympics will not lose relevance after the Games. The governments of Russia and Georgia have a mutual interest to cooperate in the following areas:

- Establishment of a permanent detailed monitoring of the situation in the North Caucasus.
- Establishment of a system of cross-border cooperation including the exchange of police databases.
- Coordination of migration regulation – including in the interests of counter-terrorism security.
- Consistent and full equipment of segments of the border areas not affected by the conflict in Abkhazia and South Ossetia.
- Establishment, with the participation of international mediators, of zones for trilateral economic and humanitarian cooperation as well as light-duty border crossings in the conflict zones in Abkhazia and South Ossetia.
- Promotion of the development of municipalities. On the Russian side, at the first stage, the completion of municipal reform in the North Caucasus coupled with land reform (widespread privatization and establishment of a transparent land market protected by the law) would significantly and over quite a short period of time reduce the overall level of tension in the North Caucasus.

At the second stage in the course of the normalization of Russian-Georgian relations, it would be appropriate to establish instruments of cooperation of the Russian, North Caucasian and Georgian municipalities. This would contribute to transparency, increased social mobility and sustainable development on both sides of the border.

The NGO sector could also support its governments in the following areas:

- Fostering the establishment in the North Caucasus of an active secular non-governmental sector beyond national movements aimed at secession.

¹⁴ See note 2.

¹⁵ The author's own material.

- Establishment of joint educational programs for the border regions.
- Launching of common media resources for the Caucasus and the North Caucasus, in particular, with Russian-language or bilingual resources oriented on the development of loyalty in the North Caucasus towards both Russia and Georgia.

Obviously, potential Russian-Georgian cooperation has natural constraints. These are as follows:

A. Status of Abkhazia and South Ossetia, which categorically does not suit Georgia but to which Russia, to some extent, remains a hostage, being unable to withdraw its recognition in the current circumstances and in the medium term.

Generally, a significant recommendation of the Russian government regarding Abkhazia and South Ossetia could boil down to the determination of the strategic perspective of working on these foreign policy directions.

The mode of relations of all stakeholders, the regimen of border crossings, the fate of large-scale transport infrastructure projects (Transcom, the Black Sea railway in Abkhazia, the Sukhumi Military Road) and, finally, policy in the North Caucasus are all dependent on how the Russian government views the distant objective for Abkhazia and South Ossetia (annexation, satellite states isolated from Georgia, the gradual formation of politically neutral zones of cross-border cooperation to benefit the interests of Russia, Georgia, Abkhazia and South Ossetia, restoration of Georgian sovereignty in these areas).

So far, there is no such strategic vision although it is clear that the option of politically neutral zones for cross-border cooperation with guaranteed mutual interests would be most productive.

B. The interest of both sides towards building long-term relationships with the ethnic groups of the North Caucasus in relation to which the countries naturally hold fundamentally different positions.

This difference of positions leads to the fact that that Russia automatically considers any attempts by Georgia to establish relations at the regional level as encroachment on their national territorial interests.

C. The issue of visas required for Georgian citizens to visit Russia. This question, unlike the first, is relatively easy to resolve and so the expert communities of both countries need to focus efforts on promoting the idea which, however, will encounter some resistance due to the fact that Russia, by contrast, considers the possibility of transition to a visa regime as a modality for crossing borders with all countries of the former Soviet Union.

Nevertheless, taking into account the dominant trends in the North Caucasus as identified above, Russia and Georgia are doomed to continue their search for forms of constructive engagement in connection with this intricate region.

LET'S AGREE TO DISAGREE! POSITIVE ASPECTS OF STATUS-NEUTRAL RELATIONS BETWEEN GEORGIA AND RUSSIA

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Problem Description

The gist of Georgian-Russian relations today lies in the indeterminacy of the status of the Tskhinvali Region/South Ossetia and Abkhazia in a way that is acceptable to both parties. Of course, each by itself, both Georgia and Russia are very much set with the status of these territories. Russia considers the Tskhinvali region/South Ossetia and Abkhazia as independent states whose status cannot be subject to discussion while Georgia sees these regions as occupied and whose status can likewise also not be subject to discussion. In a word, there is no dialogue around the status and even if there were, it would hit a dead-end quite soon as none of the parties is intending to change its fundamental approach to the issue.

For Russia, this approach was set down on August 26, 2008 when it recognized the independence of the two regions. For Georgia, its approach has been around ever since the day of Georgia's independence. Cutting a long story short, these fundamental positions or interests are practically outside of the scope of any dialogue or agreement for the time being.

Despite this disagreement, nowadays a twofold dialogue is taking place between Russia and Georgia, one of which is following the format of the Geneva International Discussions where Russian and Georgian representatives sit around the same table with representatives of Tskhinvali and Sokhumi discussing questions of the stability and security in the Tskhinvali Region/South Ossetia and Abkhazia under the aegis of the EU, UN and OSCE. The USA also participates in the discussions while the Ossetian and Abkhaz population is represented not only by *de facto* but *de jure* authorities as well.

The second format is represented by the so-called Abashidze-Karasin meetings where special representatives of the governments of the respective countries meet with each other bilaterally. These talks, as has been stressed by both parties manifold, do not deal with Tskhinvali Region and Abkhazia-related issues but rather focus on the topics like the restoration of mutual trade, the enhancement of cultural and humanitarian relations and the settlement of contacts of other nature.

Both formats are eventually doomed as they both share the same problem – any serious talks on the Tskhinvali Region and Abkhazia immediately come down to the question of their status. Accordingly, negotiations on all other topics are already stuck or will get stuck. For instance, whenever economic relations are being discussed in relation to both regions or the facilitation of movement – or any other topic, for that matter – Moscow, Tskhinvali and Sokhumi are acting in unison, demanding for these issues to be agreed upon through a treaty between Georgia and Abkhazia, and Georgia and South Ossetia, accordingly, as befits the bilateral relations of two independent states. Naturally, such a stance ends any question in deadlock as making any official treaties with either the South Ossetia or Abkhazia is unacceptable and is rightfully seen as a step towards the international legitimization of the legal status of these regions.

In a similar way, the Georgian side, whenever serious issues are to be solved, puts forth the relations with the Tskhinvali Region and Abkhazia in such a way as to underline that these two regions belong to Georgia. Naturally, such an approach is unacceptable for Moscow, and Tskhinvali and Sokhumi representatives alike.

Based on all of the aforesaid, a deadlock is a natural state of affairs for Georgian-Russian negotiations.

In this article, we will try to defend the opinion that it is possible to escape from a dead-end situa-

tion through focusing on specific problems and leaving status-related issues aside and thereby saving negotiations from becoming stuck. Such an approach will be called a 'status-neutral' approach.

Status-Neutrality as the Means for Solving the Problem

The only way that might advance Georgian-Russian relations is a status-neutral stance in relation to the Tskhinvali Region and Abkhazia and, within such a stance, the search for a solution of manifold humanitarian or economic issues.

The status-neutral approach, by my definition, means that the parties should agree to disagree on the question of status, agree that they understand, but fundamentally disagree on each other's position. Despite such a serious divergence of positions, however, the parties can agree to seek particular solutions to specific problems as long as they do not cross the red lines pertaining to the status of the Tskhinvali Region/South Ossetia and Abkhazia.

To clarify further: a status-neutral stance does not mean that Georgia should give up its territorial integrity and acknowledge that the Tskhinvali Region/South Ossetia and Abkhazia are not occupied; nor does it mean that Russia should roll back its decision to recognize the independence of these regions. In accordance with this approach, Georgia and Russia should manage to agree 'to disagree' on the status of the Tskhinvali Region/South Ossetia and Abkhazia although acknowledge that there is still a wide range of issues of interest to both countries and that, given the will, are agreeable upon.

Consequently, enacting status-neutral approach does not mean that Russia will have to refrain from solidifying the independence of these regions internationally. Neither does it mean that Georgia will have to abandon its non-recognition policy worldwide. The parties will merely have to agree that these policies will be outside of the scope of their discussion and they will not be making status a preliminary condition for other issues to be solved. In short no party would require to abandon a recognition or non-recognition policy to achieve progress in other fields.

The same goes for occupation and de-occupation. Demanding from Russia the withdrawal of troops and the observation of the Treaty of August 12 on every possible occasion does serve the purpose of reminding international community of Russia's obligations. However such an approach hardly brings the advancement of specific issues. Regardless, Georgia should go on demanding de-occupation, the withdrawal of Russian troops and the observation of the August 12 cease-fire agreement internationally. However, simultaneously Georgia should work with international organizations and should be prepared to cooperate with Russia in a pragmatic way without stiffly laying down de-occupation as a condition for engagement. After all, engagement is in Georgia's interests. In a similar way, the Russian Federation should understand that its continuous demand from Georgia to recognize Abkhazia and South Ossetia as independent states, to annul the Law on Occupation and agree to the so-called new realities, will hinder any pragmatic decision-making and make advances in human relations impossible. Thus, no 'good neighborly relations' could be possible.

I believe that the status-neutral approach is the very tool for Russia and Georgia to define a wide range of topics that might be regulated without crossing mutually tabooed red lines.

Most important of all, the status-neutral approach might enable the parties to meet their real interests and see beyond their stiff positions in order to converge on the said interests.

Moscow keeps on repeating that Sokhumi and Tskhinvali wish to have 'good neighborly relations' with Georgia. The meaning therein is twofold. What is meant is, first of all, that Georgia should have good neighborly relations as understood by international law as relations between the states of equal status. It is also implied that Georgia should sign an agreement or assume some other internationally binding obligation that will lead to the recognition of independence or increase the level of the legalization of the Tskhinvali region/South Ossetia and Abkhazia. Naturally, these goals would be unacceptable for Georgia and Tbilisi is never going to take any steps in this direction.

This all said, Moscow's declarations on good neighborly relations have, or might have, another dimension as well.

Content-wise good neighborly relations imply well-developed trade, free movement, mutual respect, no hostility between the peoples, frequent connections (including mixed families), joint entrepreneurship, educational and healthcare cooperation and so forth.

First (legally agreed neighborly relations) is the form, second (intensive relations) is the substance. First will never be accepted by Georgia. Second could be gladly embraced.

The Georgian side also often mentions its wish for de-occupation and engagement. Substantially, 'engagement' is something similar to what Sokhumi means under 'good neighborly relations' although the form is different. For Georgia, the aforesaid is conditioned by the State Strategy on Occupied Territories and the Engagement Action Plan making up part of the strategic vision of the country and, naturally, being based on the principle of territorial integrity which, in its own turn, is unacceptable to Sokhumi and Tskhinvali. Putting it more simply, Abkhazia will not agree to recognizing the Georgian Strategy and the Action Plan on Engagement as it will mean the recognition of Georgia's territorial integrity. However, Abkhaz could easily agree on the substance of the Action Plan, as it very closely resembles, or even coincides with the content of 'good neighborly relations' advocated by Moscow and Sokhumi.

Both approaches have an inherent deficiency as in both cases the *form* has the upper hand over the *substance*. No agreements will be signed and no strategies accepted unless both parties fundamentally change their stance in relation to international law and the question of the status (although it is not possible in the observable future). Consequently, any attempt at dialogue between the parties is fated to fail.

But if the parties manage to agree that discussion on the form (the status) is impeding the achievement of their real goals and that only the status-neutral approach will help them to solve specific issues and defend at least some of their interests without crossing respective red lines, many topics might witness advancement.

What are the Issues Solvable through the Status-Neutral Approach?

The status-neutral approach may be helpful in resolving, or if not resolving, then achieving progress in a whole range of humanitarian issues. Among these, I would like to stress two: 1) the activities of international organizations in the Tskhinvali Region/South Ossetia and Abkhazia and 2) support of educational programs in the Tskhinvali Region/South Ossetia and Abkhazia.

For Moscow, Sokhumi and Tskhinvali, both of these topics might come under the same weighty umbrella entitled the 'de-isolation' principle. We have witnessed the active discussion of the de-isolation principle by Moscow, Sokhumi and Tskhinvali in the 23-25th rounds of the Geneva talks. For Georgia, it will be quite easy to join these two topics under the 'engagement' principle. These two topics might also be perceived as steps taken towards reconciliation.

Both titles, *de-isolation* and *engagement* alike, are discredited as of now. The former does not suit the Georgian palate as the title itself implies that Tbilisi used to be engaged in a deliberate isolation of the two regions. The latter is disliked by Moscow, Sokhumi and Tskhinvali because *engagement* rings certain bells and might be implying that the Ossetians and Abkhazians are to be 'dragged into' the Georgian state. But regardless of liking or disliking the name, the essential topics falling under the name are of interest to all parties concerned as it has been many times stated through various international forums, including the Geneva talks, likewise in public speeches and interviews.

Let us review each of the topics separately.

1. International Organizations in the Tskhinvali Region/South Ossetia and Abkhazia

One of the main problems existing today in relation to the Tskhinvali Region/South Ossetia and Abkhazia is their full-fledged international isolation. No human rights, military monitoring, humanitarian operation or even political negotiation-mandated international organizations are present in either of the regions with the only exception of the Special Political Mission (SPM) of the UN Secretary General in the Geneva International Discussions active in Abkhazia. This Mission is not based there but is a mobile group rotating among Geneva, Tbilisi and Sokhumi. The head of the group (Ambassador Antti Turunen from Finland) is simultaneously a Representative of the UN Secretary General to the Geneva international discussions.

This Special Political Mission might be considered as one of the expressions of the status-neutral solution that has been found under the UN's aegis by Georgian and Russian Federation representatives in 2009-2010. It should be noted here that back then, Georgian and Russian diplomats were working together to find a solution. The Special Political Mission has not been set up by a decision of the Security Council since, if it were, it would give rise to the issue of including the clause on territorial integrity of Georgia into the corresponding Security Council Resolution as all previous resolutions specifically underline the issue. Accordingly, Georgia will never agree to a Resolution omitting the territorial integrity principle. Naturally, with Russia's Security Council membership, such a resolution was impossible and so in 2010, Tbilisi and Moscow found a trade-off with which everyone could have been happy – the UN Secretary General established a Special Political Mission for the Geneva International Discussions whose members spend specific amounts of time in Geneva, Sokhumi and Tbilisi alike although having no permanent presence in Abkhazia. This creative solution enabled both Russia and Georgia to leave respective red lines intact but, in return, we now have the UN represented in Abkhazia on a small scale.

No similar solution has been found for the Tskhinvali Region/South Ossetia as the option proposed by the Greek Chairmanship of the OSCE in June 2009 was vetoed by Russia. Back then, Russia deemed the Greek proposal to be of a political nature and, up to a point, such a perception might have been expected since at that time less than a year had passed since the August 2008 war. Despite failure, the Greek offer was one of the first instances of a status-neutral approach to surface. The proposal implied that the OSCE's Permanent Council should have, through a single voting procedure, made two decisions on the establishment of an OSCE Office in Tbilisi and the establishment of the Monitoring Mission in a specific geographic area to include the southern part of the Tskhinvali Region/South Ossetia and the lands north of Gori. This was a classic example of the status-neutral approach, since, if the decision were to pass, the OSCE monitors in Tskhinvali would not belong to the OSCE mission to Georgia even though the Tbilisi OSCE Office and the Monitoring Mission would have been established under a single decision. That would save the Russian red line of not having a Tskhinvali Region-based OSCE mission tied to Georgia. Of course, the question of to which country this mission should have been assigned was left open. Russia's position also required official consent from the Tskhinvali region/South Ossetia which was unacceptable for both Georgia and other OSCE states although the establishment of such a mission by the Permanent Council might have been founded on the *de facto* consent of the Tskhinvali Region representatives within Geneva talks or elsewhere. The issue, however did not reach this stage, as Moscow vetoed the continuation of the OSCE Mission in 2009 because of political grounds.

Summing up, it is possible to re-establish an OSCE monitoring mission through a status-neutral means if the decision were based on the following status-neutral principles:

- Two structures should be established in parallel – an OSCE Office in Tbilisi and an Observers Mission in a specific geographic area defined by a map and not by a place name or a country name.
- Mandates of the missions should be defined independently, forbearing from stressing the independence of South Ossetia (Georgia never should allow such a thing) as well as restraining from the underlying principle of Georgia's territorial integrity (which is unacceptable for Moscow).

- The decision on the establishment of the mission should be made by the Permanent Council through a single vote which would render two separate documents/resolutions/annexes. This will ensure the mutual independence of the missions but tie them together nevertheless.
- In order for the party receiving the mission to record the consent of the parties, the consent of Tbilisi and Tskhinvali representatives under the Geneva International Discussions should be used; in parallel, Tbilisi should unequivocally state its consent as a receiving state.
- Decision-making should be mandate-driven focusing on the missions and their activities and not on the status of the Tskhinvali Region/South Ossetia.

A similar scenario might ensure the admission of international organizations to both regions. It is a fact that the OSCE is not represented in Abkhazia whatsoever while Sokhumi finds it in its interest to have the OSCE more active in Abkhazia and Tbilisi would wish to have Abkhazian developments fall into the field of vision of the OSCE more often. If this issue is approached with enough insight, flexibility and creativity in Vienna, the restoration of the OSCE's work in the occupied territories can be quite realistic.

2. Support for Education in the Tskhinvali Region/South Ossetia and Abkhazia

Regardless of antipodal political relations, mutual to Moscow and the West, residents of Tbilisi, Tskhinvali and Sokhumi, undoubtedly, have at least one thing in common – a belief in the supremacy of Western education over the Russian analogue and in the advantages that Western higher-education institutions have over their Russian counterparts. Regardless of political preferences, it is a universally recognized fact that Western education drastically exceeds Russian. Hence, the wish of parents to have their children sent to the West is similar on both banks of the Inguri River. The question is how to use this desire to encourage more Abkhazians and Ossetians to be educated in the West instead of attending local and Russian universities.

In the current circumstances of highly polarized conflict it is only natural to expect that any topic becomes politicized. Given the will, even education might be used in pursuit of political ends as well as to bring up the problem of status. Sokhumi, Tskhinvali and Moscow have all the means available to turn education into a political issue as soon as they begin demanding that students going to Europe or the USA for studies should have visas endorsed inside of Abkhazian or Russian passports. They can also demand the recognition of Sokhumi or Tskhinvali higher-education institutions and the diploma issued by them as internationally valid documents. They could also request that prior to the commencement of studies international treaties should be concluded between Abkhazia and the receiving country or memoranda should be entered into by Abkhazia-based higher-education institutions and their receiving counterparts. Naturally, such an approach would be absolutely unacceptable for Georgia which means that, consequently, in such a situation Abkhazian youth will have the door closed and locked to higher education in the West.

Similarly, official Tbilisi also can politicize the educational topic – it would suffice to demand for every Abkhazian and Ossetian document to pass through the Ministry of Education of Georgia and tie the number of Abkhazians and Ossetians going abroad to Georgian quotas using Georgian (or, as a last resort, status-neutral) travel documents. Certainly, such a stance will prove unacceptable for Sokhumi and Tskhinvali (and Moscow). The possibility of such an approach bearing fruit and Abkhazians and Ossetians fulfilling Tbilisi's conditions in the future cannot be ruled out. We do hope that it will happen. Although it is clear that at this stage this is not an option. Accordingly, some other way is to be found to make Western education possible in Abkhazia without politicizing the issue.

We believe education to be a topic that might avoid the application of all the means as described above. Politicization is also unnecessary as none of the parties can possibly reach its ends through it.

So, how can we engage in the education topic not crossing any red lines?

First and foremost, to be able to send Abkhazians and Ossetians abroad for studies, the issue of

travel documentation is to be solved. The issue is solvable through either (a) the receiving country issuing an independent travel document (the so-called *laissez-passer*) for the student that would be valid for the study term or (b) the receiving country issuing visas upon the presentation of Russian passports but not endorsing the passports themselves through stamping the visas in them; the examples of the latter approach are to be found in abundance in Europe, including some related to Abkhazians and Ossetians themselves. Many states practice inserting visas in the passports, as opposed to stamping them inside. In any case, this issue is relevant only initially at the stage when students arrive at the study destination, as receiving countries, as a rule, provide the students after their arrival with residence permits or equivalent documents. Thus, after the students receive residence permit the whole issue of travel documents becomes irrelevant.

Another problematic issue has to do with the recognition of the education certificates/diplomas issued in the Tskhinvali region/South Ossetia, and Abkhazia. This issue could be solved as well. Firstly, the acknowledgement of the certificates by the Western countries may be subject to political decision; that is, any country may make a political decision and admit to authorized educational institutions and accredited study programs any person regardless of the nature of their certification. Of course, this will not be possible without Tbilisi's intervention. If Tbilisi decides to take such a political step and request European states to admit Abkhazian and Ossetian students without officially acknowledging their diplomas, it may many open the doors to European higher education institutions for Abkhazian and Ossetian students. Second aspect to be tackled is the degree of preparedness of the students from these regions. In order to solve the problem several European universities could establish special professional development centers to prepare 20-30 Abkhazian and Ossetian students yearly for further education in Europe. The improvement of their skills will make it easier for European educational institutions to admit these students. Certainly there is also an option of recognizing Abkhazian and Ossetian diplomas as valid internal documents by the Georgian state. Even though this could theoretically be explored, there is no way Georgian state could guarantee the quality of education by these higher education institutions. Neither can Georgian state guarantee that these institutions and their programs meet the European standards. Therefore, this option is certainly not viable. Nowadays, Georgian authorities consider these documents valid only in the cases when Abkhazian and Ossetian students wish to continue their studies in Georgia, although the authorities would be faced with legal and moral problems in ensuring international recognition for these documents. In any case, the topic at hand requires a more thorough legal study and such a step could indeed be taken if it will not mean the recognition of Abkhazian sovereignty in the educational field.

Additional dimension, that needs to be well analyzed is a legal foundation that Western universities should be leaning upon in their provision of education to Abkhazian and Ossetian students. Naturally, Abkhazian and Ossetian universities cannot take part in the Bologna Process as the only way lies through Georgia. As a consequence, only two ways remain: either Sokhumi and Tskhinvali should acknowledge that participation in the European educational space would be possible through Tbilisi only (and it is understood that this will not happen, at least at the current stage) or Abkhazian and Ossetian students should be admitted with no clear legal grounds, bilateral agreements and inter-university memoranda of understanding. The latter option is quite possible, as explored above.

It should be stressed once again that such an approach would only work if Tbilisi and Sokhumi harbored enough mutual trust, on the one hand, and political will existed in Moscow, on the other hand. In the absence of political will both sides could easily take measures in order to prevent the steps from being taken in contradiction to each other's interests. It would be very easy for Moscow to abuse such a generous gesture - it would suffice to use these educational opportunities to establish political connections or strengthen the sovereignty of Abkhazia by signing an international instrument. In this case, everyone should understand that Georgia will not be left with another option besides refuting these attempts and continuing to pursue a rigid non-recognition policy. And as experience shows, Georgia can easily win such a stand-off.

Examples of Status-Neutral Approach in Georgian-Russian Relations

The status-neutral approach is widely used in international relations when dealing with sensitive issues. There is no conflict in which such an approach has not been employed on this or on that stage of negotiations. Likewise, in mutual relations of recent years between Georgia and Russia, cases of agreed upon issues might be encountered that have been solved by means of the very status-neutral approach or at least through its partial application.

Establishment of the Geneva International Discussions: The Geneva International Discussions by themselves do not comply with the status-neutral definition. The legal ground for this format is the cease-fire agreement of August 12, 2008 between Georgia and Russia. Accordingly, this is the format of negotiations between Georgia and Russia to ensure the security and stability in the Tskhinvali Region/South Ossetia and Abkhazia and facilitate the return of refugees and internally displaced persons. The so-called Procedural Note that served as the foundation for the Geneva talks states that negotiations should be carried out on several levels – plenary (with participation of Georgia, Russia, the USA, EU, UN, OSCE) and working groups (participants as above plus representatives from Abkhazia and the Tskhinvali region/South Ossetia, with a sufficiently vague definition to leave room for interpretation and to consider them as representatives of both - the *de facto* and legitimate governments). A plenary format, for the time being, is not being engaged as Russia is not willing to conduct a dialogue with Georgia in a format that would qualify the former as a party to the conflict. Accordingly, the only currently functioning format under the Geneva talks is working group meetings. But, this second format, in essence, is status-neutral. Participants represent themselves and not their countries, cities or capitals. They are not provided with name tags or country badges and have no authority to sign any kind of documents. This format witnessed 25 rounds of negotiations already – admittedly, with no breakthroughs – but, negotiations still persist and the format has been retained.

Establishment of Incident Prevention and Response Mechanisms (IPRM): Mechanisms for incident prevention and response were created in February 2009 by participants of the Geneva talks. The founding document states that representatives of structures with responsibility for security and public order are supposed to participate together with the representatives of international organizations. This statement is also status-neutral as it does not make explicit what country, territorial unit or town representatives make for the relevant structures. Nevertheless, IPRMs do work with the participation of representatives of appropriate Russian and Georgian bodies as well as officers from Tskhinvali and Sokhumi and the *de jure* government agencies in exile. In short, IPRMs have indeed been founded on the status-neutrality principle.

Agreement between Russia and Georgia on World Trade Organization Membership: It is known that the green light to Russia's membership in the WTO was given by virtue of the bilateral agreement between the countries establishing international monitoring on mutual trade, including occupied territories. Regardless of that, neither occupied territories as such, nor the Tskhinvali Region/South Ossetia nor Abkhazia, are mentioned in the document separately. This agreement is also based on the status-neutrality principle. The Swiss side has defined geography in terms of trade corridors, thus allowing the parties to sidestep place names whatsoever in a very elegant way and so instead of the Roki Tunnel, the Psou River or border check-point names, the agreement incorporates their geographic coordinates. Finally, the agreement was found acceptable by both parties as Russia gained its WTO membership and Georgia managed to establish international monitoring on trade with the Tskhinvali Region/South Ossetia and Abkhazia as well as obtaining certain leverage against Russia in case the latter decided to go on with embargoing Georgia.

Georgia's Obligation of Non-Use of Force: In 2010, the President of Georgia assumed the unilateral obligation on the non-use of force in the restoration of the territorial integrity of the country. This obligation was not only voiced in his speech in front of the European Parliament on November 23 but was later expressed through letters sent to heads of all international organizations participat-

ing in the Geneva discussions as well as the President of the USA. And although the content of the letters clearly defines the relation to the status, the way in which the President assumed this obligation is evidently status-neutral. Georgia assumed this obligation not bilaterally, not through the signing of an international agreement and not through memoranda with Tskhinvali and Sokhumi or the conclusion of any other kind of legal or political document (that would lead to status-related implications) but through unilateral declaration. It should be noted that this obligation has found appraisal in Moscow and also in Tskhinvali and Sokhumi. Incidentally, similar obligations have been assumed by representatives of Sokhumi and Tskhinvali. Admittedly, Georgia is not recognizing the international legal virtue of these obligations (as unilateral obligations are only assumed by states) but within the framework of the Geneva discussions the Georgian delegation has openly recorded its positive attitude towards the fact. The only party which has yet to assume the non-use of force obligation is Russia. Round 21 of the Geneva discussions witnessed the initiation of the preparation of the non-use of force related document which, if handled properly, may bring Russia to assume a similar obligation through the expression of neutrality towards the status.

The international community's positive attitude towards the status-neutral approach should also be mentioned. Every case mentioned above enjoyed international support as it was the means of achieving pragmatic results. Moreover, the countries that are fundamentally committed to Georgia's territorial integrity and do not intend to reconsider the issue consider that the status-neutral approach may be the key to conflict transformation. It should be noted that in order to restore the OSCE mission in Georgia, the international community itself elaborated the concept of OSCE's presence in Georgia through the status-neutral proposal in 2009.

Status-neutrality has been incorporated by the previous Government of Georgia in the State Strategy and Action Plan on Occupied Territories. Everyone has heard about the status-neutral travel documents and ID cards, the 'liaison mechanism' and the Investment Fund. These are the very ideas that might be implemented through a status-neutrality approach only. The State Minister for Reconciliation and Civic Equality, Paata Zakareishvili, repeatedly declared his intention to go on with the Strategy and Action Plan. If it is indeed so, there is a chance that status-neutrality will be retained in the mutual relations of Tbilisi and Sokhumi, Tbilisi and Tskhinvali and, most important of all, Tbilisi and Moscow.

Conclusion

Naturally, we understand that the issue of Georgia's territorial integrity will not be resolved quickly. We also do not hold the illusion that without Russia's fulfilling of the August 12 agreement, withdrawing its troops, rescinding its recognition and restoring Georgia's territorial integrity, it would be feasible to resolve the conflict in a way that would satisfy the interest of the absolute majority of the Georgian population, including hundreds of thousands of IDPs. This article does not aim to outline and advocate for a particular way for the resolution of the conflict. The purpose of the article is to discuss one approach which, we believe, will contribute to a rapprochement between people and increase opportunities for conflict resolution in the medium term. If we use the language of conflict resolution theory, such an approach will expand the pie in order to satisfy more stakeholders.

We believe that one of the most effective ways for conflict resolution is to render the conflict irrelevant when people-to-people relations are so close-knit and intense that political conflict becomes a hindrance to everyone save for the political elites being nourished by it. A status-neutral approach, we believe, could accelerate such a transformation of the conflict.

CONTENTIOUS THEMES AND TOPICS OF COMMON RUSSIAN-GEORGIAN HISTORY AGAINST THE MODERN POLITICAL BACKGROUND

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Summary

This paper represents an attempt to define the measure of influence the historic past has on the contemporary condition of mutual relations. The nodes of bifurcation have been highlighted and reviewed from the standpoint of opportunities of the normalization of Russian-Georgian relations.

For the current period of mutual relations that might be dubbed as anything but simple, there is an acute need for a positive agenda that was ultimately lost over the period of the last five years. The year 2013 brought for both parties a long-expected 'window of opportunity' for the normalization of mutual relations and their gradual improvement, more so since there is a great public demand for the improvement of relations in both of the countries.

The normalization process has been trending up since the end of 2012. Several positive steps have already been taken and the discussion is again reaching the fabled 'red lines' that are so hard to cross. It is necessary to search for those priorities and concepts that would help to secure the positive achievements of the last year or, better still, develop them further. The time-out in the development of relations we are witnessing now might well have the opposite effect.

It should be recognized that one of the notable, or even sensitive, backgrounds of the current Russian-Georgian relations is history; still more, the common history of Russia and Georgia that numbers several centuries. Here, the extremes of Soviet historical science and other humanities have their say as well as the modern 'historic heritage wars' raging about in the post-Soviet space, including the Caucasus.

There are two aspects of the unengaged historic past: Firstly, it is quite a vast resource that is mostly unused for the process of normalization and yet positive information might be drawn up from history in order to change the perception of one's neighbors. Secondly, employment of this knowledge and, consequently, the enhancement of humanitarian discourse does not contain any danger of escalation but, quite to the contrary, may be used to iron out difficulties of mutual relations unlike other topics that have rooted themselves well beyond the 'red line.'

The mutual trust between Russian and Georgian societies needs to be re-established but such a result would not be possible unless the mutually hostile rhetoric is first dropped against the background of that more actively cultural and humanitarian. Still more, there are enough crossing points for rapprochement to be used, including the common faith, a mutual penetration of cultures and a closely intertwined common past. Many historical characters are still widely respected in both countries and are discussed from the standpoint of their belonging, the most prominent examples being King Vakhtang or General Peter Bagration, as well as outstanding Georgians who, at different historic periods, labored for closer relations between Georgia and Russia and for military and political alliance.

In addition to the tightly pressed situation, for quite a long period of time the population has been fed with the enemy image with a certain interpretation of the past being pumped into public opinion that only leads to a widening of the chasm between the neighboring countries and their populations. This issue is also afoot and spoken of by some experts from both countries. For instance, Gulbaat Rtskhiladze and Giorgi Vekua, as far back as 2010, were noting that "the gist of the problem is that enemy image, as expressed of adjacent Russia, that is being purposefully instilled and culti-

vated in Georgia for the last 20 years.”¹

Let us stress that the deliberate policy of enemy image cultivation has been pursued throughout recent years and, obviously, such an approach is not helping the normalization of mutual relations but, quite to the contrary, is impeding and complicating any kind of positive activity directed at the approximation of Russian and Georgian positions. From this standpoint, the selection of ‘historical baggage’ does seem to be one of the practical obstacles preventing the resolution of conflicts in the Caucasus. Apart from Russian-Georgian controversies, the same is through in the case of Georgian-Ossetian and Georgian-Abkhaz conflicts.

For the time being, all positive outcomes of Georgian lands having been part of two empires – Russian and Soviet – are challenged and even completely denied in Georgia. All bifurcation points of the common history have been revised, the past has been set and new evaluations and certain terminology immediately infiltrated the political discourse between the two countries which, sometimes, was becoming rather rough.

The most favorite term of ‘occupation’ is nowadays being applied in Georgia to different periods of the past, starting with the 19th century and ending up with the current decade. Apart from that, thanks to both countries’ authorities, the term ‘genocide’ lost its meaning to a great extent as it is being regularly used in public and political discourse.

Let us now move on to those crucial periods and dates that are in the spotlight of both the Georgian and Russian publics and which have undergone drastic changes of evaluation and interpretation as accepted by scientific society in the past two decades.

1) First quarter of the 18th century – the initial period of Russia’s penetration of the Caucasus, related to the active policies of Peter the Great. The main attention is being drawn to the Persian Campaign of the Emperor and his contacts with Trans-Caucasian rulers; first and foremost, with Vakhtang VI, King of Kartli. Nipping ahead, let us state that Vakhtang is one of the most widely discussed characters of the history of mutual relations, thanks to his later emigration to the [Russian] Empire (at the head of a more than 1,000-strong train) and his substantive admission to the Russian diplomatic service.

The main topic of discussion in this case is the relations between Peter and Vakhtang. On one hand, Peter’s brilliance is underlined as he is praised for opening up the Caucasian direction of Russian policy and, on another, it is stated that he did not make an alliance with the Trans-Caucasian princes, including Vakhtang who finally lost his kingdom and had to escape to Russia. Let us note the polarity of the interpretation of the period in Georgian and Russian historiography.

2) Second half of the 18th century – with such outstanding rulers as Catherine II and Heraclius II. Here, we have contacts between the parties, initiated in the 1760s and continuing through the Russian-Turkish war when, through Russian agency, military alliance was set up between Heraclius, King of Kartli and Kakheti, and Solomon, King of Imereti, and culminating in the conclusion of the seminal Treaty of Georgievsk in 1783. By the way, the 230th anniversary of the Treaty has given just another cause for the discussion of mutual relations in the current year. Let us note that anniversary or no anniversary, the Treaty was not brought up often and it did not serve as the subject of any special publication in either of the countries (the only academic project dealing with the issue in Russia is in a preparatory stage and will not be published earlier than mid-2014).

The mixed perception of a period of quite tight relations leading up to the signing of such a significant document in itself is being evaluated in a very ambiguous way. The discussion of the Treaty in Georgia quite often shifts to the tragic period of the 1790s that climaxed in the bloody invasion of the Persian sovereign, Agha Muhammad. Many use the Massacre of Tiflis as the excuse to discuss the so-called ‘treason’ of Russia who left the weak Georgian king to deal with the invader on his own. But they tend to forget the momentous campaign of Prince V. Zubov for indeed the news

1 Г. Рцхиладзе, Г. Векуа, Россия – Грузия: что происходит? Тбилиси, 2010, ст. 2.

of its opening made the Persian Khan flee the Trans-Caucasus. On another hand, in Russia they mainly tend to stress not on the Treaty and the obligations of the parties as such but, rather, on the fence-straddling of the King of Kartli and Kakheti, Heraclius himself, who, in several years after the conclusion of the Treaty, made an agreement with Akhaltsikhe Pasha (with the consent of Istanbul).

Let us note that contemporary public and political discourse is very lopsided in the assessment of the Treaty and the general background of the region back at the time, practically not drawing from historic documents that might have shown the pleas and the requests contained in the correspondence from Tiflis. Let us point out that the Georgian side tends to forget the very indicative correspondence between Tiflis and Saint-Petersburg and the Georgian envoys there that demonstrate Tiflis' keen interest in the protectorate and military, political and financial aid of Saint-Petersburg.

It is indicative that a similar style of intercourse with Saint-Petersburg was retained in Heraclius' successor's time by the end of the 18th century and led to (among other reasons) the incorporation of the Kartli-Kakheti Kingdom into Russia in 1801.

3) Decisive period; i.e., the end of the 18th to the beginning of the 19th centuries that marked a turning point in the history of mutual relations as was marked by the process of the incorporation of Georgian lands into the Russian Empire. Many lances were broken on the issue of the annexation of Kartli-Kakheti and other Georgian territories into the Empire. For the time being, two extreme positions of Russian and Georgian historians may be observed: On one side, in Russia, quoting the well-known Georgian lawyer, Zurab Avalov, they are following the *'beautiful tradition of the 'voluntary accession of Georgia'* and, on the other, for political reasons, the view of Georgia's incorporation into Russia as occupation and conquer has been enrooted.

However, the major point of the process is quite often left unattended (Avalov, although doubting the thesis of voluntariness, still stressed the 'rightness' of the tradition as 'Georgia for centuries was seeking closer relations with Russia and desired close political ties with the Empire').

As an example of the polarity of opinions on the annexation process and its consequences, even recent articles published in Russia and Georgia will suffice – an article by Tbilisi State University Professor, Otar Janelidze,² and a factual answer by Russian historian, Mikhail Volkhonsky.³

4) Russian policy in the Trans-Caucasus (first half of the 19th century) that led to the consolidation of Georgian lands (an outline still evident on modern maps) is another topic of discussion. Unfortunately, relations between Russian authorities and local elites, the latter quite successfully finding their way into the bureaucracy and military commandment of the Empire, did not become the subject of serious but much necessary discussion. That would put a stop to imputations about the allegedly deprived conditions of the Georgian nobility in the Empire but, quite the opposite, would rather showcase preferential treatment. Documents and materials of the time allow us to make unambiguous conclusions about the high level of confidence the Georgian elite enjoyed and which was expressed in the quite mild treatment by the local administration of the manifold escapades of many Georgian nobles.

The most prominent example practically without reference today is the famous plot of 1832 and its outcomes. The young Georgian nobles who participated in the riot were very mildly punished in the end (exiles, many of whom were returned home pre-term). In several years, they not only returned home but were admitted to state service, military and civil alike. It is notable that some of the conspirators later turned into loyal subjects of the Russian Crown and achieved the highest ranks in the Caucasian vice-regency (such as Prince Grigol Orbeliani, Dmitry Kipiani and others).

This thread of events is especially indicative as compared to similar developments in the Empire and, most notably, with their consequences. Let us remind you that the same period of time wit-

2 О. Джanelидзе, Завоевание или добровольное присоединение? // Некоторые вопросы грузино-российских взаимоотношений в современной историографии, Тбилиси, 2011.

3 М.А. Волхонский, Принцип реал-политик в российско-грузинских отношениях XVI – начала XIX вв. // Кавказский сборник, Т. 7 (39). М., 2011.

nessed the Decembrist Revolt and the Cadet Revolution in Poland and both, contrary to the 1832 plot, were savagely suppressed with authorities treating almost all of the participants of these uprisings roughly. Georgian Fronde did not suffer much and got off with a scratch by comparison.

A vast number of Georgian nobility, including princely families, have seamlessly fit themselves into the Russian elite and then found themselves full citizens of the Empire. Indeed these were times when many Georgian nobles, equipped with Russian passports, gained access to Europe for the first time.

Chronologically supplementing or adjacent events that immediately or logically follow from the previous period – this is the final stage of the consolidation of Georgian lands under the Russian Crown and the final annexation of the North Caucasus as the result of the Caucasus War, large-scale migration of the region's population (known through history as the *Caucasian Muhajira*) and the migration of Georgian (mainly from Samegrelo) peasantry that followed. Let us stress that all of these are mutually dependent events although it can be said that no one cares to string out the single cause-effect relationship nowadays.

Moreover, the Caucasus War and the large-scale *muhajira* to follow gained quite a differing tilt in Georgia and are being used to provide ground for certain activities of a provocative nature more often than not. There is no other word for the singular activity of Georgian officials with regard to 'brand building' of the Circassian question; first and foremost, of the so-called Circassian genocide allegedly committed by the Russians. But almost no light is shed on the participation of the Georgian elite and Georgian troops in the war with North Caucasus highlanders who, in previous periods, used to raid the lands of Kartli-Kakheti and other kingdoms. Further moreover, contemporary ties with the Northern Caucasian *intelligentsia* put a stop to the discussion of such a painful topic as Shamil's policy towards Georgian lands.

Let us stress that the outcomes of the Caucasus war and the following military action in the region are rarely publicly discussed in today's Georgia; first and foremost, because of a large-scale migration of the Abkhaz population to Turkey in the 1860-1880s and the considerable migration to desolate lands of the peasantry from Samegrelo.

5) Independent sail of the Trans-Caucasus in 1917-1918, Russian-Soviet-Georgian relations at the time of the revolutionary gales and the Civil War of 1917-1921 is a topic that leads to widespread response in both countries. The topic is especially hot in Georgia where it is additionally heated up by propaganda and the trite ignorance of the facts and the outline of the events. Again, it should be recognized that this complex historic period has been assessed and interpreted in a polar way and said assessments regularly form the fuel for political discourse. The situation in the region during the Civil War, the Georgian-Russian Treaty of 1920 and its outcomes and the Moscow Treaty of 1921 with Kemalist Turkey that practically ended the 'dark days' in the Caucasus are interpreted along a wide range.

Regardless of differences, this period and the related topics are quite significant and current nowadays for the analysis of the development of mutual relations as well as for the resolution of the Georgian-Abkhaz and Georgian-Ossetian controversies that manifested themselves back in that historic era.

Next comes the Soviet era – a subject of heavy criticism in Georgia (as an outstanding example, let us name the Museum of Soviet Occupation) and then modern times that require no deep digging – everything is lying on the surface as it is...

Thus, almost every span of a 300-year long active interaction provides food for unending discussion and gives birth to a quite often polar assessment and interpretation. Such a divergence unrelated to scholarly findings but rooted exclusively in the changes of political needs does not help along the normalization of mutual relations but, rather, additionally fuels up the powerful conflict potential of Russian-Georgian communications.

Certain historical pieces and whole plotlines are tightly intertwined with modern relations. Each of the parties regularly voices out interpretations that are poles apart. For better rapprochement, it would seem wise to openly (and jointly) discuss the issues that will allow the parties to be more objective and calmer about their longstanding common past...

For instance, today's agenda, among other items, includes the provocative problem of the re-interment of the remains of two Georgian Kings, Vakhtang VI and Teimuraz II. And yet, Georgian society and the Georgian Patriarchy (the one to initiate the process) could neither explain their choice with reason nor forecast for a possible outcome of said decision. Again, the consequence of a lack of study of the topic as well as a lack of appropriate scientific literature and records is evident. Existing records show that these two personalities, especially Vakhtang, are of no less significance for Russian history as well. The stack of questions related to the personalities of the Georgian kings, their missions to Russia and their death and following burial in Astrakhan, is already high enough. It is also unclear why the train of King Teimuraz II did not bring his body back home as well as the position of his son and successor, Heraclius II, who, in the long years of his reign, never raised the issue of bringing the remains of his father to his homeland.

Today, the investigation of even such a topic might lead to the unpredictable development of the situation and have a broad response in society. Thus, the lack of scientific dialogue and the following fruit of scholarly work in the study of the past mutual relations have a negative impact on the current ones.

For an approximation of the positions; that is, in order to shift from emotional heat to professional discussion, leaving extremes and propagandistic clichés behind for a simple and attractive discussion board would be required. One of the options might be a Russian-Georgian Commission or a Group for Difficult Matters under whose aegis a multidirectional expert dialogue might be organized. Counterparts are already out there and showing good results such as the Russian-Polish Working Group for Difficult Matters⁴ or the Commission for Difficult Matters of the History of Russian-Japanese Relations. The latter is currently preparing the final draft of a joint monograph that will be published in 2014 in two languages (Russian and Japanese). The Russian-Polish Group is showing brilliant results giving grounds for optimism about its further long-term fruitful work.⁵

This is the framework that might serve well for the discussion of thorny issues with the participation of Russian and Georgian historians. In the case of a positive outcome, such an expert platform might be used as a mold for the creation of similar groups in other pressing topics (social scientists, lawyers, political scientists, etc.).

4 Let us stress that this is an unofficial structure but it has been established by the decision of the political leadership of the two countries and is engaged in the difficult and controversial topics of the history of Russian-Polish relations. On the Russian side, the Group is co-presided over by the Rector of Moscow State University of Foreign Affairs, a Member of the Russian Academy of Sciences, A. V. Torkunov. On the Polish side, there is the Special Representative of the Polish Prime Minister, former Minister of Foreign Affairs of Poland, Professor A. D. Rotfeld. According to the official note of the organization, "the Group works in close contact with the Ministries of Foreign Affairs of Russia and Poland, cooperating, in particular, with the Third European Department of the Ministry of Foreign Affairs of Russia and the Eastern Department of the Ministry of Foreign Affairs of Poland. The main research institutions for the Group are Moscow State University of Foreign Affairs (MGIMO) (University) of the Ministry of Foreign Affairs of Russia and the Polish Institute of International Affairs (PISM). The Group headed by practical scientists is pursuing the goal of studying the issues of the current agenda free from political influence. The authorities of both countries consider the Group as a weighty achievement of new Russian-Polish relations."

5 According to the official note of the organization, "the most important publication of the Group is the book entitled *White Gaps, Black Stains: Difficult Matters of Russian-Polish Relations* (Moscow-Warsaw, 2010). The book follows the 'mirror' principle, giving each of the problems and historical periods twofold coverage by Russian and Polish authors. This book became the gist of the consensus of Russian-Polish relations in the 20th century and, for instance, has been adopted by school libraries in Poland as a mandatory methodical handbook. The Group seeks the popularization of knowledge about Russian-Polish relations and overcoming differences throughout Europe... Co-presidents of the Group initiated and participated in several international conferences on historic reconciliation - in Rome, Paris, Riga, Berlin, Washington... In 2011, by initiative of the Group that found support with the authorities of both countries, Centers for Dialogue and Reconciliation have been established in Russia and Poland to serve as institutional support for bilateral expert and public dialogue.

The results of their discussion and the common works whose lack is felt today should be published in two or more languages allowing their spread and influence on public opinion in the two countries. Let us stress that the publication of documentary digests and joint monographs or popular science seems very needed. This is the very activity that would make it possible to change quite a negative public opinion in both countries – more so given the abundance of such bountiful factual evidence...