

# Georgia at the Crossroads

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**W**ith the exception of a short period from 1918 to 1921, the fall of the USSR in 1991 was the first chance for Georgia to develop an independent political and economic system. Under the Soviet regime, Georgia possessed a stable industrial infrastructure and a developed agricultural system. The republic's geographical location fostered economic and political stability: a long border with the Black Sea; a beautiful climate for the high-quality production of tea, citrus, wine, and vegetables; and beautiful resorts that attracted visitors from all over the former USSR.

However, events took a turn for the worse. In 1990, nationalist leader Zviad Gamsakhurdia came to power, aggravating the already tense ethnic problems that led to the war between Tbilisi and South Ossetia. Gamsakhurdia's tenure ended a year later when he was overthrown and the triumvirate of dictators—Iooseb Ioseliani, T. Kitivani, and Tigur Sigua—came to power. That sparked more ethnic problems in Abkhazia. These three leaders led the country into complete disorganization and destroyed the economy. Since 1989, of a population of 5.5 million, more than one million have left the country; more than 300,000 became internally displaced, and more than 30,000 were killed in wars. Many cities and populated areas were ruined, including the historic center in Tbilisi.<sup>1</sup> The average income dropped from approximately \$2,500 in 1989 to \$200 in 1997.<sup>2</sup> A serious energy crisis paralyzed industry and left the general population without electricity, natural gas, water, or heat in apartments, schools, and medical centers. The triumvirate invited Eduard Shevardnadze to take over as president of Georgia, with the hope that by 1995 he could strengthen political power and take control of the anarchic situation and the paramilitary and political-criminal groups.

Over the course of the past five years, President Shevardnadze has managed to take control of all government structures but has not dealt with the organized crime and corruption that has led to severe economic problems. The country is

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now experiencing a high incidence of mercenary crimes resulting from organized crime groups' penetrating every sphere of society and monopolizing the internal market. The crime rate in Georgia is one of the highest in the world.<sup>3</sup>

Georgia has entered the new millennium as a politically and economically unstable country that has lost control of one-third of its territory. Many Georgian politicians, analysts, and scholars have tried to understand the reasons for Georgia's unsuccessful transition to independence and democracy and to find a way out of the difficult political and economic situation.

The characteristics of Georgia's historical development and its geostrategic location, the legacies of past leaders and their regimes, and third world politics have played the largest roles in the negative outcome of Georgia's transition.

In the early 1990s, Georgia suddenly drew attention from other countries, especially Russia, Turkey, the United States, European countries, and the countries of the central Caucasus and Central Asia. For Russia, the West, Iran, and Afghanistan, Georgia became a key player in their quest to influence the Caucasus and Central Asian regions. One reason is that Georgia is the only country of the central Caucasus that borders a sea and thus the world market. Georgia is also a corridor for transporting energy to Europe from the rich oil and gas countries of the Caspian basin. All of the countries mentioned above have interests in Georgia, although those interests are not necessarily beneficial to Georgia itself.

### **Russia**

Russia has the most influence on Georgia. Moscow's hand is evident in the ethnic conflicts and the political and economic destabilization of the republic. Georgia's power structures have always relied heavily on Russian bureaucracies and turned to them for help in solving problems. Georgia's first president, Zviad Gamsakhurdia, a dissident who spoke against Russia, was the first leader of the former republics to support the coup d'etat and used Russian troops to fight his opponents.<sup>4</sup> There is no doubt that Gamsakhurdia was used by other forces to destabilize the political and economic structures of Georgia. Gamsakhurdia's overthrow in 1991 and the return of Eduard Shevardnadze was also inspired, or at least supported, by Russian leaders. More apparent examples of Russia's intervention are the support Moscow gave to Abkhaz and Ossetian separatists, as well as Aslan Abashidze's struggle for autonomy in Ajaria. At the same time, Russian troops supported Shevardnadze in the civil war against Gamsakhurdia's paramilitaries. Russia used this divide-and-conquer strategy to destabilize Georgia and maintain its power in the region.

Since Vladimir Putin came to power in Russia, Moscow's attitude toward Georgia has become even more vicious and goal oriented. Russian politicians have openly admitted their goals for the Caucasus as a whole, as well as for Georgia to establish an obedient regime in the region. Russian politicians and military officials have voiced their intentions to strengthen their influence in the Caucasus to establish a new federation or confederation within the borders of the former USSR; disrupt Turkey, the United States, and other countries' plans to organize gas lines through this area from the Caspian region; prevent Central Asian

countries from exporting goods and raw materials along the “silk road”; stop NATO from developing farther eastward; and stop the separatist movement in the northern Caucasus.

Georgia has an essential role in Russia’s achieving its goals. Georgia is the only country of eight former republics that has access to a sea and the Western world. If Russia takes control of Georgia, all eight countries will be at the mercy of Russia, which will monopolize the system and dictate not only prices but political power as well. The stakes in the game could turn out to be so high that Russia would be capable of using any means it wishes to achieve its goals, even force. From the example of Chechnya, it appears that those plans are already in the works. There are three areas in which Russia can strengthen its influence of Georgia: military, politics, and economics.

### **Military**

Russia has great military experience in the Caucasus, having had military-strategic control there for nearly 200 years. There are currently four Russian military installations on Georgian territory. Three of the four are in areas not under Tbilisi’s control: Gudauta, Abkhazia; Batumi, Ajaria; and Akhaltsikhe, Javakheti. The fourth is in Vaziani outside of Tbilisi. Russia also has peacekeeping troops in Abkhazia and South Ossetia. There are more than 10,000 Russian troops on Georgian soil.

### **Politics**

Russian interests in Georgia clearly support minority groups such as the Abkhaz, Ossetians, Armenians, Russians, and other smaller ethnic groups. In 1921, when the Bolsheviks invaded Georgia, the Abkhaz and Ossetian diasporas supported the Russian occupation. They continue to play this role today, spreading the Russian military presence in areas of ethnic conflict.

In Georgia, the political parties are very pro-Russian. The neocommunists, liberals, and socialists openly support closer ties with Russia. Groups of refugees from Abkhazia also support a more active relationship with Russia.

Russian military officials and politicians have great influence in the autonomous region of Ajaria, which is currently fighting a “cold war” with Tbilisi. Ajarian leader Aslan Abashidze is using the presence of Russian troops to his advantage so that Tbilisi will not attempt to take away the region’s autonomy.

The Javakheti region also supports Russia. Many of the local citizens work at the Russian military base. Ninety percent of the people are Armenians, and Armenia has a very close union with Russia.

### **Economy**

Russia has great economic leverage over Georgia, especially in the areas of gas and electro-energy, which is currently in a catastrophic state. Georgia has a debt of over \$45 million to Russia for energy carriers.<sup>5</sup> If Russia were to stop providing electro-energy to Georgia, the consequences would be dire and could include political destabilization.

Russia could establish visa control with Georgia. If that were to occur, more than 650,000 Georgian citizens would be considered illegal immigrants and would have to leave the country.

### **Ideology**

Russia influences the Georgian population through television and newspapers, as well as other forms of mass media, and its reconnaissance agencies have total freedom in their work. Russian politicians and military officials are taking advantage of the difficult conditions in Georgia to put pressure on the power structures with the hope of bringing them under their power.

There are certain factors, however, that prevent Russia from achieving those goals: the conflict in Chechnya, which is using up the Russians' time and energy; the pro-American attitudes of the administration of Eduard Shevardnadze; and the attention of international organizations, above all the United States and countries of the European Union.

The conflict in Chechnya is threatening to spill over into Georgia, provoking armed conflict on Georgian territory. In the Pankisi Canyon, which is part of Georgia and has a large Chechen population, there are thousands of armed people from Chechnya. Tension is growing between the natives of the Pankisi Canyon and the Chechens, threatening to turn into another conflict.<sup>6</sup> The consequences of such a conflict could be devastating for the Georgian population and government, and the possibility of this becoming a reality is very high.<sup>7</sup>

Russia also has other possibilities for destabilizing Georgia: the physical removal of Eduard Shevardnadze; initiation of mass displeasure of the population because of extreme poverty, which could result in a revolution; occupation by Russian troops to "protect the interests" of Russia in the region. Those are possibilities that could occur in the near future.

Unfortunately, Georgia's options for forestalling Russia are very limited. The Georgian army would not be able to provide adequate resistance to the Russian army. Law enforcement agents are poorly prepared to protect the president (there have already been two attempts against his life).<sup>8</sup> Shevardnadze's regime no longer has the trust of the population that it once had, despite the official results of the elections. Georgia is totally dependent on foreign credit and does not have its own budget as the government is bankrupt.

The only hope for Georgia in stopping the pressure from Russia is support from the West.

### **The United States**

The United States has become a recent player in the Caucasus because it wants to stop Russia from strengthening its influence in the region. The United States also wants access to the rich energy resources of the Caspian basin and to provide a land corridor to the countries of the Caucasus and Central Asia.

The United States needs Georgia's cooperation to realize those goals. Georgia's location sets it in the middle of the pipeline and the "silk road." The United States wants not only to take advantage of the material goods and profits but

also to help Georgia, Azerbaijan, and the countries in Central Asia become less dependent on Russia.

The United States started to show interest in Georgia in the mid-1990s, actively supporting Shevardnadze and his team and providing humanitarian aid and significant credit to the government. U.S. interest in Shevardnadze has gone so far as to provide special security services for his protection. Shevardnadze has used this support to conduct a series of reforms and stabilize government power. He also motivated young politicians to create the political party Citizens' Union, which conducted democratic reforms and spread a pro-Western attitude.

However, the influence of the United States on Georgia continues to be minimal. Aside from the financial assistance provided the Georgian government, it does not have much leverage in the political processes of the republic. The presence of Russian troops deprives the United States of the possibilities to take part in the conflicts in Abkhazia and South Ossetia or to provide military forces to Shevardnadze. For this reason, American policies in the region are directed more toward retaining the pro-Western government of Shevardnadze than toward becoming deeply involved in other areas in Georgia.

The United States understands that it will be very difficult, if not impossible, to strengthen its presence in the Caucasus. The reasons for this are the following:

- Russia's military installations on Georgian territory
- Russia's close ties with Armenia, which not only supports the military bases in the area but also has a pro-Russian government
- Russia's role in the peacekeeping process in Georgia
- The difficult economic situation in Georgia, government corruption, and the problems with energy, all of which require risky investments of large amounts of capital
- The current political system in Georgia, which could change at any moment and create mass disorder and instability

### **Other Countries**

Turkey has also shown great interest in Georgia. Over the past ten years, Turkey has moved into the Georgian market and taken control of certain areas of production and services. The developing Turkish economy has a deficit in electro-resources resulting in the loss of electricity in certain regions. Turkey could look to neighboring Iran to solve this problem; however, Turkey does not want to put tension on its positive relationship with the United States by developing its rela-

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tionship with Iran. Turkey is lobbying for the implementation of the Baku-Supsa-Jeikhan pipeline, even though this project is not favored by investors because of its complexity. The United States actively supports Turkey as a partner in NATO and a key figure in the Near East.

Despite their similar interests, Turkey and Georgia have many areas of tension. One area is that Turkish politicians have supported Abkhaz separatists; another is the Meskhetian Turks, whom Stalin deported in 1944.

Georgia has interests similar to Azerbaijan's and those of the countries of Central Asia in that they are all trying to strengthen their independence and sell their products without Russia's interference. However, Russia has much leverage and influence over these countries. Azerbaijan needs Russia's help in solving the Nagorno-Karabakh crisis and retaining its territorial integrity. All of the Central Asian republics need Russia's military support to fight the Muslim fundamentalists from Afghanistan in their quest to overturn those countries' governments.

It is possible that these countries will have to continue to accept Russia's help and presence in their homelands. This is especially true for Armenia, Tajikistan, Kyrgystan, and Kazakhstan. Even the more independent countries of Turkmenistan and Uzbekistan have shown great compliance. Turkmenistan has agreed to resume transporting gas through Russia, and Uzbekistan has developed even greater ties with the Russian military.

### **Conclusion and Suggestions**

Georgia needs financial assistance and time to change the difficult situation in which it finds itself. The time has come for politicians and analysts to rethink their strategy in relation to Georgia and other countries of the former USSR. First, those countries differ from Eastern European countries, which, with the exception of Yugoslavia, made a relatively easy transition from a communist regime. In the former republics, the process went in a very different direction. The majority encountered ethnic conflicts and established authoritarian regimes. None of the countries of the former USSR has been able to establish a strong democratic regime or a thriving economy. Analysts suggest that if effective mechanisms are not created in the near future to rebuild their economies, the alternatives will be continued dependence on humanitarian aid from the West or a return to the old economic system of the USSR/Russia.

The results of the 9 April 2000 elections show that there is still no alternative to President Shevardnadze. Fresh memories of war, armed gangs, endless fighting, and cruel violence in the streets are still in the minds of the population. For the United States, President Shevardnadze is a guarantee of democratic intentions; if he were to leave, a revolution could occur, which would favor Russia. However, President Shevardnadze needs the support of the West because the general public's trust in him is wearing out. If the economic situation does not make a turn for the better in the near future, destabilization is not out of the question.

Georgia must be a priority for the United States and other Western countries. If Georgia is lost, the whole Caucasus and Central Asia will be lost too. However, the politics of support and financial aid must be modified.

At the present time, financial aid is in the form of credit and humanitarian aid from the West and international organizations, which is given to the executives of Georgia and distributed through national banks. Experience shows that most of the credit is appropriated by the executive or is distributed on the level of the bank sector, which was not its original designation. Corrupt bank systems do not allow for normal economic development or normal financial transactions. Western donors should insist that Georgia be allowed to use foreign banks that will accept credit. Such banks could distribute foreign credit and control its intended destination. This would not only lower the level of extortion but would provide accurate reports and would help new Georgian banks to become established. The use of foreign banks would appeal to the population, which does not trust Georgian banks. According to reports, the Georgian population is holding almost \$1 billion. The government may have to take radical action and turn over the management of the National Bank of Georgia to foreign financial supporters.

The number of bureaucrats in Georgia exceeds acceptable levels, even in comparison with the other countries of the former USSR. Georgia's goal is to decrease the bureaucracy by more than half. This would decrease government expenditures and help in the fight against corruption.

The time has come for the United States to reinforce its politics in relation to the general population of Georgia with concrete steps. A few mutually profitable approaches would be the following:

- Solicit American companies to order goods manufactured by Georgian industries. Georgia has modern factories that produce shoes, clothes, wool, natural fabrics, and so forth. The quality of these products is no worse than those produced in China, India, and other countries with which the United States has tense relationships. More trade could provide up to 100,000 jobs and help the economic situation in Georgia.

- Set a quota for Georgian citizens to work in the United States and other countries; for example, give a work visa for one year. Georgians are very traditional people; they will not try to break the law or become illegal aliens. This would not only help the Georgian economy but also show the average Georgian citizen the benefits of democracy.

- Increase aid to institutions of higher education and the number of scholarships for students to come to the United States to study. This is especially important in developing law enforcement agencies and specialists in jurisprudence to aid the transition to a new justice system.

- Allow the mass media to inform citizens of the activities of the United States and other countries, especially about the aid given to Georgia. The majority of the Georgian population is not aware that every year the United States pays millions of dollars in support of Georgian stability, as well as providing grain and flour. American diplomats and businessmen do not work with the general population. A large percentage of the population blames the West for leaving them without help. The Russian mass media actively take an anti-Western outlook, which they pass on to the population through television, newspapers, and the Internet.

It is my deep conviction that if the above measures were taken, the situation in Georgia would change for the better and the process of democratization would be irreversible.

#### NOTES

1. United Nations, "United Nations Human Rights Report," 1993–98.
2. U.S. Department of State, "Georgia: Country Report on Human Rights Practices from 1998."
3. Georgi Glonti, *Organized Crime as One of the Basic Reasons for Ethnic Conflict in Georgia* (Tbilisi, 1998).
4. *Zaria Vostoka*, 2 September 1990.
5. *Georgian Times*, 4 May 2000.
6. "Tense Situation in Pankisi Canyon," *Resonance*, 10 May 2000.
7. *Georgian Times*, 5 May 2000.
8. Two attempts were made on the life of Eduard Shevardnadze, in 1995 and 1998.