
25 YEARS OF INDEPENDENT
GEORGIA

Achievements and Unfinished Projects



Konrad
Adenauer
Stiftung



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SUMMARIZING QUARTER OF CENTURY OF DEVELOPMENT

Ghia Nodia, Ilia State University

Canan Atilgan, Konrad Adenauer Foundation

Georgians may be rightfully proud of their ancient history, but their modern state has just passed a stage of infancy. Since the early 19th century, Georgia only existed as a part of the Russian Empire and later the Soviet Union, save for a brief intermission in 1918-1921. Thus, approximately a quarter of century ago,¹ Georgia started to build a new nation and a new state.

The opening conditions were not promising. In late December 1991, when leaders of Russia, Ukraine, and Belarus were signing an agreement putting an end to the Soviet Union, Georgians were fighting each other in downtown Tbilisi. In a few days, Zviad Gamsakhurdia, the first democratically elected president, was forced to flee, but for another two or three years Georgia was plunged into chaos and violence. Economic system imploded, with overall output dropping about three times. Public infrastructure collapsed as well, with central heating ceasing to exist and electricity becoming precious rarity.

Not many people believed in viability of the Georgian state then – including some Georgians. Many fled the country to Russia and other places. However, paradoxical as it may have seemed to some observers, most people were not overwhelmed by nostalgia for the Soviet order and maintained resolve to develop their own institutions. Today, twenty five years later Georgia still faces multiple challenges: territorial, political, economic, social, etc. But on the balance, it is an accomplished state with fairly functional institutions, vibrant

civil society, growing economy, a system of regional alliances and close cooperative relations with a number of international actors, European Union and NATO among them. Overall progress is obvious, even if most Georgians are hardly satisfied with how the things stand at this moment. How the progress was achieved, in which areas Georgia is more successful and what the greatest deficits are which it still faces and how to move forward: these are the questions this volume tries to answer.

When designing the structure of this book, we first tried to reconstruct major tasks that the nascent Georgian state was facing in the beginning, and then track success and failure in each of those areas.

Nation-building was the most obvious one of those. At the moment of the Soviet break-up, Georgia was an ethnically diverse place with about seventy percent of the population being ethnic Georgian. There was no guarantee that all of these people would be equally committed to the project of Georgian independent state. Within the Soviet system, Georgia was considered just an administrative unit, and minorities who happened to live within it primarily identified themselves with the Soviet state. Now they had to make a transition from being Soviet to being Georgian. The fact that Georgian nationalism (like all other nationalisms that emerged on the debris of the Communists' ostensible 'proletarian internationalism') tended to be ethnically exclusivist and suspicious of others did not help. This was a background for ethnic conflict. Such conflicts could happen everywhere, but Caucasus and the Balkans turned out to be the two regions where most of them happened. There was an important distinction between these two regions, though: western powers considered the Balkans part of Europe and took responsibility for establishing peace there – even though it took a lot of time and bloodshed. The West never developed comparable level of commitment towards the Caucasus, where Russia remained the leading player.

Georgia got involved in two ethnic-territorial wars, in Abkhazia and South Ossetia, and lost both of them. This defeat was consolidated following a brief war with Russia in 2008, after which the whole

territory of the two regions came under military control of the separatist authorities and of Russia, who also recognized them as independent states. Georgia considers these regions, which constitute some twenty percent of its territory, as being under Russian occupation, and does not give up its claim to restore jurisdiction over them. In 2014, more than 230 thousand people were considered internally displaced people as a result of these conflicts. However, Georgia is also fully committed to exclusively peaceful methods of dealing with the issue. In practice this means that while the government encourages informal contacts with the people living in the occupied territories, any hope of finally resolving the conflict is postponed for better times.

Would this outcome allow us to deem the story of Georgia's nation-building a failure? Rather, the picture is mixed. Yes, twenty percent of the country is effectively outside Georgia's reach, and there is no prospect of changing that in the foreseeable future. On the other hand, Georgia has consolidated control over the rest of its territory and there are no further evident challenges to the integrity of the nation. Twenty five years ago, this was far from taken for granted. This is not to discount further problems Georgia faces: It still has to create a sense of fully inclusive citizenship for all of its ethnic and religious groups and ensure enabling conditions for all of them to fully participate in economic, civic, and political life. Issues related to this area have actually become more visible and are broadly discussed in the last several years. A paper by Timothy Blauvelt and Christopher Berglund deals broadly with them.

While at the outset of Georgia's independence, complications related to national unity and, respectively, territorial control were most conspicuous, Georgia was also considered a failing state in the sense that its public authorities were not capable of carrying out functions that modern states are expected to deliver. In the early 1990s, Georgia was run by competing warlords and street toughs who did not recognize any legitimate state authority. While this condition was mainly overcome by mid-1990s, the Georgian state was counted among the

most corrupt in the world, salaries of the public servants were well below the living wage, and public infrastructure came into disrepair. Many Georgians as well as foreigners came to believe that corruption was endemic to the country and any attempts to change this were futile. But after a series of reforms carried out in the beginning of the new century, Georgia successfully eradicated mass corruption, created a fairly effective public service, and these changes became a model for regional countries. Again, there is still a lot of space for increasing effectiveness, efficiency, and integrity of the public service, but if compared with the starting point, the progress is striking. Ghia Nodia discusses these developments in this volume.

When Georgians started building a new state, it was taken for granted that Georgia was going to be a democracy. But in reality, the task proved to be much more complex, and the results often disappointing. Overwhelming majority of Georgians embraces the general principle of democracy, but they repeatedly find it difficult to agree on the rules that guide it, and follow them. The first elected president was deposed by force – but this was also done in the name of democracy. Since then, one more government was changed in a revolutionary (though bloodless) way, but the new promise of democracy came to be frustrated again. Not until 2012 did Georgians manage to change power through electoral mechanisms, but this precedent did not yet guarantee consolidation of democratic institutions. In different assessments of democracy, Georgia usually scores better than its neighbors, but it is more often considered an uncertain regime rather than a full democracy. David Aprasidze deals with this complex issue in this volume.

End of Communism implied liberation of society from the political regime that tried to control all spheres of life. This meant that the society could freely organize itself in new ways: this is what we now call civil society. There are two main arenas in which these new forms of self-organization developed: political parties and non-political civic organizations. Both spheres are generally free, vibrant, and pluralistic. However, if held up to standards of advanced democracies, they are not developed enough to underpin genuinely robust demo-

cratic system. Political parties are weakly institutionalized and mostly depend on individual political leaders; civil society organizations are not anchored in broader society and mainly depend on foreign donors. How can they develop further? Kornely Kakachia discusses this subject.

Such a book could not be published without a chapter on economy. All countries that abandoned Communism had a period of economic downturn in a transitional period, but in the Georgian case, against the backdrop of several civil wars and a general implosion of the state, this downturn felt rather like a catastrophe. Since 1995, Georgian economy returned to the path of growth, in some periods reaching double digit tempo and deserving praise of international financial institutions. However, poverty and unemployment are still rampant, with rural economy, where a little bit less than half of the population is still engaged, being the most underdeveloped segment. Moreover, there is no consensus among experts on the best possible way for Georgia's further economic development. Eric Livny shares his perspective on this issue.

Last but not least, the new state had to find its place in the new post-Cold-War international system. From very inception of their national independence movement, Georgians insisted on their European vocation: independent Georgia would be a western or, more specifically, European state. In a country with extremely confrontational style of politics, this for a long time served as a point of national consensus. Though in the last years, this consensus has somewhat eroded, strong majority of citizens and most political parties of any consequence share it. Russia, on the other hand, was mostly considered as a source of threat. However, 'becoming part of Europe' will just be an abstract idea unless it is expressed in close relation with (and, preferably, membership in) two organizations which, in today's world, represent those ideas: the European Union and NATO. In this, however, Georgia has not been as lucky as former Communist countries of Eastern Europe. On the one hand, during the last twenty-five years Georgia went a long way: it is recognized an aspirant country to NATO and has a gen-

eral promise of being admitted to the alliance in the future, and it has signed an Association Agreement with the European Union. Despite this, however, western countries have not expressed steady and clear commitment to safeguarding Georgia's genuine sovereignty vis-à-vis encroachments of its northern neighbor, and Georgia's prospects of membership in these two organizations remain nebulous. This makes Georgia's international position uncertain and hazardous. Neil Macfarlane analyzes these issues in this book.

To summarize, Georgia has achieved important progress in all areas discussed in this volume, but in none of these can Georgia consider its task as complete. The country still faces too many uncertainties and challenges. But in this, it is hardly an exception in its region or the world.

We very much hope that this volume will contribute to the debate about Georgia's development. While it is based on academic research, the authors tried to make it a good and useful read for anybody interested in all matters Georgian.

Endnotes

- 1 It is not easy to determine exact date when the history of new independent Georgia should start. The most obvious one is December 1991, when dissolution of the Soviet Union turned its twelve constituent republics into independent states. But when in November 1990, the nationalist and anti-Communist Round Table coalition came to power through elections, this signified real break with Soviet past. On April 9, 1991, Parliament formally proclaimed Georgia's independence.

REDEFINING THE NATION: FROM ETHNIC FRAGMENTATION TO CIVIC INTEGRATION?

Christofer Berglund, *Uppsala University*

Timothy Blauvelt, *Ilia State University*

As Georgia disentangled itself from the Soviet Union, divisive nationalist doctrines pitted minorities against titulars and laid the seeds for ethnic conflicts that tore the state apart. The pyrrhic independence attained under Zviad Gamsakhurdia's chauvinistic leadership left a toxic legacy for his successors, from Eduard Shevardnadze to Mikheil Saakashvili and onwards. This chapter traces their attempts to redefine Georgian-ness in a more inclusive direction, and the minorities' reactions to this – sometimes half-hearted and often controversial – process.¹ Has Georgia's state motto, Strength in Unity, evolved from wishful thinking into a statement of fact?

National Revival in Late-Soviet Georgia

The Soviet experience profoundly shaped Georgian nationalism, providing the institutional fixtures – personal nationality markers, a designated homeland and titular privileges, and an ingrained believe in primordial ethnogenesis – that consolidated the Georgian nation. Compared to the language-centered nationalism of Ilia Chavchavadze and his contemporaries in the 19th century, Soviet nationalities policies led to a “re-definition of *kartveloba* (Georgianness) as an ethnic nation”.² Minorities were readily separated from Georgians due to the hereditary nationality markers introduced in passports in the Stalin period. In addition, the intelligentsia spent much effort cultivating ethno-centric myths. In the Soviet Union, political privileges,

such as autonomous institutions, could only be granted to nations that were “indigenous” to their assigned homeland or “developed”, as demonstrated by the possession of a distinct language with a record of continuous usage.³ In order to defend or bolster their autonomous privileges, officials in the homelands encouraged local academics to prove the ancient indigenesness and linguistic grandeur of the titulars.⁴ Georgia’s intelligentsia, like those in other national homelands, was hence charged with producing distinctly ethno-centric research “findings” throughout the Soviet era.

Intellectuals steeped in these doctrines propelled the independence movements that arose in the South Caucasus during the late 1980s.⁵ In Georgia the philologist Zviad Gamsakhurdia, the poet Merab Kostava, and the historian Giorgi Chanturia emerged as key leaders in Georgia’s national revival. Gamsakhurdia and Kostava had been involved in dissident activities since the 1950s, but after a KGB crackdown the dissidents re-focused their activism onto more innocuous cultural issues. However, Kostava and Gamsakhurdia were arrested in 1977, three years after founding a human rights group.⁶ Kostava was sent to prison in Siberia, but Gamsakhurdia publicly recanted his activities and was pardoned after a short period in internal exile. The dissident movement remained dormant until Gorbachev’s policies of *glasnost*.⁷ In 1987, following the canonization of Ilia Chavchavadze by the Georgian Orthodox Church, the recently freed Kostava participated in the creation of the “Ilia Chavchavadze Society”.⁸ As Gamsakhurdia was barred from joining the group due to his tarnished reputation, Kostava and Chanturia joined him in founding a splinter faction, known as the “Society of Saint Ilia the Righteous”.⁹ Yet this movement soon split, with Chanturia pursuing his “National Democratic Party” and another opposition figure, Irakli Tsereteli, founding the “National Independence Party”.¹⁰ Meanwhile, the Georgian Communist Party tried to undercut the multitude of dissident movements by backing Akaki Bakradze’s moderately nationalistic “Rustaveli Society”.¹¹

All of these organizations called for Georgian “ownership” of the republic. The program of the Ilia Chavchavadze Society, adopted in

late 1987, declared: “Georgia must remain the country of the Georgians”. It then proceeded to warn against a dangerous increase in the number of non-Georgians and to argue for measures boosting the role of the Georgian language and the teaching of Georgian literature and history.¹² The National Democratic Party went further, introducing the slogan “Georgia for Georgians” and questioned the presence of autonomous areas in Georgia, as “historical territories that belonged to Georgia from the beginning”.¹³ Both the National Democratic Party and Society of Saint Ilia the Righteous called for independence, and sought to strengthen the Georgian Orthodox Church.¹⁴ To this end, they utilized Chavchavadze’s name to bolster the bond between Georgian nationalism and Orthodox Christianity, even though Chavchavadze had held a much more secular outlook.¹⁵

The demands of these radicals from the start “were far ahead of the crowds mobilizing in the streets”.¹⁶ But in late 1988, over 100,000 people turned up to protest proposed changes to the Soviet constitution to limit Georgia’s right to secede and permit the center to strike down any republican law contradicting all-Union law.¹⁷ The authorities responded by attempting to placate the dissidents. A draft of the State Program for the Georgian Language was prepared and signed into law in August 1989.¹⁸ Yet the Georgian Communist Party had not lost control, and delivered a clear-cut victory in the March 1989 elections to the USSR Congress of People’s Deputies.¹⁹ But in April, protestors gathered to demand independence, and this time the authorities responded punitively. Soviet troops dispersed the rallies, using toxic gas and shovels, which led to the death of 19 civilians.²⁰ Kostava and Gamsakhurdia were arrested and imprisoned.

The April 9 tragedy was a critical juncture on Georgia’s road to independence that irrevocably damaged the standing of Soviet Georgian officials. They tried to regain credibility by appeasement: the leader of the Georgian Communist Party was replaced; Gamsakhurdia and Kostava were released; and the State Program for the Georgian Language entered into force. By the fall of 1989, the Georgian communists called for “national sovereignty, Georgian citizenship,

supremacy of Georgian law over union law, and worked for the settlement of Georgians in minority areas as well as the Georgianization of place names”.²¹ But the April 9 tragedy had undermined the authority of the old communist *nomenklatura*. Soviet rule was identified with Russian domination, and Georgians rallied behind the dissidents and the goal of independence.²² Yet the dissidents themselves “remained deeply divided in [their] attitudes toward the existing order”.²³ Radicals saw all existing political structures as symbols of occupation, rejected official elections and called for the creation of an alternative parliament, the National Congress. Moderates also considered the Soviet seizure of Georgia in 1921 to be illegal, but nonetheless favored participating in the official elections to the Georgian Supreme Soviet, slated for October 1990.²⁴

Gamsakhurdia outdid both the radicals and moderates in their maneuvering. In May 1990, he left the radicals and formed the “Round Table” coalition in order to run in the forthcoming elections to the Georgian Supreme Soviet. However, he first forced the sitting Supreme Soviet, through a railroad blockade and strike, to adopt an election code that banned regionally based parties, thus disenfranchising minorities in Georgia’s borderlands.²⁵ Owing to the appeal of such ethnic populism, the Round Table drew 54% of the vote and marginalized both the communists and the moderate dissidents. Although the National Congress still challenged Gamsakhurdia’s,²⁶ he proceeded to move Georgia out of the Soviet orbit. The Georgian SSR was re-styled as the “Republic of Georgia”²⁷ and a referendum on independence was arranged in March 1991, which yielded 99.6% in favor.²⁸ Georgia seceded from the USSR on 9 April 1991, and the following month Gamsakhurdia was elected President with an overwhelming 86.5% of the vote.²⁹

“Georgia for the Georgians”

Gamsakhurdia’s rule became associated with the mantra “Georgia for the Georgians”.³⁰ The slogan reflected a thick definition of Georgian-ness, prevalent at the time, whereby belonging required compe-

tence in the Georgian language, devotion to the Orthodox Church, and a Georgian nationality marker in one's passport. Moreover, Gamsakhurdia construed the nation as historically enclosed since time immemorial, thus fuelling a primordial and highly exclusionary Georgian nationalism. From this angle, the motto "Georgia for the Georgians" captured a sense of incompleteness, fed by frustration against Soviet rule, the threat of Russification, and the undue influence of "settler" minorities seen as an "inauthentic colonial overlay of an eternally Georgian cultural space".³¹

The drive for ownership first appeared in the domain of language politics. Pressured by the dissidents, the communists drafted the State Program for the Georgian Language in November 1988, and adopted it in August 1989. It "made it clear that survival without Georgian would be difficult in an independent Georgian state" by exhorting state institutions, enterprises, schools and universities to promote Georgian language skills in the Abkhaz, Ossetian, Armenian and Azerbaijan borderlands, where it had thus far failed to take hold.³² Yet no provisions showed concern for the role that Russian or minority languages would play in the republic.³³ Since minorities in the borderlands relied on Russian or their native tongue – or both – this language program seemed sure to complicate their daily lives.

However, for Gamsakhurdia (1990) the Georgian language was but one element in an ethno-religious revival.³⁴ Orthodoxy and indigenism were also required to join the "Spiritual Mission of Georgia". Not only did Gamsakhurdia evoke the medieval Christian chronicler Leonti Mroveli, who claimed that Georgians descended from the mythical Kartlos, the great-grandson of Japhet, a son of the biblical Noah.³⁵ He also revived a hypothesis tied to Nikolai Marr, asserting that Georgian was an "Ibero-Caucasian" tongue at the core of a larger "Japhetic" language, which was held to be one of the world's root languages.³⁶ Gamsakhurdia's messianic vision drew further force from the medieval poem "Praise and Glorification of the Georgian Language", which he interpreted in a way that: "united the destinies of language and people, seeing both the Georgians and their language as humili-

ated and pushed into obscurity [...], but predicting their ultimate resurrection and elevation to the spiritual leadership of mankind.”³⁷

Religious symbolism thus entered the public sphere under Gamsakhurdia's rule. He declared Orthodox holidays as national holidays, and in his inaugural presidential speech Gamsakhurdia branded the Georgian national movement a “popular-religious movement” aimed to ensure “the moral rebirth of the nation and reunification of the church and the state.”³⁸ The motto of the dissidents, Georgia for the Georgians, was widely interpreted as: “Georgia for Christian Georgians.”³⁹ This religious revival constituted a break with Soviet atheism, but in other aspects Gamsakhurdia retained categories of thinking present in Soviet nationalities policies and Soviet concepts of ethno-genesis.⁴⁰ He differentiated between indigenous and settler peoples, referring to them as “hosts” and “guests” in turn.⁴¹ As only indigenous nationalities deserved political privileges, Georgian scholars, including Gamsakhurdia, were anxious to prove that minorities in the borderlands were settlers – and hence undeserving of consideration.

While the Ossetians traced their presence in South Ossetia back two millennia, the Georgian intelligentsia depicted them as recent settlers who had migrated across the Caucasus Mountains in the 17th and 18th centuries.⁴² Georgians therefore began referring to the area as “Shida Kartli” or “Samachablo”, which means “Inner Georgia” and the “domain of the Machabeli family”.⁴³ Gamsakhurdia shared this stance, and argued that “Georgia's Ossetians are unwanted ‘guests’ who should ‘go back’ to North Ossetia”, where he understood their homeland to be.⁴⁴

A similar conflict arose with the Abkhaz, who claimed to speak “one of the oldest languages in the world”, intrinsically linked with the historical past of Abkhazia's territory.⁴⁵ Gamsakhurdia and other Georgian scholars questioned this narrative. On the one hand, they portrayed the Abkhaz and their language as part of the Ibero-Caucasian civilization, which made them related to the Georgians.⁴⁶ But they also revived Pavle Ingorokva's hypothesis that the Abkhaz had

migrated from the North Caucasus into Abkhazia in the 17th century, and displaced Georgian-speakers native to the region, whose culture supposedly had dominated in the area.⁴⁷ Gamsakhurdia thus concluded that the Abkhaz should enjoy self-determination in the North Caucasus, where they originated, but not in Georgia.⁴⁸

Neither did Georgia's Armenians and Azerbaijanis fit in to Gamsakhurdia's national project. As Gregorian Christians and Muslims, respectively, they could not join the Spiritual Mission of Georgia, centered on the Orthodox Church. Both minorities were alien to the Ibero-Caucasian civilization in which Gamsakhurdia believed.⁴⁹ Armenians and Azerbaijanis were instead also portrayed as settlers, and as such they "were to be expelled from the nation or, at least, treated as a second class citizens."⁵⁰ In this vein, Georgians were alarmed by the birth rate among ethnic Armenians and, even more so, by that among Azerbaijanis.⁵¹ Demands were made to limit the birth rate of non-Georgians; to settle Georgians in the borderlands; and to introduce residency permits so as to prevent minorities from moving beyond their enclaves.⁵²

Gamsakhurdia was not above such rhetoric. He altered place-names in the borderlands to sound more Georgian: Javakheti's Bogdanovka district was renamed Ninotsminda, and dozens of villages in Kvemo Kartli's Bolnisi district were rechristened.⁵³ In March 1991, shortly before he was elected president, he maintained that: "Georgia is in danger of absorption by other nationalities which were brought here by the Kremlin, by Russia, by the empire: Azeris, Armenians and even the Ossetians are newcomers here."⁵⁴ To "save Georgia", Gamsakhurdia proposed banning inter-ethnic marriages and advocated limiting citizenship to those inhabitants whose ancestors resided in Georgia prior to Russia's annexation, i. e. prior to 1921 or possibly even 1801.⁵⁵ In the end, full citizenship rights were granted to all those who had resided in Georgia for ten years or more, with no language requirements attached.⁵⁶ But at this stage it was already evident that Gamsakhurdia, and regular Georgians, sought to continue the Soviet practice of privileging titulars – and expand this into an independent state of "Georgia for the Georgians!"

Matryoshka Nationalism

Gamsakhurdia's exclusionary nationalism unnerved the country's minorities. If they were to be enclosed in an independent Georgian state ruled by and for ethnic Georgians, then they would find themselves in a "prison of nations", which ironically was what the Georgian nationalists called the Soviet Union. Gamsakhurdia's pursuit of Georgian independence (from the USSR) therefore contained the seeds of its own demise. His ethnic nationalism fed an analogous ethnic nationalism and pursuit for self-determination (from independent Georgia) among the minorities; a phenomenon known as matryoshka nationalism, after the Russian nesting dolls.

In the Adjara ASSR the symptoms of alienation arose in muted form. Even though Adjara was counted as Georgian in their passports, the politicization of Orthodox Christianity rekindled old divisions, as Adjara was made to feel that they could not at once be both (Sunni) Muslim and Georgian.⁵⁷ Reflecting his homogenizing drive, Gamsakhurdia proposed that Adjara's autonomous status be abolished. Yet this stance had little local support, and there the Round Table lost the October 1990 elections to the communists.⁵⁸ Gamsakhurdia then struck a deal with a local power broker, Aslan Abashidze, expecting his help in abolishing Adjara's autonomous institutions. But Abashidze instead set himself up as a regional strongman.⁵⁹

Gamsakhurdia's rhetoric about a pure Georgian nation also estranged the South Ossetians, many of whom were Orthodox Christian, spoke Georgian, and even intermarried with Georgians.⁶⁰ An Ossetian Popular Front, the *Adaemon Nykhas*, was founded in early 1989.⁶¹ And after the adoption of the Georgian language program, which had already stirred protest in its draft form, the conflict entered the political arena. South Ossetia's parliament declared Ossetian the official language of the oblast, and asked Moscow to upgrade their status from autonomous oblast to an autonomous republic.⁶² Tbilisi annulled this petition, and Gamsakhurdia organized a "March on Tskhinvali" to support Georgians living in the area.⁶³

Tensions reignited after August 1990, when regional parties were banned in the election code. South Ossetia's parliament proclaimed

the region an “Independent Soviet Democratic Republic”, and support for the *Adaemon Nykhas* grew. When South Ossetia’s newly elected assembly voted in December to subordinate the region directly to Moscow, Tbilisi abolished South Ossetia’s autonomous status entirely. This war of laws evolved into armed conflict as Georgian paramilitaries besieged the South Ossetian capital of Tskhinvali.⁶⁴ Ossetian self-defense units were formed, boosted by volunteers from North Ossetia and aid from Russia. Although the conflict did not escalate beyond sporadic guerrilla fighting, the Ossetians snubbed Georgia’s March 1991 independence plebiscite, but voted in Gorbachev’s All-Union referendum, where a resounding 99% of them favored preserving the USSR.⁶⁵ Both Georgians and Ossetians retreated behind their own lines, creating a fragmented conflict-zone, where the Ossetian-populated areas were outside the control of the Georgian authorities.

The Abkhaz were even more antagonistic towards the Georgian republic. Unlike the Ossetians, whose mobilization occurred in reaction to Tbilisi’s ethnic nationalism, the Abkhaz had a long record of demanding separation from Georgia. They were motivated by linguistic and cultural grievances, articulated in dozens of appeals letters penned by Abkhaz intellectuals since 1947, in which they asked for their autonomous republic to be given union republic status or transferred to the Russian SFSR.⁶⁶ These pleas were denied, however, the Abkhaz received an Abkhaz University⁶⁷ and quotas granting them privileged access to government posts. But the Abkhaz still perceived their situation as perilous: they comprised only 17% of the ASSR’s population, and feared further national decline due to Tbilisi’s plans for strengthening the Georgian language and in light of calls in the Georgian press to reduce the numbers of non-Georgians in the SSR.⁶⁸ The Abkhaz thus created a popular front, *Ajdgylara*, which in March 1989 rallied thousands of locals for a petition called the *Lykhny Declaration*, requesting independence from Tbilisi.⁶⁹ This stirred Georgian protests across the republic, and feelings were soon inflamed further by the events of April 9.⁷⁰

Institutions in Abkhazia began to split along ethnic lines. Georgian students demanded that the Georgian sector of the Abkhaz University be made into a branch of Tbilisi State University, provoking protests from the Abkhaz and riots in mid-July. Georgians and Abkhaz, some of them armed, mobilized in support of their ethnic kin, resulting in over a dozen dead and hundreds of wounded. Soviet troops quelled the riots, but did not resolve the conflict. Witnessing the rise of xenophobia in Tbilisi, the Abkhaz courted kindred North Caucasians for support.⁷¹ As Gamsakhurdia detached Georgia from the USSR, the Abkhaz doubted that their autonomous rights would be respected. Abkhaz delegates in the Abkhazian Supreme Soviet thus declared the region a sovereign SSR in August 1990.⁷² Tbilisi declared this act void, and both sides continued to enact rivaling laws. Georgia voted for independence in March 1991, and the Abkhaz joined the all-Union referendum, with 98% backing the preservation of the USSR.⁷³ Only in August did a fleeting solution appear. Gamsakhurdia and his Abkhaz counterpart then agreed on a deal that granted both Georgians and Abkhaz veto power over important decisions in the regional parliament.⁷⁴

Georgia's Armenian and Azerbaijani minorities, despite residing compactly in the Javakheti and Kvemo Kartli regions in southern Georgia, lacked autonomous institutions upon which to mobilize. This mitigated their capacity to express dissent, but Gamsakhurdia's ethnic nationalism still caused severe misgivings among their communities. Some Armenians, mostly in Tbilisi, sought to avoid discrimination by making their surnames sound more Georgian.⁷⁵ Gamsakhurdia's Round Table had difficulties attracting voters in Javakheti and Kvemo Kartli, whereas the communists – as in Adjara – made a strong showing in the 1990 parliamentary elections.⁷⁶ In the 1991 independence referendum, Armenians and Azerbaijanis were also less enthusiastic than the nation-wide average, with only 52% voting yes in Akhalkalaki, and 86% in Marneuli.⁷⁷

Moreover, both minorities resisted Gamsakhurdia's efforts to control their regions via centrally appointed prefects. Locals in Akha-

Ikhalaki prevented ethnic Georgian prefects from taking up their posts, and disturbances over the selection of a Georgian prefect in Marneuli forced Gamsakhurdia to declare a state of emergency there in 1991.⁷⁸ Still more indicative of their alienation is that Armenians in Javakheti and Azerbaijanis in Kvemo Kartli created popular fronts – called *Javakhk* and *Geyrat*, respectively – to advance their distinct interests. These movements did not pursue a separatist agenda, but advocated regional self-determination and even had militias at their disposal to keep marauding Georgian paramilitaries at bay.⁷⁹ Thus, both the Armenian and Azerbaijani borderlands effectively remained beyond Gamsakhurdia's control.⁸⁰

Shevardnadze's Return

By late 1991, Gamsakhurdia faced opposition not only from the minorities, but from Georgians as well. The Mkhedrioni militia, led by the Mafiosi, playwright and scholar Jaba Ioseliani, criticized Gamsakhurdia for participating in the Supreme Soviet elections, which he viewed as a symbol of occupation. Further enmity came from displaced communists and democratic intellectuals, who were frustrated by Gamsakhurdia's efforts to monopolize power. Soon enough even his allies, including Prime Minister Tengiz Sigua and National Guard commander Tengiz Kitovani, left Gamsakhurdia's camp.⁸¹ His virulent denunciation of critics brought his opponents together, and by December protests culminated in warfare in the center of Tbilisi, as the Mkhedrioni and National Guard, armed with tanks and artillery, ousted Gamsakhurdia. A self-styled "Military Council", headed by Kitovani, Ioseliani and Sigua, instead seized power.⁸²

Georgia descended into "a quasi-medieval condition, with separate fiefdoms ruled by different warlords."⁸³ This applied not only to the ethnic borderlands, but to the Georgian heartland. Armed supporters of the deposed president – labeled "Zviadists" – rose up in Gamsakhurdia's native Samegrelo region in western Georgia. The Mkhedrioni and National Guard, fierce rivals from the start, were held together by loyalties to their leaders rather than any common goal, and their members

lived off of extortion, protection rackets, arms trading, smuggling, and other criminal activities.⁸⁴ Indeed, Jaba Ioseliani was a “thief-in-law” – a leading figure in Georgia’s criminal underworld. To lend a modicum of legitimacy to their rule, the triumvirate invited Eduard Shevardnadze, former leader of communist Georgia (1972-1985) and USSR Foreign Minister (1985-1990), to return as the formal head of the Military Council. Shevardnadze’s stature enabled Georgia to win international recognition in mid-1992, but the new leader faced a dizzying array of challenges.

With the USSR now dissolved and Georgia in chaos, in the midst of on-going conflict the South Ossetians voted to join Russia in a January 1992 referendum. Meanwhile, Russian military units began more overtly supporting the Ossetians, leaving Shevardnadze, saddled with uncontrollable Georgian paramilitaries, at a disadvantage. Under pressure, he signed a cease-fire in June 1992 that left large swaths of South Ossetia beyond Tbilisi’s control and supervised by a Russian-dominated peacekeeping arrangement.⁸⁵

At the same time, tensions mounted in Abkhazia. Despite the August 1991 power-sharing deal, Abkhaz deputies circumvented the veto rights of the Georgian side, and the latter resorted to a parliamentary boycott. On top of this, Abkhazia’s autonomous status was thrown into doubt by the Military Council’s decision to restore Georgia’s 1921 constitution. Sukhumi therefore revived Abkhazia’s 1925 constitution, which provided for only a loose confederation with Georgia.⁸⁶ The Abkhaz may have thought that July 1992 was a suitable time for such a step, as the Zviadist uprising in Samegrelo created a buffer against the Georgian authorities in Tbilisi. But on August 14, 1992, under the pretext of protecting the railroad from Zviadists operating in the Mingrelian-Abkhaz borderlands, the National Guard instead began a full-scale offensive to subdue Abkhazia.⁸⁷ A brutal war began that lasted until September 1993.⁸⁸ Georgian forces captured Sukhumi, but in an offensive following a cease-fire the Abkhaz turned the tide and drove Georgian troops and over 200,000 Georgian civilians from the region. Chechen and Circassian

volunteers, local Armenians, as well as Russian military units aided the Abkhaz during the conflict.⁸⁹

But Georgian divisions also contributed to the outcome. In August 1993, the Zviadist revolt in Samegrelo gathered pace, thus placing the National Guard in the midst of a two-front war.⁹⁰ After the latter's defeat, Gamsakhurdia returned from his exile in Chechnya while Zviadist forces, boosted by arms and deserters from the retreating National Guard, began a major offensive that threatened Georgia's second largest city, Kutaisi. Facing a complete state collapse, Shevardnadze decided to appeal to Russia for help to crush the uprising in Samegrelo. But in exchange he had return Georgia into Russia's sphere of influence: Russia gained influence over the interior, defense and security ministries, and consent to retain its military bases in Georgia, which also had to join the Russia-led CIS.⁹¹ As a result, Georgians on all sides of the political spectrum concluded that Russia had utilized the conflicts to maintain control over its "Near Abroad". But there was no consensus as to whether Gamsakhurdia or Shevardnadze, or both, were to blame for Georgia's botched independence.⁹²

Despite defeat and concessions, Shevardnadze succeeded in stabilizing Georgia. The Zviadists were quelled in late 1993, and Gamsakhurdia was found dead shortly afterwards. By mid-1994, a cease-fire had been signed with Sukhumi and peacekeepers from the Russian-led CIS were deployed on the line of conflict, behind which Abkhazia enjoyed de facto independence.⁹³ In parallel, Shevardnadze labored to create a modern political arena. A parliament was reconvened after elections in October 1992. Shevardnadze became Head of State and, in 1993, his supporters were fused into the *Citizens' Union of Georgia* (CUG) – an eclectic party that included figures from the old nomenklatura, co-opted local notables, and young reformers. By 1995, Shevardnadze had outmaneuvered Ioseliani and Kitovani, disarmed their militias, and restored order. A new constitution was adopted the same year; the Georgian lari supplanted the ruble; modest tax collection resumed; and Shevardnadze became president. But state institutions were permeated with corruption, clientelism and or-

ganized crime.⁹⁴ In return for the loyalty of politicians, businessmen and civil servants, Shevardnadze turned a blind eye to these problems, and acted as an arbiter between competing factions. Thus, the Soviet system of patron-client relations and old nomenklatura elites were restored in the name of stability, only now with privatization resources and funding from international donors to divide up among the clients instead of budget transfers from Moscow.

“Let Sleeping Dogs Lie”

In order to escape from the “times of troubles”, or *areuloba*, as the preceding years became known in Georgia, Shevardnadze deemed it best to “let sleeping dogs lie”.⁹⁵ He refrained from favoring the Georgian ethno-nationalists or from alienating the minorities in order to prevent protests from either. Shevardnadze’s goal was to secure “a minimum degree of coherence” permitting the continued existence of the Georgian state.⁹⁶ This entailed making a rhetorical switch to civic nationalism, as a gesture towards the minorities (and the international donor community), yet preserving the privileges of the titular Georgians by refraining from implementing any policies that might lower the barriers to inclusion in practice.

On the one hand, Shevardnadze adopted several inclusionary laws upon coming to power. A citizenship law covering all residents was enacted in March 1993.⁹⁷ The ruling party’s civic discourse was reflected in its name: the Citizens’ Union of Georgia.⁹⁸ Similarly, the 1995 constitution, adopted on behalf of “Georgia’s citizens,”⁹⁹ defined Georgian as the sole state language¹⁰⁰ and declared citizens equal “regardless of race, color, language, sex, religion, political and other opinions, national, ethnic and social belonging, origin, property and title, place of residence.”¹⁰¹ Spreading ethnic or religious hatred was made a criminal offence, and other laws enabled minorities to form organizations to promote their culture. The creation of a national ombudsman and international treaties, such as the International Convention on the Elimination of All Forms of Racial Discrimination, which Tbilisi inked in 1999, provided added safeguards.¹⁰²

However, little was done to help minorities learn the state language. The 1997 Law on Public Office and the 1999 Administrative Code stipulated that public services were to be offered in Georgian, and civil servants could be fired for lacking competence in it.¹⁰³ But neither Javakheti-Armenians nor Kvemo Kartli-Azerbaijanis could accommodate such regulations. Shevardnadze adopted a “don’t ask, don’t tell” stance, which allowed minorities to rely on Russian when interacting with officials, an outcome that satisfied nobody.¹⁰⁴ Georgians had to tolerate the use of the Soviet *lingua franca*, and minorities in the borderlands had to operate in a legal vacuum. A new language law was prepared in 2001 that – as proposed by the OSCE – offered minorities in the regions the option of using local languages alongside Georgian for official purposes. Yet this plan proved too divisive and was discarded in 2002.

A similar impasse occurred with a draft law on national minorities.¹⁰⁵ Due to Georgia’s accession in 1999, the Council of Europe had expected Tbilisi to adopt detailed legislation on the rights of national minorities. But the parliament’s Committee on Civic Integration never finalized its integration concept. Moreover, Shevardnadze neither signed nor ratified the European Charter for Regional and Minority Languages; and he signed but refrained from ratifying the Framework Convention for Protection of National Minorities. MPs argued that the existing legislation contained sufficient guarantees, and were reluctant to grant communal rights to Georgia’s minorities, since this raised thorny questions about which groups qualified as “national minorities” and whether these should enjoy similar or graded levels of entitlement.

One reform that Shevardnadze did adopt, albeit hesitantly, concerned the nationality markers in Georgian passports.¹⁰⁶ A holdover from the Soviet period, the indicator of ethnicity was removed from official identification documents in 1999. This initiative unleashed an acrimonious public debate, however. The “reformers” appealed to Western standards and argued that the ethnicity markers might give rise to privileged groups among the citizenry.¹⁰⁷ The intelligentsia and nationalist politicians retorted that Georgia had to regulate its demo-

graphic situation and that the reform would complicate this process. Minorities themselves were absent from this debate. Although Shevardnadze tended to side with the nationalists in his speeches, the discussion faded out by March 1999. In the wake of this reform, national boundaries within Georgia grew more diluted. Minorities could henceforth become not only citizens but also Georgians; assuming, of course, that Georgians would accept them as such.

Yet “ethnicity remained a primary factor of self-identification among the wider population, Georgians and minorities alike.”¹⁰⁸ Loyalty to the Georgian Orthodox Church remained a crucial sign of national belonging. In an attempt to distance himself from his communist past, Shevardnadze had joined the church under the baptismal name Giorgi, soon after his return to Georgia.¹⁰⁹ During the later years of his rule, “the notion that only an Orthodox Christian could be a ‘true’ Georgian [...] was frequently expressed.”¹¹⁰ A concordat between the state and GOC was signed in 2002, which granted the church state funding and a range of privileges over other denominations. However, circles from the GOC, led by a defrocked priest, focused their ire on “non-traditional” religions, foremost on the Jehovah’s Witnesses and other Evangelical movements.¹¹¹ The “traditional” denominations to which most of the borderland minorities belonged were generally spared this aggression, however.¹¹²

Furthermore, while minorities were no longer excluded from the official historical narrative, they still had a hard time relating to it. In his rhetoric Shevardnadze extolled inter-ethnic and inter-faith accord.¹¹³ However, he refrained from holding ethnic Georgians culpable for the fragmented nature of their state. Georgians were depicted as innately tolerant, and since minorities were seen as having benefited from this inclusiveness, the country’s diversity was construed as an outgrowth of Georgian hospitality.¹¹⁴ History textbooks in schools instead referred to external “enemies” and “insidious” minorities, who had torn away “indigenous” Georgian lands.¹¹⁵

Ultimately, minorities lacked equal prospects in Shevardnadze’s Georgia. Anti-discrimination laws were rarely applied, and no mi-

norities were represented in the central government during his rule, due to the presence of “artificial barriers”.¹¹⁶ Minorities were scarcely involved in the national political parties, and could not form regional parties due to the Gamsakhurdia-era ban. Non-Georgians were underrepresented in parliament relative to their share of the population, comprising only 2% of MPs in the 1992-1995 legislature; and 6% in the 1995-1999 and 1999-2003 assemblies.¹¹⁷ Most of these deputies did not speak Georgian or owed their seats to the ruling party’s backing, making it difficult for them to partake in legislative debates.¹¹⁸ Non-Georgian MPs served primarily as a tool to tout Georgia’s multiculturalism and to illustrate the minorities’ allegiance to the state. However, in practice, minorities remained passive objects to be ruled over— rather than active participants in the national political arena.

Regionalism by Default

Georgia’s national unity remained frail. Mingrelians and Adjaraans entertained distinct regional identities, but were committed to the Georgian national project. Although the Azerbaijanis and Armenians in southern Georgia were nominal parts of the state, they lacked prospects for social mobility and remained isolated. Ossetians and Abkhazians alike clung to their separatist states.

Samegrelo sat somewhat uneasily in Shevardnadze’s Georgia. Mingrelians were hit hard by the strife of the early 1990s: most refugees from Abkhazia were Mingrelians, and due to their pro-Gamsakhurdia leanings they also ended up on the losing side of the civil war. Zviadist guerrillas continued to operate in or near Abkhazia, and an attempted insurrection occurred in Samegrelo in 1998.¹¹⁹ Nonetheless, neither Kartvelians nor Mingrelians questioned their essential Georgian-ness.¹²⁰ Kartvelians construed Mingrelian as a mere dialect of Georgian, albeit a backward one. Urban and young Mingrelians sought the opportunities available through the standard Georgian language and stressed the national homogeneity. Elder and rural Mingrelians were more inclined to resent the marginalization of their culture, and held a more pluralistic vision of the Georgian nation.

Meanwhile, regionalism ran deep in Adjara, where the local strong man Aslan Abashidze benefited from trade with Turkey and his political ties with Russia, which had a military base in the province. This allowed him to build up a private army and establish an autocratic fiefdom in the Adjaran Autonomous Republic.¹²¹ Abashidze enjoyed considerable support, since he kept roving warlords at bay.¹²² Despite his armed regionalism, moreover, Abashidze refrained from politicizing the religious divide and thus eased the tension between the locals' Muslim *and* Georgian identities.¹²³ Some Adjarans, mostly the young and urban, nevertheless opted to convert to their "authentic" Orthodox faith. Elder and rural residents often remained more committed to Islam, which many Georgians – and even some Adjarans – saw as a sign of disloyalty.¹²⁴ Despite these latent tensions, Adjarans did not question Georgia's national fabric.

In Javakheti and Kvemo Kartli, Shevardnadze undercut the local popular fronts, Javakhk and Geyrat, and their demands for self-determination. In 1994, he divided Georgia into nine provinces (*mkharebi*) and appointed a governor (*rtsmunebuli*) to each of them. The Armenian-populated districts (Javakheti) were merged with four Georgian-dominated districts (Samtskhe) into the Samtskhe-Javakheti *mkhare*, and the Azerbaijani-populated districts were bundled together with several Georgian-inhabited ones into the Kvemo Kartli ("Lower Georgia") *mkhare*. The governors in these provinces, Gigla Baramidze and Levan Mamaladze, managed Shevardnadze's patron-client relations in the borderlands. Leaders from the Javakhk and Geyrat movements were co-opted into public offices, which they could use for private gain, and in return cajoled minorities to vote for the ruling party, the Citizens' Union of Georgia, which drew large victories in the Armenian and Azerbaijani districts.¹²⁵

Nevertheless, locals complained of ethnic discrimination. Azerbaijanis were underrepresented in the local administration, and claimed that well-connected Georgians leased large swathes of agricultural land, and then forced them to sublet land at inflated prices. In addition, pupils in Azerbaijani-language schools seldom learnt

Georgian and studied with primers from Azerbaijan, which pulled them into the sphere of their kin-state.¹²⁶ Pupils in Javakheti's Armenian-language schools ended up even more isolated. They did not learn the state language, studied with textbooks from Armenia, and – on top of that – lived in a more homogenous ethno-region much further removed from Tbilisi. Russia's 62nd military base, stationed in Akhalkalaki, also had a major impact on the region. It was Javakheti's largest employer, a crucial market for villagers' produce, and was seen as a safeguard against both Turks and Georgian nationalists.¹²⁷ Even though Armenians were well represented in the local administration, calls for self-determination recurred through the 1990s. Crumbling infrastructure, unemployment, and socio-economic problems fed disaffection toward the Georgian state among Azerbaijanis and, even more so, among Armenians.¹²⁸

Ossetians also pondered what future Georgia held for them. In the context of the ceasefire, Tskhinvali revoked its decision to separate from Georgia, and Shevardnadze annulled Gamsakhurdia's decision to abrogate the region's autonomous status and resumed using the term "South Ossetia".¹²⁹ The parties also reached agreements on issues such as trade, reconstruction, grassroots exchanges, and IDP return.¹³⁰ This societal rapprochement was evident in the Ergneti village bazaar, where Georgians and Ossetians engaged in extensive legal and illegal bartering.¹³¹ Yet this trade generated income for the cash-starved *de facto* state, and despite the amicable relations the OSCE-sponsored talks failed to produce a resolution to South Ossetia's status.

The Abkhaz were overtly hostile to a future in Shevardnadze's Georgia. They held him to blame for their woes to a much greater extent than the Ossetians did for theirs, since only the conflict in Abkhazia had occurred under Shevardnadze's watch. UN-backed negotiations failed to inspire accommodation. Sukhumi adopted a constitution in 1994, declaring Abkhazia a "sovereign democratic state" subject to international law.¹³² Meanwhile, Georgian militias such as the "White Legion" and "Forest Brothers" operated along the frontlines.¹³³ This led to clashes in the border district of Gali in 1998. Despite an

embargo imposed by the CIS,¹³⁴ Sukhumi cemented its stance with a declaration of independence in 1999. Little progress was made on issues like reconstruction and IDP return due to societal animosities on both sides.¹³⁵ Sukhumi's reliance on Russian as the language of public life, coupled with its attempts to sow discord between Mingrelians and Kartvelians,¹³⁶ frustrated Tbilisi.¹³⁷ This rift widened as Abkhazians and Ossetians began obtaining Russian passports.¹³⁸

Saakashvili and the Rose Revolution

By 2003, gratitude toward the stability that Shevardnadze had crafted gave way to discontent with pervasive corruption, decaying infrastructure, and economic stagnation. After the president in September 2001 announced that he would withdraw from politics after his second term in office, reformers within his party began to position themselves against Shevardnadze.¹³⁹ The Minister of Justice, Mikheil Saakashvili, resigned and the speaker of parliament, Zurab Zhvania, followed suit. Saakashvili started the *National Movement* and won the post as chairman of Tbilisi city council after the 2002 local elections. For his part, Zhvania established the *United Democrats*, which transformed into the *Burjanadze-Democrats* after his replacement as speaker of parliament, Nino Burjanadze, joined his camp. Sensing the winds of change, business moguls started hedging their bets by positioning themselves closer to nascent power-holders.¹⁴⁰ Meanwhile, the ruling party tried to repair its image by rebranding itself as *For a New Georgian* in the run-up to the November 2003 legislative election.

As many in the opposition had feared, what mattered on Election Day was not the people who voted, but the people who counted the votes. Due to their access to administrative resources, Shevardnadze's *For a New Georgia* secured 21% of the vote, and Aslan Abashidze's *Union of Democratic Revival* claimed to have won a staggering 19%. Armed with clear evidence of election fraud, not least from the parallel vote tabulation and exit polls, the divided opposition parties (apart from Shalva Natelashvili's *Labour Party*) initiated protests outside parliament. The deadlock came to a head as Shevardnadze convened

a new parliament based on the fraudulent election results on 22 November 2003. But before the president had completed his welcome speech protestors spearheaded by Saakashvili burst into the chamber with roses in their hands – and the resultant change of government became known as the “Rose Revolution”.

Snap presidential elections were held in January 2004, and since Saakashvili ran virtually unopposed he won 96% of the vote. Soon after taking office, he railroaded constitutional amendments through parliament, which increased the president’s leverage over the legislative and judicial branches.¹⁴¹ Zhvania became Prime Minister and Burjanadze returned as speaker of parliament, but both were in a subordinate position vis-à-vis the empowered president. Nonetheless, the troika merged their parties into the *United National Movement* (UNM) ahead of the legislative elections in March 2004. The UNM won over two-thirds of the vote, and 135 out of 150 seats elected through proportional representation. Remarkably, no re-elections were held for those 75 majoritarian MPs elected through the fraudulent November 2003 elections, but – being void of ideological positions – these too bandwagoned behind Saakashvili, thus granting him overwhelming legislative support.

Using the vast mandate he carved out for himself, Saakashvili set about rebuilding the frail state left behind by his predecessor.¹⁴² He reformed those institutions that were supposed to fight crime and corruption, but instead had been permeated by these ills. There viled traffic police, a corps of 16,000 officers who had made their living extracting bribes, was disbanded overnight. After a process of rehiring, a leaner and professional cadre of policemen entered the streets. Tax- and customs agencies were also downsized, causing massive personnel turnover.¹⁴³ International donors helped pay their salaries during a transitional period. But Saakashvili devised a plan to refill state coffers and regain the pilfered resources by arresting crooked officials and mafia bosses, and offering them a plea bargain whereby they could admit guilt and pay huge fines from their ill-gotten money into state accounts in return for avoiding near-certain conviction.¹⁴⁴ This strat-

egy succeeded in weeding out corrupt elites, who had used their posts to protect criminals, and in replenishing state coffers.

Saakashvili then raised civil servant salaries, which enabled them to make a living without asking for bribes. Coupled with draconian penalties against officials who still did so, additional reforms designed to reduce the possibilities for extracting kickbacks were rolled out.¹⁴⁵ Hundreds of licenses and permits, which had been used by officials as an excuse to extract bribes, were scrapped. Taxes were cut and simplified to make enforcement less prone to manipulation, and the introduction of electronic payment systems further reduced opportunities to demand or offer kickbacks. Undercover visitors controlled the integrity of civil servants. This produced a cadre of compliant public servants, which enabled the authorities to provide public goods: crime levels dropped, diplomas could no longer be bought, and large infrastructure projects were initiated. With the emergence of a modern and coordinated state apparatus, it also became possible to start executing policies designed to heal Georgia's ruptured national fabric.

“Forward to David the Builder!”

Saakashvili distanced himself from the ethnic nationalism of Georgia's recent past and favored a more “civic” nationalism, wherein belonging was contingent on speaking the state language and all Georgian-speakers – irrespective of origin – were to be equals.¹⁴⁶ In order to anchor this nation-building project among the population, Saakashvili often made reference to liberal forbearers, such as the revered *pater patriae* Ilia Chavchavadze. He also used the motto “Forward to David the Builder” to call on his compatriots to repeat the deeds of David the Builder, a legendary medieval king, who united the Georgian lands – against considerable odds.

As yet another symbolic step, the authorities overhauled the state symbols. The flag, national hymn and state emblem, which originated from the 1918-21 Democratic Republic of Georgia, were replaced. A five-cross red-white flag suggestive of Georgia's medieval Golden

Age was adopted alongside the hymn *tavisupleba* (freedom), and a state emblem featuring Saint George with the state motto – *dzala ertobashia* (strength in unity) – along an attendant banner. Saakashvili's also reached out to minorities in his rhetoric. In his inaugural speech, the president proclaimed: "Georgia is home not only for all Georgians, but also for all ethnic minorities, residing in Georgia. Every citizen, who considers Georgia as its homeland, be they Russian, Abkhazian, Ossetian, Azerbaijani, Armenian, Jewish, Greek, Ukrainian, Kurd – is our greatest wealth and treasure."¹⁴⁷ "It is our responsibility," Saakashvili reiterated on another occasion, "to maintain the multi-ethnic and multi-confessional Georgia, which has been left to us by our ancestors," even as "the nation and the nationality are only one – Georgian, and it consists of Georgians, Azeri-Georgians, Abkhaz-Georgians, Ossetian-Georgians, Armenian-Georgians, and so on"¹⁴⁸

The background of Saakashvili and his colleagues helps explain their dedication to this open-minded national project. Unlike the Soviet-era intelligentsia that had bred the ethno-centric ideas from which Gamsakhurdia's exclusive nationalism sprung, the incoming elites belonged to a younger generation of intellectuals, who were Western-educated, Anglophone, and liberal.¹⁴⁹ Indeed, the new elites were sometimes dubbed the *Potomacdaleulni* – or sometimes *Mississippdaleulni* – in reference to their progressive forefathers among the *Tergdaleulebi*. These intellectuals were "far more inclusive of representatives of non-Georgian nationalities"¹⁵⁰ and thus had a personal interest in promoting an inclusive conception of Georgian-ness once they entered government positions after the Rose Revolution. Some opponents, critical of what they perceived as the "dilution" of the national idea, in turn derided Saakashvili's rule as "non-national" and "anti-national".¹⁵¹

Despite such criticism, officials inked international treaties affording protection to national minorities. The Framework Convention for the Protection of National Minorities (FCNP) was ratified in 2005, after a long delay under Shevardnadze.¹⁵² Moreover, Saakashvili set up a series of domestic institutions responsible for dealing with various aspects of the nation-building project. He first appointed a State Min-

ister for National Accord Issues, Guram Absandze, who was charged with convincing the remaining Zviadist rebels in Samegrelo to disarm. In late-2004, after the completion of this mission, a State Minister for Civil Integration, Zinaida Bestaeva, began working towards a resolution of the conflict in South Ossetia. In 2005, a Council for National Minorities and Council of Religions arose under the Public Defender's Tolerance Center, and in 2006 Saakashvili appointed Anna Zhvania as Presidential Advisor on Civil Integration.¹⁵³ Yet, a serious "lack of coordination among state bodies dealing with minority issues" beset these structures at the outset.¹⁵⁴

During his second term, Saakashvili therefore set up a State Ministry for Reintegration, headed by Temur Yakobashvili, whose mandated covered the separatist regions in Abkhazia and South Ossetia, as well as Georgia's Armenian and Azerbaijani ethno-regions. In tandem, Saakashvili's new Advisor on Civil Integration, Tamar Kintsurashvili, became chair of a Civil Integration and Tolerance Council under the President's Administration. In May 2009, their work resulted in the adoption of a "National Concept and Action Plan for Tolerance and Civic Integration."¹⁵⁵ This document served as a nation-building master plan. It identified six domains – rule of law; education and state language; media and access to information; political integration and civil participation; social and regional integration; and culture and preservation of identity – within which government agencies were to implement programs with funding from the state budget. Every month, these agencies reported to an Inter-Agency Commission under the State Ministry for Reintegration, where the deputy minister, Elene Tevdoradze, coordinated implementation. And every year, the deputy minister reported back to the Civil Integration and Tolerance Council, where Saakashvili's advisor monitored the progress. These nation-building entrepreneurs singled out (1) tolerance and (2) a shared language as vital ingredients to facilitate social and geographical mobility – and therefore: to achieve integration.

On the one hand, efforts were made to signal tolerance towards minorities. Pre-existing bans against discrimination were toughened

in certain spheres, such as in the Criminal Code. The 2005 Law on General Education obtained a clause on “neutrality and non-discrimination” (Art. 13). Similar phrases were added to the 2004 Law on Higher Education (Art. 3) and the 2006 Labor Code (Art. 2). The Public Defender’s Office established branches in Akhalkalaki and Marneuli to help minorities there seek redress in case of ill treatment.¹⁵⁶ The FCNM and the National Concept and Action Plan for Tolerance and Civic Integration were translated and distributed in the ethno-regions. Officials also tried to provide minorities with information through newspaper weeklies, and by airing daily 10-minute newsreels on radio and public TV in Armenian, Azerbaijani, Abkhaz, and Ossetian. A Russian-language TV channel, *Perviy Kavkaz*, was set up in 2010. On top of this, the public broadcaster produced programs such as *Our Georgia* and *Our Yard* to popularise minorities’ cultures. Last but not least, the state provided funding to museums, theatres, and festivals showcasing minorities.¹⁵⁷

However, even as officials tried to liberalise the national idea, ethno-religious circles held forth tradition and religion as defining national elements. The Georgian Orthodox Church (GOC) drew ever-higher approval ratings, increasing from 38.6% in 2003 to 86.6% in 2008.¹⁵⁸ Religious radicals in the *Union of Orthodox Parents and Society of Saint David the Builder* engaged in vigilante actions that threatened religious freedom.¹⁵⁹ Although officials were careful not to criticise the GOC, tensions simmered under the surface, and restricted the aforesaid efforts to instil tolerance.¹⁶⁰ The GOC not only had symbolic privileges,¹⁶¹ but also benefitted from special treatment in the legal sphere. It had the status of a legal entity of public law (LEPL) and received tax breaks as well as lavish transfers from the state budget.¹⁶² But Saakashvili did even out the playing field. He arrested vigilantes responsible for attacks against “non-traditional” denominations and pushed through reforms enabling spiritual association to register as LEPLs.¹⁶³ However, due to the GOC’s influence over the restitution of religious properties nationalized under the Soviet Union, disputed properties (foremost Armenian churches) fell into disrepair. And,

though it had been outlawed, teachers still engaged in proselytizing in public schools.¹⁶⁴

Minorities also had difficulties reconciling their memories of the past with Saakashvili's, often instrumental, historical discourse. His leitmotif pegged Russia as the adversarial "Other", representing the backward past from which Georgia had to escape in order to return to – and thus fulfil – its true European "Self". Officials thus disassociated Georgia from its Soviet- and Russian past, and attributed historic and present ills to its malignant influence.¹⁶⁵ This narrative often led officials to dismiss Georgia's ethnic conflicts as "artificially provoked" by "imperial ideologists", and discounted the xenophobia rampant among Georgians in the 1990s as a contributing factor.¹⁶⁶ Some school textbooks also provided self-serving accounts of the past. For instance, one primer for 9th graders explained Georgia's multi-ethnic structure as a result of the "indigenous tolerance that Georgians have toward other nationalities".¹⁶⁷ Officials did, however, start to replace these textbooks with less ethno-centric ones, and regulations were adopted for screening textbooks for prejudiced contents.¹⁶⁸

Apart from these ambitious but deficient efforts to signal tolerance, Saakashvili's nation-building entrepreneurs tried to encourage minorities to interact with Georgians and to adapt to their language. Since Abkhazians and Ossetians were outside the reach of the state, these efforts targeted Javakheti's Armenians and Kvemo Kartli's Azerbaijanis. Officials were especially keen to re-connect the far-flung Armenian borderland. In 2006, the authorities began repairing the road from Akhalkalaki to Akhaltsikhe.¹⁶⁹ During the next years, the Millennium Challenge Georgia Fund spent over \$203 million on rebuilding the road network in Samtskhe-Javakheti and Kvemo Kartli, thus cutting travel times from Javakheti to Tbilisi from 6-7 to 3-3,5 hours. And thanks to Saakashvili's anti-corruption campaign, minorities embarking on these roads no longer had to endure shakedown from the traffic police. Even though Armenians faced economic problems after Russia withdrew its military base from Akhalkalaki, and imposed of visa barriers against Georgian citizens, opportunities for trade and

business were opening up in Georgia. Moreover, the construction of a railway from Baku to Tbilisi through Akhalkalaki to Kars promised to turn this once isolated region into a transport node.¹⁷⁰

As inter-ethnic interactions between the borderlands and the heartland accelerated, and as the younger generation of Georgians lost aptitude in Russian, the need for a linguistic bridge magnified. Saakashvili's nation-building entrepreneurs wanted *kartuli* to serve as this adhesive. Thus, officials began enforcing pre-existing language laws, which had been ignored under Shevardnadze's rule, requiring civil servants to perform their duties in the state language.¹⁷¹ Civil servants in the Armenian and Azerbaijani ethno-regions were required to pass professional tests, designed to reveal their state language skills and other competencies relevant to their posts. However, without available avenues to learn Georgian in the short-term, minorities in the civil service felt that these requirements threatened their career prospects. During his second term, Saakashvili thus scaled back the enforcement of these laws. He instead provided expanded access to Georgian language courses in special Language Houses located in the ethno-regions and in Kutaisi's Zurab Zhvania School of Public Administration.¹⁷²

Meanwhile, officials stepped up their efforts to integrate the upcoming generation of minorities. Textbooks were translated into Armenian and Azerbaijani in order to supplant primers sent from the kin-states and to ensure that minorities followed the national curriculum. New textbooks were devised for the teaching of Georgian as a 2nd language. Starting from 2010/11 certain subjects – including history, geography, and social sciences – were to be taught in the state language in non-Georgian schools. In a select number of schools, the authorities also tried introducing several languages of instruction in parallel. Yet, these reforms were difficult to implement due to the dire lack of qualified teachers.¹⁷³ Moreover, minorities often failed to enter universities since admission required passing a Unified National Examination, which included a test in Georgian language and literature. Officials undid this barrier through an affirmative action scheme in

2010. Thanks to a special quota, students taking the Unified National Examination in Armenian or Azerbaijani could be admitted based on their results on the general abilities test, and thereafter enrolled in a yearlong, but state-funded, Georgian language program before continuing with their regular studies (taught in Georgian).

Regress and Progress

Saakashvili's ambition to mend fences with Georgia's alienated borderlands met mixed success. In January 2004, just after Saakashvili's inauguration, his State Minister for National Accord Issues persuaded Zviadist rebels hiding out in Samegrelo to sign a declaration of national accord. Seeking to heal the wounds of the fratricidal civil war of the early-1990s, Saakashvili later had Gamsakhurdia's body re-turned from Grozny and laid to rest in Tbilisi. He stated: "Today the time has come for reflection. [...] Georgia will respect those who struggled for its independence. At the same time, we should note and stress once again that our country belongs to all persons, regardless of their political views [...]. Georgia belongs to all ethnic groups living in Georgia".¹⁷⁴ In the meantime, Mingrelians both in Tbilisi and in Samegrelo integrated seamlessly into Georgian society.¹⁷⁵

In May 2004, following an intense period of negotiations and escalating tensions, Aslan Abashidze was forced to abandon his stronghold in Adjara. Though the region retained its formal autonomous status, it was in effect placed under close central oversight.¹⁷⁶ However, this did not trigger protests among locals. No ethnic differences separated Adjarans from Georgians, and – despite occasional tensions – the religious divide grew less and less salient as ever more locals converted from Islam to the Georgian Orthodox Church.¹⁷⁷

These successes emboldened Tbilisi to re-integrate South Ossetia too. Officials cracked down on contraband trade at the Ergneti market, a major source of income for the separatist regime, and tried to win over locals through economic carrots.¹⁷⁸ But the locals instead regrouped around their leaders. Trust frayed and tensions flared. Russia stepped up its support for the separatist regime, led by Eduard

Kokoity, to such an extent that observers spoke of the “outsourcing” of *de facto* statehood.¹⁷⁹ Tbilisi started supporting an alternative administration led by Dmitri Sanakoev, who also claimed to speak for South Ossetia, but was based in the region’s Georgian-populated areas.¹⁸⁰ Communication across the line of conflict broke down, and – against the backdrop of a deepening geopolitical divide – the parties stumbled into war in 2008. Another wave of Georgians had to abandon their homes, as Ossetian militias and Russian “peacekeepers” consolidated control over the region. Since its recognition by Moscow, South Ossetia has in fact been annexed by its northern patron, notwithstanding the fall of Kokoity’s political machine and the ascent of Leonid Tibilov in 2012.¹⁸¹

Abkhazia is another front on which Saakashvili’s struggle for national unification failed. On the very same day in May 2006 that Abkhazia’s foreign minister travelled to Tbilisi to restart the languishing dialogue between the parties, Saakashvili opted to visit a new military base in Samegrelo, near the Abkhaz border. Soon afterwards, Georgian police led a special operation to unseat a warlord, Emzar Kvitsiani, from the Kodori Gorge in northern Abkhazia.¹⁸² This gave Tbilisi a foothold inside the statelet, but it also provoked Abkhaz fears. Locals had taken note of Georgia’s increasing state strength and the growing funds allotted to its armed forces, and therefore discounted Saakashvili’s promises of extensive self-determination.¹⁸³ Moreover, Tbilisi’s penchant for holding Russia as responsible for its headaches made it difficult to capitalize on the fact that Abkhazia in fact had a more distant relationship to its northern patron than South Ossetia.¹⁸⁴ After war broke out in 2008, Russia’s forces opened a second front through Abkhazia, thus pushing Georgian troops out of the Kodori Gorge and far into undisputed Georgian lands. Since the conclusion of the 2008 War and Russia’s recognition of Abkhazia’s independence, the region has drifted deeper into Moscow’s embrace.¹⁸⁵

If anything good came out of these failures, it might be that Saakashvili’s nation-builders shifted their attention to integrating those minorities that were still under their control and adopted a

more thoughtful approach. Armenians in Javakheti had protested against Tbilisi's attempts to enforce state language laws. Their lack of access to Georgia's universities also forced adolescents to emigrate in search of higher education and jobs abroad.¹⁸⁶ Fearing that their region might lose its Armenian character, locals held a string of protests from 2004 to 2008, when the organizers behind these events, *United Javakhk*, were subjected to a crackdown. However, during his second term, Saakashvili's policies also took an accommodative turn. Civil servants no longer feared for their jobs, as the enforcement of language laws was relaxed, and some students began enrolling in Georgia's universities after the introduction of the affirmative action scheme. But even as more adolescents planned for a future in Georgia, and learnt *kartuli*, locals retained the hope of elevating Armenian to the status of a regional language in Javakheti.

Kvemo Kartli's Azerbaijanis had also been apprehensive towards Saakashvili's policies, not least since his suppression of contraband trade, and the unfair distribution of agricultural land, restricted their opportunities for making a living. Despite sporadic protests over the socio-economic gripes, Azerbaijanis – unlike their co-citizens in Javakheti – seldom raised ethno-political complaints. Most locals perceived the state language as the way to escape their isolation. Due to the inadequate teaching of Georgian in non-Georgian schools, ever more parents enrolled their children in Georgian-language schools. Moreover, after the introduction of the affirmative action scheme in 2010, Azerbaijani students flocked to Georgia's universities.

State of the Nation since 2012

Frustration with the heavy handed policies of the Saakashvili government and the rise of a credible opposition, organized around the billionaire Bidzina Ivanishvili and his Georgian Dream (GD) alliance, led to the dramatic defeat of the UNM in the 2012 parliamentary elections.

Events before as well as after these elections indicate that the ruling party's traditional political grip over the ethno-regions may be fading.¹⁸⁷ In the run-up to the elections, the then-opposition campaigned

and courted voters in the southern ethno-regions, and on Election Day it became clear that the Georgian Dream also had made inroads among minorities. Some parliamentarians from the regions, such as the MP for Ninotsminda (Enzel Mkoyan) and the MP for Dmanisi (Kakhaber Okriashvili), soon defected from the UNM, on whose ticket they had been elected, in keeping with the tradition of elite co-optation. However, just as notable is the fact that other MPs, such as Samvel Petrosyan from Akhalkalaki and Azer Suleimanov from Marneuli, have remained loyal to the UNM and become important voices in the new opposition. These are promising signs that politics in the Armenian- and Azerbaijani-populated regions is “normalizing”, and that minorities, just like other Georgian citizens, are comfortable enough to oppose their central government without being reproached for being in opposition to the state.

In 2014, the State Ministry for Reintegration, now led by Paata Zakareishvili, changed its name into the State Ministry for Reconciliation and Civic Equality in a bid to remove semantic stumbling blocks preventing communication with *de facto* officials in Abkhazia and South Ossetia.¹⁸⁸ But the GD-government maintained other structures inherited from its predecessor. Two years after the expiration of the UNM’s National Concept and Action Plan for Tolerance and Civic Integration, which covered the period from 2008 to 2013, the authorities unveiled the “Civic Equality and Integration Strategy 2015-2020”. In tandem, a comprehensive anti-discrimination bill was adopted, and an Equality Department created within the Office of the Public Defender.¹⁸⁹ On top of this, parliament adopted a Law on Official Language in 2015. It made provisions for the establishment of a Department of the Official Language, and affirmed the status of the Georgian language as a binding element among citizens and thus as “essential for [Georgia’s] statehood.”¹⁹⁰ Recent experimental research suggests that the younger generations of Georgians share this stance: minorities need to master the state language to win their acceptance, but are not ostracized on the grounds of their origin after doing so.¹⁹¹

Other aspects are less encouraging. In September 2014, the GD-led parliament adopted a new law on residency permits, with the stated intention of aligning domestic policies with those of the European Union. However, these regulations ended up striking against Georgia's minorities, foremost in Javakheti and to a lesser extent in Kvemo Kartli, where some had taken up a second passport. In Akhalkalaki, some locals had obtained Russian citizenship as a condition of employment at the (since-dismantled) 62nd military base. Others had taken Armenian or Azerbaijani passports after 2006, when relations between Georgia and Russia soured and the latter introduced a visa regime that created barriers for Georgian citizens desiring to travel in Russia. For local families dependent on remittances from labor migrants to Russia, obtaining a second passport became imperative, although existing legislation prohibited dual citizenship (without approval from the presidential administration). These rules had earlier been ignored, but after the adoption of the new residency legislation minorities holding dual passports found themselves stripped of their Georgian citizenship and had to go through a chaotic process to obtain a residence permit in order to remain in Georgia.¹⁹²

Moreover, as a wide-ranging coalition, held together by little beyond their shared antagonism towards Saakashvili's UNM, the Georgian Dream sheltered some individuals and parties favoring an ethno-religious national project (such as the Conservative Party of Georgia). These noisier nationalist elements created unease among minorities in the borderlands, as noted in the Council of Europe's¹⁹³ report on the implementation of the Framework Convention for the Protection of National Minorities: "there is an increase in hate speech against religious and national minorities" and these instances are not addressed, or are processed in a biased manner by law enforcement, which undermines trust in the police among national minorities. Under the Georgian Dream, efforts to promote the Georgian Orthodox Church – and stigmatizing its non-followers – also accelerated, including in public schools and especially so in the region of Adjara. On top of this, the standard of education in the non-Georgian schools in

Kvemo Kartli and Javakheti, where classes were taught in Azerbaijani or Armenian, fell further behind, due to a lack of qualified teachers and suitable school materials. Even as younger Armenians and Azerbaijanis had begun to learn Georgian, in large part thanks to the affirmative action scheme governing access to domestic universities since 2010, a sense of marginalization and alienation persisted among the communities in the southern borderlands.

Thus, despite an eventful 25 years, Georgia has yet to complete its nation-building project. Gamsakhurdia steered the then-Soviet Socialist Republic towards independence, but caused the nation to break apart. Shevardnadze stitched the pieces back together, but failed to integrate them. Saakashvili tried to integrate them, and succeeded in some borderlands but failed in others. It is now up to the Georgian Dream-government to take another step forward on this road. For the state motto, “Strength in Unity”, to evolve from a vision into practice, officials must do more, both in order to encourage minorities to learn the common state language and in order to prevent discrimination against minorities on the grounds of their origin or religion.

Endnotes

- 1 The chapter draws heavily on Berglund, Christofer (2016) *Borders and Belonging: Georgia's Armenian and Azerbaijani Ethno-Regions under Saakashvili's 'Civic' Nationalism*. PhD dissertation. Uppsala: Uppsala University.
- 2 Amirejibi-Mullen, Rusudan (2011:265): *Language Policy and National Identity in Georgia*. PhD diss. London: Queen Mary University of London.
- 3 Laurence Broers (2004:113f): *Containing the Nation, Building the State: Coping with Nationalism, Minorities and Conflict in Post-Soviet Georgia*. PhD diss. London: University of London.
- 4 Rouvinski, Vladimir (2007: 58-76): “The Policy of Ethnic Enclosure: A Study of the Role of Language in Ethnic Rivalries in the Caucasus”, *IPSHU English Research Report Series №21*. Hiroshima: Hiroshima University.
- 5 Cheterian, Vicken (2008a: 40-42): *War and Peace in the Caucasus: Russia's Troubled Frontier*. New York: Colombia University Press.
- 6 Suny, Ronald Grigor (1994: 309): *The Making of the Georgian Nation*. Indianapolis: Indiana University Press.

- 7 Kaufman, Stuart J. (2001: 100): *Modern Hatreds: The Symbolic Politics of Ethnic War*. Ithaca: Cornell University Press; Broers 2004: 146.
- 8 Hewitt, George B. (2013: 52-55): *Discordant Neighbours: A Reassessment of the Georgian-Abkhazian and Georgian-South Ossetian Conflicts*. Leiden: Brill.
- 9 Beissinger, Mark R. (2002: 179): *Nationalist Mobilization and the Collapse of the Soviet State*. Cambridge: Cambridge University Press.
- 10 Wheatley, Jonathan (2005a: 42): *Georgia from National Awakening to Rose Revolution: Delayed Transition in the Former Soviet Union*. Aldershot: Ashgate.
- 11 Amirejibi-Mullen, 2011: 261.
- 12 Hewitt, 2013: 53.
- 13 Hewitt, 2013: 54.
- 14 For example, the former group favoured a two-chamber parliament, with an elected lower chamber and the Holy Synod of the Georgian Orthodox Church serving as the upper chamber; Cornell, Svante E. (2002: 150): *Autonomy and Conflict: Ethnoterritoriality and Separatism in the South Caucasus – Cases in Georgia*. PhD diss. Uppsala: Uppsala University.
- 15 The dissidents would, for instance, present Chavchavadze's motto as "Language, Faith, and Fatherland" – as opposed to the original "Fatherland, Language, and Faith" (Suny 1994: 320); Nodia, Ghia (2009: 93): "Components of the Georgian National Idea: an Outline" in *Identity Studies* 1: 84-101; Andronikashvili, Zaal & Giorgi Maisuradze (2010: 14): "Secularization and Its Vicissitudes in Georgia" in *Identity Studies* 2: 5-17.
- 16 Broers 2004: 147.
- 17 Wheatley 2005a: 42.
- 18 Smith, Graham, Vivien Law, Andrew Wilson, Annette Bohr, Edward Allworth (1998: 172): *Nation-Building in the Post-Soviet Borderlands: The Politics of National Identities*. Cambridge: Cambridge University Press.
- 19 Cornell, Svante E. (2001: 148): *Small Nations and Great Powers: A Study of Ethnopolitical Conflict in the Caucasus*. London: Routledge.
- 20 Kaufman 2001: 101f.
- 21 Cornell 2001: 149-150.
- 22 Beissinger 2002: 185.
- 23 Suny 1994: 320.
- 24 Nodia, Ghia (1996): "Political Turmoil in Georgia and the Ethnic Policies of Zviad Gamsakhurdia" in Bruno Coppieters (ed.) *Contested Borders in the Caucasus*. Brussels: VrijeUniversiteit Brussels Press.
- 25 Toft, Monica D. (2001: 133): "Multinationality, Regional Institutions,

- State-Building, and the Failed Transition in Georgia” in *Regional & Federal Studies* 11 (3): 123-142.
- 26 This squabble contained the seeds of civil war since paramilitaries were drawn into the rivalry. A band called the “Mkhedrioni”, led by JabaIoseliani, backed the National Congress. For their part, the Round Table was supported by a militia called the “White George Society”, which was headed by TengizKitovani – a close friend of Gamsakhurdia’s (Broers 2004: 163).
- 27 Cornell 2002: 157.
- 28 Broers 2004: 149.
- 29 Suny 1994: 326.
- 30 Nodia, Ghia (1997: 30): “Causes and Visions of Conflict in Abkhazia”, Working Paper Series, Berkeley Program in Soviet and Post-Soviet Studies. Berkeley: University of California.
- 31 Broers, Laurence (2009: 109): “‘David and Goliath’ and ‘Georgians in the Kremlin’: a post-colonial perspective on conflict in post-Soviet Georgia” in *Central Asian Survey* 28 (2): 99-118.
- 32 Broers 2004: 158, cf. 161.
- 33 Hewitt 2013: 57-58.
- 34 Gamsakhurdia, Zviad (1990): “The Spiritual Mission of Georgia”. A lecture delivered at the Idriart Festival in the Tbilisi Philharmonic House.
- 35 Amirejibi-Mullen 2011: 139.
- 36 Broers 2004: 157; Tuite, Kevin (2008): “The Rise and Fall and Revival of the Ibero-Caucasian Hypothesis” in *Historiographia Linguistica* 35: 23-82.
- 37 Smith et al 1998: 182.
- 38 Amirejibi-Mullen (2011: 261) cites Gamsakhurdia as saying: “[t]he Georgian nation is elect among its equals for its lifestyle, location and language. Georgia is destined to be the Theotokos”. Theotokos is Greek and literally translates as “God-bearing”.
- 39 Toft 2001: 133.
- 40 Broers 2004: 155.
- 41 Suny 1994: 325.
- 42 Rouvinski 2007: 164f. Kaufman 2001: 97f.
- 43 Hewitt 2013: 96f.
- 44 Brooke, James (1991): “As Centralized Rules Wanes, Ethnic Tension Rises Anew in Soviet Georgia” in *The New York Times* (2 October).
- 45 Rouvinski 2007: 144-150.

- 46 Broers 2004: 159.
- 47 Ingorokva unveiled his hypothesis in the 1950s, at a time when Abkhazia was subjected to a range of Georgianization policies. Most contemporary scholars have dismissed his idea (Kaufman 2001: 92; Cornell 2001: 151). Hewitt 2013: 47. Coppieters, Bruno (2002: 98): “In Defence of the Homeland: Intellectuals in the Georgian-Abkhazian Conflict” in Bruno Coppieters & Michel Huysseune (eds.) *Secession, History and the Social Sciences*. Brussels: VUB Press.
- 48 Nodia 1997: 27.
- 49 Broers 2004: 157.
- 50 Amirejibi-Mullen 2011: 265.
- 51 A poll conducted in Tbilisi in 1990 found that 77.5% of respondents mentioned the “demographic problem” when asked to select seven issues of concern to them (Kaufman 2001: 94); Nodia 1996.
- 52 Broers 2004: 173; Hewitt 2013: 57-80.
- 53 MRMG (2011): “Renewal of toponymy as one of the real steps on reinstatement of interethnic dialogue in KvemoKartli region in Georgia.” Tbilisi: The Monitoring Group on Protection of Rights of Ethnic Minorities.
- 54 Shane, Scott (1991): “Nationalist Leader in Soviet Georgia Turns Georgians Against Minorities” in *The Baltimore Sun* (7 March).
- 55 Kaufman 2001: 110; Hin, Judith (2003: 46): *Ethnic and Civic Identity: Incompatible Loyalties? The Case of Armenians in Post-Soviet Georgia*. PhD diss. Utrecht: NederlandseGeografische Studies 315.
- 56 Broers 2004: 158.
- 57 Pelkmans, Mathjis (2006: 122): *Defending the Border: Identity, Religion, and Modernity in the Republic of Georgia*. Ithaca: Cornell University Press; Pelkmans, Mathjis (2010: 116): “Religious Crossings and Conversions on the Muslim-Christian Frontier in Georgia and Kyrgyzstan” in *Anthropological Journal of European Cultures* 19 (2): 109-128.
- 58 Wheatley 2005a: 58.
- 59 Nodia, Ghia (2005: 53f): “Georgia: Dimensions of Insecurity” in Bruno Coppieters & Robert Legvold (eds.) *Statehood and Security: Georgia after the Rose Revolution*. Cambridge: MIT Press.
- 60 Some Ossetians reacted to Georgianization during Soviet times. South Ossetia’s second *de facto* president, Eduard Kokoity, had been born as Kokoev, with the typical Russian -ov suffix. But whilst in Tbilisi, Eduard had been advised that it would help his career if he changed his surname to Kokoshvili, thus incorporating the characteristic Georgian -shvili ending. Eduard took this as an insult, and instead changed his Russified surname, Kokoev, into its original Ossetic form: Kokoity (Hewitt 2013: 182, fn 99); Cornell 2001: 41; Kaufman 2001: 87; Barry, Ellen (2008): “Soviet Union’s Fall Unravelled Enclave in Georgia” in *The New*

- York Times* (6 September).
- 61 Wheatley 2005a: 46.
- 62 George, Julie (2009: 100): *The Politics of Ethnic Separatism in Russia and Georgia*. New York: Palgrave Macmillan.
- 63 Cornell 2002: 192f.
- 64 Only some of these paramilitaries were under Gamsakhurdia's control. Brooke 1991.
- 65 Cornell 2001: 155.
- 66 Rouvinski 2007: 130-136, 190ff.
- 67 It had a Georgian and an Abkhaz sector, but the latter generally used Russian as a language-of-instruction.
- 68 One infamous Georgian article, published in the Tbilisi press, advocated a coercive policy of restricting non-Georgians to no more than two children per family (Kaufman 2001: 103).
- 69 Many Armenians and Russians in Abkhazia supported the petition. Some local Georgians, e.g. the rector of the Abkhaz University, also signed it (Cornell 2001: 152; Hewitt 2013: 66).
- 70 Hewitt 2013: 62-77.
- 71 Cornell 2002: 178.
- 72 Zürcher, Christoph (2005: 90-92): "Georgia's Time of Troubles, 1989-1993" in Bruno Coppieters & Robert Legvold (eds.) *Statehood and Security: Georgia after the Rose Revolution*. Cambridge: MIT Press. This was not a declaration of independence; it anticipated the conclusion of a treaty establishing confederal relations with Georgia.
- 73 Kaufman 2001: 116.
- 74 The deal allocated 28 seats in the parliament to the Abkhaz, 26 seats to the Georgians, and 11 seats to other nationalities, whilst requiring a 2/3 quorum to pass "important legislation".
- 75 Author's interview with Garegin Gabrelian, Head of "Armenian Union – Saatonova", Tbilisi, 6 August 2010. Komakhia, Mamuka (2003a): "Armenian Population in Georgia". Tbilisi: United Nations Association of Georgia.
- 76 Nelson, Lynn D. & Paata Amonashvili (1992): "Voting and Political Attitudes in Soviet Georgia" in *Soviet Studies* 44 (4): 687-697.
- 77 These rather high results should be seen in light of the Gamsakhurdia's threat to withdraw citizenship and property rights from the minority enclaves in case of a "no" to independence; Cornell 2002: 163.
- 78 Slider, Darrel (1997: 171ff): "Democratization in Georgia" in Karen Dawisha & Bruce Parrott (eds.) *Conflict, Cleavage, and Change in Central Asia and the Cau-*

- casus*. Cambridge: Cambridge University Press; Guretski, Voitsekh (1998): "The Question of Javakheti" in *Caucasian Regional Studies* 3 (1).
- 79 Rumours of Azerbaijani secession preparations in 1990 led some Georgian dissidents to plan a "March on Marneuli", modelled on the prior year's "March on Tskhinvali", which had stoked tensions in South Ossetia. However, contacts between Tbilisi and Baku dispelled these qualms, and the march was cancelled, thereby preventing the likely inter-ethnic confrontation. Wheatley, Jonathan (2004: 13): "Obstacles Impeding the Regional Integration of the Javakheti Region of Georgia", *ECMI Working Paper* №22. Flensburg: European Centre for Minority Issues; Wheatley, Jonathan (2005b: 13): "Obstacles Impeding the Regional Integration of the KvemoKartli Region of Georgia", *ECMI Working Paper* №23. Flensburg: European Centre for Minority Issues.
- 80 Hin 2003: 47.
- 81 Nodia 1996.
- 82 Some claim that Russia helped orchestrate the coup, which is feasible since Gamsakhurdia's Ibero-Caucasian world-view translated into opposition to Russia's influence over the Caucasus and support for Chechen separatism (see Gordadze 2009: 30).
- 83 Nodia, Ghia (1995: 111): "Georgia's Identity Crisis" in *Journal of Democracy* 6 (1): 104-116.
- 84 Baev, Pavel (2003: 133): "Civil Wars in Georgia" in Christoph Zürcher & Jan Koehler (eds.) *Potentials of Disorder: Explaining Conflict and Stability in the Caucasus and in the Former Yugoslavia*. Manchester: Manchester University Press; Slider, Darrel (1997: 165): "Democratization in Georgia" in Karen Dawisha & Bruce Parrott (eds.) *Conflict, Cleavage, and Change in Central Asia and the Caucasus*. Cambridge: Cambridge University Press.
- 85 Cornell 2002: 166; Demetriou, Spyros (2002): "Rising From the Ashes? The Difficult (Re)Birth of the Georgian State" in *Development and Change* 33 (5): 859- 883.
- 86 Kaufman 2001: 117f.
- 87 It is unclear if Shevardnadze authorised this action, or if it was Kitovani's own initiative. Nodia 1997: 34; Wheatley 2005a: 72.
- 88 Both sides committed war crimes. In an act of cultural warfare, Georgian troops also burnt down the Gulia Institute for Abkhaz Language, Literature and History (Rouvinski 2007: 79).
- 89 The North Caucasian volunteers acted on behalf of the "Confederation of Mountain Peoples of the Caucasus", while local Armenians organized themselves in the "Bagramyan Battalion". Cornell 2001: 159; 2002: 169.
- 90 Demetriou 2002: 873.
- 91 Gordadze, Thornike (2009: 35): "Georgian-Russian Relations in the 1990s" in

Svante E. Cornell and S. Frederick Starr (eds.) *The Guns of August 2008: Russia's War in Georgia*. New York: M.E. Sharpe.

- 92 Even though Shevardnadze took the decision to kneel to Russia, Gamsakhurdia had contributed to his predicament, since the Zviadist uprising had weakened the war effort in Abkhazia. Moreover, most Georgians in Abkhazia were Mingrelians, who were unsupportive of the National Guard (Nodia 1997: 37-39). Indeed, during his exile in Grozny, Gamsakhurdia rubbed shoulders with Abkhaz and Chechen delegates involved in the Confederation of Mountain Peoples of the Caucasus (Korolov, Maria (1992): "Caucasus Confederation Threatens Georgia" in *The Moscow Times* (5 October).
- 93 Cornell 2001: 162.
- 94 Wheatley 2005a: 109-136.
- 95 Nodia, Ghia (2002: 6): *Ethnic-Confessional Groups and Challenges to Civic Integration in Georgia: Azeri, Javakheti Armenian and Muslim Meskhetian Communities*. Tbilisi: CIPDD.
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- 97 Jones, Stephen (2006: 260): "Georgia: Nationalism from under the Rubble" in Lowell W. Barrington (ed.) *After Independence: Making and Protecting the Nation in Postcolonial and Postcommunist States*. Ann Arbor: University of Michigan Press.
- 98 Wheatley 2005a: 85.
- 99 However, the preamble identified the "Georgian nation's centuries-long traditions of statehood", which has a more ethnic ring to it, as the basis for state formation (Broers 2008: 282).
- 100 A constitutional provision (§8), adopted in October 2002, granted the Abkhaz language official status – alongside Georgian – in the Autonomous Republic of Abkhazia. But, due to the *de facto* secession of the province, this article only has symbolic importance.
- 101 §14; 38.
- 102 Popjanevski, Johanna (2006: 28): "Minorities and the State in the South Caucasus: Assessing the Protection of National Minorities in Georgia and Azerbaijan". Silk Road Paper. Stockholm: Central Asia-Caucasus Institute.
- 103 Popjanevski 2006: 40.
- 104 Broers, Laurence (2008): "Filling the Void: Ethnic Politics and Nationalities Policy in Post- Conflict Georgia" in *Nationalities Papers* 36 (2): 275-304.
- 105 Broers 2008: 283.

- 106 Reisner, Oliver (2010): "Between State and Nation Building: the Debate about Ethnicity in Georgian Citizens' ID Cards" in Françoise Companjen, Laszlo Maracz & Lia Versteegh (eds.) *Exploring the Caucasus in the 21st Century*. Amsterdam: Pallas Publications.
- 107 The initiator behind the removal of nationality markers, and a key figure among the reformers, was the future president of Georgia: Mikheil Saakashvili (Amirejibi-Mullen 2011: 308).
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THE STORY OF GEORGIA'S STATE-BUILDING: DRAMATIC BUT CLOSER TO COMPLETION

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State-building has been a major challenge for the new Georgia. In the 1990s, the country was often referred to as a case of failing state, with rather pessimistic forecasts. Later, this also became the area where Georgia had most obvious achievements, even though there are important remaining problems.

In this chapter, I will start by putting the problem of state failure in Georgia in the context of comparative political research, then outline specific areas in which Georgia's state-building project encountered most severe trials, and track later progress (or lack of it) in each of these domains. In the end, I will sum up Georgia's record in brief *Conclusions*.

What does state failure mean?

The problem of state-building as a distinct issue came to the agenda of the international policy community, as well as comparative political science, in response to a very practical challenge of *state failure* in many parts of the world. Before that, comparative political science, with its horizon being pretty much dominated by cases of developed western countries, tended to take existence of states for a starting point. Major points of comparison were seen in the realm of political regimes, so that different cases could be organized along the conceptual axis of democracy – autocracy, also taking into account that there exist different versions of democracies, and, even more so, of autocracies. On the other hand, topical and widely discussed were

differences between public policies, and philosophies underpinning them, especially regarding economic development and social security – here the conceptual axis could be built between the poles of left vs. right, free market vs. state regulation, etc. But in all those research domains, the capacity of state to enforce order (whatever kind of order it chose to enforce) and carry out public policies determined by its government, was largely taken for granted.

That this was not always so, became conspicuous in 1960s, in the wake of the wave of decolonialization in the so-called ‘Third world’, especially in Sub-Saharan Africa. Decolonialization implied that certain territories that had been administered by colonial European powers like the United Kingdom, France, Belgium, et al., were granted status of internationally recognized states, with an expectation that local political elites would take over functions previously performed by colonial rulers. However, it soon became clear that these local elites (initially democratically elected following models of their imperial masters, later mostly switching to dictatorial regimes) did not perform in the ways ‘states’ are expected to perform. Taking the seat in the UN and getting involved in international relations became their most successful state function. When it came to public goods that states are expected to deliver to their peoples, such as enforcing order and security, dispensing justice, taking care of public infrastructure, etc., their capacity was severely curtailed. Reflection on this fact led to introducing terms such as ‘debile states’, ‘quazi-states’, ‘failing states’, ‘state collapse’, etc.¹

In the literature on this subject, Samuel P. Huntington’s classic *Political Order in Changing Societies*² stands out. It criticized previously fashionable school of *modernization theory* that presented an optimistic and more or less linear pattern of development whereby economic development through industrialization was the chief independent variable leading to the creation of urban educated middle class with its values and societal institutions (such as free market and civil society), and eventually bringing about political institutions of democracy. As Huntington demonstrated, economic development and ensuing social

mobilization were not bound to bring progress in all spheres of life; in many cases, these processes could cause break-down of any political order altogether, and lead to surge in uncontrolled violence thus bringing lots of misfortunes to their peoples, as well as new challenges to the international system. Many late modernizers, especially those that started processes of modernization under colonial rulers, provided numerous examples of this.

Apart from new theoretical insights, Huntington's work brought about a different focus in terms of policy: it shifted normative emphasis from the twin priorities of economic development and liberal democracy to that of political order. Western, especially American audiences, Huntington argued, tend to take existence of functional state institutions for granted, which allows them to fully focus on issues of economic development and redistribution of wealth on the one hand, and those of limiting state power in order to ensure democratic freedoms on the other. However, for many underdeveloped countries it is having *any* functional state institutions (whether democratic or autocratic) that constitutes the most pressing problem (as well as major impediment for economic development). Arguably, this different policy focus contains a potential moral hazard: critics portrayed Huntington as a control-freak bent on repression and willing to justify third-world dictators.³ However, while this moral dilemma should be taken into account, challenges coming from state failure, as well as additional hindrances that it creates for the tasks of democracy-building, deserve careful consideration.⁴

Break-up of the communist system brought about new set of failing states (this time, closer to the West, for instance, in the Balkans) and revived interest to the subject in the political science. The *problematique* of state failure prompted scholars to draw comparisons between post-colonial African states and new post-Communist ones:⁵ Despite obvious differences caused by history, geography, and culture, they displayed some characteristics in common. The most important author who took over Huntington's intellectual lead in prioritizing political order in the recent period, was Francis Fukuyama: while his

international fame was due to his optimistic proclamation of the “End of History” (implying universal domination of the liberal-democratic ideal as initially constructed in the West),⁶ it was also him who highlighted the underestimated value of political order, that is, effective state power, as a value in its own right, and as a precondition for successful democracy-building.⁷

Why is it that some states fail on this account while others happen to be more successful? Economic factors can hardly provide convincing explanation: there have been exceedingly poor countries that managed to build up fairly effective states and achieve economic success based on them (east Asian region provided the most salient cases), and other poor countries that had a very similar starting point but failed at both state-building and economic development. It appears that if there is a causal link here at all, it rather works in the opposite direction: state institutions that are effective and also ensure certain kind of economic relations may provide the best explanation for successful economic development.⁸

Colonial past is another variable used for explaining variances between countries. Despite obvious differences between overseas colonies of the European powers, and former parts of the Soviet Union, a country that presented itself as a multinational state rather than the (Russian) empire, some analogies are fully legitimate. In both cases, modern state institutions were imposed on the conquered peoples who were perceived as cultural aliens, which may explain the low level of legitimacy and ownership with regards to those institutions. Apart from being culturally foreign, the Soviet state was also ‘alien’ in a different sense: it tried to impose artificial, ideologically constructed set of values and institutions, and do this by exceptionally repressive means. Under the circumstances, strategies developed by the local actors were about passively or actively resisting and circumventing state norms and institutions, and taking the utmost advantage of corrupt practices that such states allowed for. Arguably, the habit survived the colonial period, continuing to shape attitudes to the state power in newly independent countries.

However, not all post-colonial countries display weakness of state, or not all of them display it on a similar scale. Fukuyama introduces an additional useful variable here: that of *precolonial past*. Those countries that have had viable and effective state institutions, as well as well-shaped national identities, *before* colonial conquest, turn out to be much more successful in state-building following the post-colonial emancipation, than those lacking such record. East Asian countries represent the former case, while new African states – the latter one.⁹ Among the post-Soviet cases, the Baltic states may be used to confirm this thesis: the experience of two decades of modern statehood between the two world wars may have helped them to be much more successful state-builders after the Soviet break-up, as compared to other former parts of the Soviet Empire. In contrast, at the moment when different parts of today's Georgia were annexed to Russia starting from 1801,¹⁰ they represented a set of medieval fiefdoms, while the short period of independence between 1918-21 failed to leave lasting enough legacy. Despite its rich ancient culture and history, there was not much of 'useful past' that Georgia could lean on when it embarked on an exercise to build a modern state in 1990s.

Specific challenges of state-building in Georgia

When Georgia declared independence,¹¹ this by definition implied an intention to build a modern state fitting into a predefined pattern of statehood. This pattern can be deemed universal, but in practice, it was European states that provided the blueprint and inspiration for the Georgians (as well as for many other late developers around the world). However much the nascent Georgian state might differ from the European prototypes in effect, and however bitterly the new Georgian elites might contradict each other on different issues, the general idea of the "European-style state" was never questioned as the point of reference in political debates, and the blueprint to be followed in practice.

What does this task imply in particular? According to Max Weber's frequently cited definition, the main feature of state is its ability

to establish and maintain *monopoly of legitimate physical violence*.¹² It immediately directs our attention to numerous cases of recognized states, including Georgia, that fail or have a difficulty to enforce such monopoly.

However, there are other important ways in which states may be unsuccessful. Without going too deep into theory, I will list several dimensions on which I will focus in this paper:

- (1) nation-building and territorial control.
- (2) monopoly over legitimate use of force
- (3) building professional, effective, non-corrupt, and politically independent bureaucracy (often referred to as 'Weberian bureaucracy') that has capacity to implement public policies and produce useful 'public goods'
- (4) existence of recognized and predictable rules regulating exercise and transfer of power.

As noted in the beginning, these dimensions can be presented and analyzed more or less independently from the type of political regime (such as democratic vs. autocratic), as well as from political philosophies or ideologies on which public policies are based (such as neo-liberal, Keynesian, or Communist). In all the mentioned dimensions, newly independent Georgia was conspicuously failing throughout the 1990s, especially in the first half of that decade. Later, however, important progress was achieved: despite important and persistent concerns in certain areas, the ghost of overall 'state failure' may have abandoned Georgia for the time being, or maybe for good.

Nation-building

The task of state-building is inherently linked to that of nation-building through the concept of *legitimacy*. Any state uses some level of coercion towards its subjects or citizens, but no effective government can fully rely on coercion only: most of the time, most subjects/citizens comply with state laws and regulations because they consider the existent order legitimate. This sense of legitimacy is partly linked to habit and imitation: people comply because they are used to, because

others around them do so, and because their parents and ancestors did. But in dynamic and changing modern societies, where religiously consecrated hierarchical order is no longer taken for granted, the power of custom is no longer sufficient. The process of breaking down of traditional communities, usually described in the social science through the concept of 'social mobilization', creates a requirement of new bonds of horizontal solidarity that extend to broader communities of people who have never met – but have a reasonable chance to meet in an unpredictable environment of modern societies.¹³ While the concept of 'nation' may not be the only one that describes these bonds of horizontal solidarity, it is certainly the most widespread and politically potent one. While there are exceptions, nation-state has become the most followed blueprint of state-building in the modern era.

Centrality of nationhood for the legitimacy of state power is especially salient when the latter is linked to the idea of democracy. When 'people' become the source of legitimacy, when governments are expected to represent them, it becomes important whether this particular multitude of individuals imagine themselves as a political community. If they don't, they will not recognize their governments, and institutions through which they govern, as their own, hence legitimate. This creates a linkage between concepts of nation and democracy.¹⁴ One should note that this applies not only to those regimes recognized as full or consolidated liberal democracies by rating organizations such as Freedom House and numerous others, but also to uncertain or effectively autocratic regimes that may lack some crucial features of modern democracies, but whose needs for legitimacy still requires them to at least claim being democratic.

This is the reason why an attempt of transition to democracy, when it happens in societies consisting of various self-conscious and densely settled ethnonational groups (we usually call such societies 'multinational'), may become very dangerous for civic peace and integrity of existing states.¹⁵ Examples abound, and multinational communist states such as Soviet Union, Yugoslavia, and Czechoslovakia¹⁶ are among them.

As the mentioned and numerous other cases have proven, breaking up multinational states may be relatively easy: it tends to be more difficult to set up new nation-states that are considered legitimate by their own populations. Nascent nation-states often include minority ethnic constituencies that do not share fundamental narratives on which the project of new political nations are built, challenge legitimacy of the new borders, or at least demand some special recognition and privileges that the new democratic majorities are not prepared to grant. In the last decades, the ensuing disputes, violent or otherwise, came to be branded as 'ethnic conflicts', though they have accompanied emergence of many modern nation-states in the previous couple of centuries as well.

There is a separate paper in this volume dedicated to the evolution of Georgian nationalism and specific conflicts and challenges that accompanied it. Here I will only summarize the outcomes of twenty five years of Georgian nation-building as much as it challenged viability and effectiveness of the new state.

First of all, it should be noted that for the long time, nation-building appeared to constitute the single most important challenge Georgia encountered on its way to creating a viable and effective state. Since Westphalian order has become the norm of political modernity, clear borders of territorial control has become the most basic indicator of effective statehood.¹⁷ By the moment of the Soviet break-up in December 1991, Georgia's ability to enforce control over the whole territory of internationally recognized Georgian state (which coincided with the borders of the former Georgian Soviet Socialist Republic) had been challenged in many ways. While a number of other new states emerging from the break-up of multinational Communist quasi-federations such as Soviet Union and Yugoslavia got involved in comparably severe conflicts, the Georgian case might have been quite extreme in that it faced a set of multiple problems so diverse that the very viability of independent Georgian statehood could be legitimately questioned (Tajikistan was the only other country in the post-Communist realm that faced a comparable degree of disintegration).

Multiplicity of problems implies not only a number of regions in which Georgian jurisdiction was rejected or challenged, but also diverse *character* of problems. Here is a list:

- (1) violent separatist conflicts in Abkhazia and South Ossetia, whereby a minority political community openly denied the right of the central government to enforce its jurisdiction over the respective territory;
- (2) tacit separatism in Adjara, where the political regime of Aslan Abashidze, a local strongman, did not declaratively challenge the integrity of the Georgian state, but effectively defied the political order as designed by the national authorities;
- (3) De facto separation of 'Zviadist'-controlled regions in the region of Samegrelo in the course of the civil war prompted by the deposition of Zviad Gamsakhurdia's elected government in January 1992. The war was caused by political rather than ethno-cultural reasons, but the very fact that most of Gamsakhurdia's support came from Samegrelo, and his supporters effectively controlled parts of this region prior to October 1993, created fears of politicization of separate Megrelian identity based on the distinct Megrelian vernacular that sets this community apart;¹⁸
- (4) cultural separateness of Kvemo Kartli and Samtskhe-Javakheti regions, where densely populated Azeri and Armenian communities constituted regional majorities that had very weak (if any) sense of belonging to the nascent Georgian polity, and almost no proficiency in the Georgian language. The fact that these communities live on the border with Azerbaijan and Armenia respectively, gave rise to recurrent fears that they could become ground of irredentist conflicts similar to that in Nagorny Karabakh;

- (5) special case of Pankisi Gorge, populated by ethnic Kisti or Chechen-Georgian population. In the context of the second Chechen war that started in 1999, it effectively went out of control of the Georgian government, becoming a playground for local and Chechen armed groups.

However different these problem areas may have been from each other, they had something in common: the questioned, to various degrees, the capacity of the Georgian state to enforce effective control over its internationally recognized territory. A quarter of century later, the situation has changed with regards to each of these problem areas, though with mixed results. To begin with, perception of the 'Megrelian problem' as a serious threat for the unity of the Georgian nation¹⁹ has largely proved to be just that – a perception existing in minds of some foreign observers, who presumably stuck to an assumption that existence of a separate language is bound to eventually lead to emergence of a separate ethno-political project. To be sure, collective memories of the 1992-93 civil war and accompanying atrocities left a sense of psychological trauma on the local community that persisted throughout the whole period of Eduard Shevardnadze's rule (Shevardnadze was seen in Samegrelo as the main adversary figure in that war). The 2003 Rose Revolution that led to Shevardnadze being deposed and largely discredited, appears to have largely healed that trauma (this may partly explain the fact that Saakashvili has been more popular in Samegrelo than in other regions of Georgia). There may be some quite legitimate discussions with regards to possible measures aimed at preserving Megrelian language, but they are inconspicuous and so far, they have never led to anything close to politicization of Megrelian ethnicity.

On hindsight, the importance of the 'Adjaran issue' also appears blown out of proportion, although before 2004 this region was often compared to Abkhazia and South Ossetia as a case of separatism, though without violence. Indeed, there was an institutional parallel: all three regions had enjoyed autonomous status within Soviet Georgia. But however important this institutional factor might have been,²⁰

ultimately violent separatist conflicts derived their passionate side and their mobilizational powers from issues of identity. In this regard, the Adjara case is fully different from that of the two other autonomous regions. As much as separate Adjara identity exists, it is based on religion rather than ethnicity: Adjarians are Georgian-speaking people who, while living in the Ottoman Empire in 1614–1878, converted to Islam. After Bolshevik Russian annexation of Georgia in 1921, Turkey first claimed right to Adjara, but then ceded it to Russia under Treaty of Kars, with a precondition of autonomy for its Muslim population. This has determined a paradoxical status of Adjara: it was the only region in the Soviet Union that enjoyed autonomous status due to being religiously different. However, seventy years of living in Soviet Georgia, an officially atheist state, appears to have diminished importance of religious difference, but solidified the Adjarians' ethnic Georgian identity as based on the common language and (pre-Ottoman) historical ancestry. Moreover, against the backdrop of the post-Soviet religious revival in Georgia, many Adjarians chose to go back to the religion of their more distant ancestors, the Orthodox Christianity, eventually leaving Muslims in a minority within the region.²¹ Notably, while Aslan Abashidze gradually enlarged his independent powers from Tbilisi, he never tried to politicize Islam and was rather nebulous about his own religious identity. The fact of the matter is that nobody ever put forward any ideology of Adjara separatism. Its residents routinely voted in Georgian elections and were represented in the Georgian Parliament, and the region's economy was largely dependent on people from other parts of Georgia vacationing on its Black Sea resorts. Arguably, religious background still set Adjarians somewhat apart, but the root of the conflict between Adjara and Tbilisi was about the local leader, Aslan Abashidze, taking advantage of the weakness of the national government in order to broaden his administrative clout as much as possible and safeguard it from any infringements from Tbilisi.

The Rose Revolution became a great watershed for Adjara – probably more than for any other part of Georgia. In May 2004, a replica of Tbilisi events was played out within Adjara: Aslan Abashidze

was ousted from power as a result of public protests encouraged from Tbilisi but carried out by the locals. After this, the autonomous status of Adjara was formally maintained but effectively abridged. This did not cause any evident protests of local community who appears to be proud to be part of Georgia. There still exist some religion-related tensions that may develop in the future. But they may be milder than many European nations have with their Muslim minorities, and they are not linked to the territorial status of Adjara.

The outcome of Abkhazian and South Ossetian conflicts represent another extreme: here, the Georgian national project was utterly defeated. Both territories are fully out of Georgian control with local communities not even contemplating any compromise with Georgia's aspiration to restore its territorial control. This defeat came in two stages: First, notionally provisional ceasefire agreements (August 1992 in case of South Ossetia, April 1994 for Abkhazia) legitimated separatist control over most of the both territories;²² later, following Georgia's 2008 war with Russia the separatists gained control over remaining parts of the territories claimed by them, while Russia's subsequent recognition of both entities as independent states turned Russia into the guarantor of their irrevocable separation from Georgia. However, in effect 'independence' only meant separation from Georgia: Russia established effective control over both entities through building up military presence there and making de-facto governments dependent on Russian budgetary subsidies. Internationally, these territories are considered parts of the Georgian territory, but this is largely viewed as a formality, symbolically important as it is. There is no power in sight that can and is willing to challenge the status quo on the ground.

Paradoxically, though, the watershed of 2008 had its positive side for Georgia as well. Until the war, the illusion that the problems of Abkhazia and South Ossetia were solvable in the Georgian understanding of the 'solution' (implying their return to effective Georgian jurisdiction)– was still alive. This inevitably kept these issues high on the agenda for any Georgian government: the public expected them to achieve progress on this issue. Mikheil Saakashvili made pledges

to solve the issue within his term in office:²³ on the hindsight, this appears to be one of the grossest miscalculations of his political career. But it appears he really believed this was possible. In July-August 2004, the new post-revolutionary government made an attempt to replicate the Adjaran success in South Ossetia, naively believing that Ossetians would get rid of their own corrupt regime in the same way Adjarans got rid of theirs. In reality, Georgian combination of charm offensive with military intimidation ended up in a brief violent intermezzo which became the first major setback for Saakashvili's new and enthusiastic government. Even after this, Saakashvili refused to give up: he tried to win over hearts and minds of Ossetians by turning Georgian-controlled enclaves within South Ossetia into show-cases of modernity and development, and by supporting Dimitri Sanakoyev's pro-Georgian Ossetian administration (thus trying to demonstrate that the conflict is not really ethnic in character).

The 2008 war largely killed the last hope that Russia could possibly allow any solution of Abkhazian and South Ossetian issues save for Georgia simply giving up on these territories – something not being contemplated by large majority of Georgians. In practice, this understanding puts the issue off the agenda of ongoing Georgian politics, at least, until nebulous hypothetical future when Russia, for whatever reason, dramatically changes its position. The problem is now mainly framed in the context of Georgian-Russian relations: it is that of 'occupied territories', with Russia deemed the occupying power. Based on this assumption, the Georgian policy stays on two pillars: One, it tries to prevent any international legitimation of the status quo (this is called the policy of non-recognition) – so far, mainly successfully; secondly, it wants to maintain and develop some links with communities living on the occupied territories, however difficult that may be.²⁴ The Georgian Dream government, rhetorically critical of the record of their predecessors on conflict resolution, did not change this general approach, as well as respective policies.

This means that the issue of relations between Georgia on the one hand and Abkhazian and Ossetian communities on the other, with

the view of eventual reconstitution of Georgian jurisdiction, is effectively suspended from the political agenda for indefinite time, painful as it may be for many Georgians. Another indicator of this is that, especially since 2008, additional steps were made to fully integrate internally displaced people from Abkhazia and South Ossetia: they no longer are supposed to be temporary dwellers in expectation of imminent return.

Turning Abkhazia and South Ossetia into Russia's military strongholds in the South Caucasus creates anxieties that Russia may use them for further incursions into the Georgian territory: control over South Ossetia only leaves about forty kilometers between Russian troops and the Georgian capital. But this is in fact the issue of traditional security policies, not state building per se. Since 2008, problems of Abkhazia and South Ossetia have been effectively bracketed out of Georgia's state-building agenda.

The continuing irritants may be rather related to points (4) and (5) above. Following the American 'train and equip' program in 2002, territorial control was restored over tiny Pankisi Gorge. However, the legacy of infiltration of the region by Islamic militants during the second Chechen war stuck: radical Islam is a potent force in this community, small as it is, and many young people joined the ranks of ISIS when time came.²⁵ Unpleasant as the problem may be, though, it does not imply any imminent threat of territorial disintegration.

As to ethnic Azeri and Armenian communities in south-eastern and southern Georgia, their issues had never been politicized and irredentist agendas have never been raised – also due to excellent relations Georgia has enjoyed with their kin-states of Azerbaijan and Armenia. The cultural isolation and alienation continue to be a problem, and until this is so, some level of mistrust and fears will persist. Under the changed geopolitical circumstances, the respective problems may be reframed.

To sum up, during the twenty-five years, Georgia has achieved substantive progress in its nation-building. While about twenty percent of the territory has been effectively (though not legally) lost

(meaning Abkhazia and South Ossetia), there are no further challenges to territorial integrity of the state, or the areas where ethnicity is openly politicized. There are problems of ethnic and religious minorities that are not fully integrated in the Georgian society, as well as lack of openness and inclusivity on behalf of the majority.²⁶ On this, the Georgian state and society have a lot of work to do. However, presence of such problems is a norm rather than exception for modern states, including fairly developed ones.

Monopoly over legitimate use of force

The issue of state monopoly over the legitimate use of force overlaps with that of territorial control as discussed in the previous section, but does not fully coincide with it. The nascent Georgian state did not only face the reality or threat of losing effective jurisdiction over certain territories of the country; for a considerable time, it could not rely on any armed organization under its effective power, thus putting the country at mercy of different self-organized armed groups.

It is important to note here that the disintegration of state authority started *before* formal break-up of the Soviet Union. The critical juncture was that of April 9, 1989, when the Soviet military dispersed peaceful pro-independence demonstration leaving twenty people dead. Against the backdrop of general liberalization of the Soviet regime known as *perestroika*, this was not followed by a crack-down on the newly emerged opposition groups, as, supposedly, its organizers had first intended; on the contrary, the regime retreated, local Communist leadership was swiftly replaced, the new one chose a conciliatory line towards the emerging opposition. In effect, this led to swift delegitimation of the regime, with the nationalist leaders of the dispersed rally acquiring an almost uncontested moral authority. The nationalist and anticommunist narrative of the Soviet regime being a foreign imperial imposition became dominant even in formally still government-controlled media.²⁷ This created an effective diarchy: the Communist authorities retained responsibilities for routine governance functions with no legitimacy for carrying out major political

decisions – or for resisting mounting demands of the nationalist leaders. Moreover, the blood spilt on April 9, as well as mounting tensions in Abkhazia and South Ossetia created a new legitimacy for armed entrepreneurs who started forming militias, with the discredited government unable or unwilling to stop the process. Among these armed groups, *Mkhedrioni* led by a flamboyant criminal boss turned playwright, Jaba Ioseliani, became the most powerful.

The diarchy continued until November 1990, when Zviad Gamsakhurdia's nationalist Round Table coalition came to power through the first free elections. The new government had internal legitimacy, but technically, Georgia was still part of the Soviet Union, even with effective control of the Soviet state watered down: this created another modification of uncertain authority. Initially, Gamsakhurdia appeared successful at establishing control over armed groups, whereby some voluntarily joined his National Guard (supposedly, a nucleus of the national army), while the mentioned *Mkhedrioni* was suppressed by force, with its major figures put to jail. Pre-existent official agencies such as police and internal troops also showed loyalty. His successes, however, proved short-lived: His closest lieutenants rebelled against him, including Tengiz Kitovani, his hand-picked head of the National Guard. This armed formation quickly disintegrated into another self-styled militia, while police and internal troops proved non-reliable allies. In January 1992, after several months of standoff, Gamsakhurdia had to flee, with the National Guard and re-established *Mkhedrioni* calling the shots. This happened to roughly coincide with the final break-up of the Soviet state in December 1991.

This moment signified near-total state collapse, a nadir in Georgia's recent history that continued for at least two years. The lack of state capacity was matched by the crisis of legitimacy in the wake of violent ouster of the popularly elected president. Apart from tacit or open competition between two major warlords, Kitovani and Ioseliani, there were also armed supporters of President Gamsakhurdia in Samegrelo, armed separatists in Abkhazia and South Ossetia, and some other groups in different parts of the country.²⁸

Thus the new Georgian state was incepted in a condition rather close to the Hobbesian war of all against all. It took many years for Georgia to overcome the legacy of the state collapse, with Abkhazia and South Ossetia being the lasting casualties. Astute leadership and good luck of Eduard Shevardnadze proved decisive on the first stage of recovery. In March 1992, he was invited by the victorious warlords as a symbolic figurehead who was supposed to bring some internal and international legitimacy to the new regime without commanding much of real power. Shevardnadze, evidently, was not content with this arrangement and incrementally built up his own power base, starting with the police, a force that, while being corrupt and inefficient, had a tradition of obeying the state authority.

Paradoxically, it was the final defeat in Abkhazia in September 1993, followed by a military offensive of Gamsakhurdia's supporters in western Georgia that became the turning point. As the first step, Tbilisi government forces managed to overcome Gamsakhurdia's armed supporters (with some military support of Russia). During 1994 and 1995, through a series of Machiavellian steps, Shevardnadze outmaneuvered his major competitors, putting both Kitovani and Ioseliani, as well as a number of their supporters, to jail. Along the way, in August 1995, he also narrowly escaped an assassination attempt.

This can be said to have moved Georgia from a category of failed to that of a weak state. The period from the end of 1995 to early 1998 is remembered for the general sense of normalization accompanied by relatively fast economic progress. However, Shevardnadze failed to consolidate progress further. This failure expressed itself not only in generally weak state capacity and rampant corruption – something I will discuss in the next sections – but also in tolerating remaining armed groups not subject to the national government. Here are the most important examples:

- (1) Mentioned armed formations under Adjara's leader, Aslan Abashidze. While, unlike armed forces under de facto governments of separatist Abkhazia and South Os-

setia, they did not formally challenge Georgia's territorial integrity, in effect they were fully independent of national authorities who did not dare to challenge this reality.

- (2) *The rump National Guard.* The process of demobilization after the dark times of 1992-93 was largely successful with many former militiamen returning to peaceful occupations.²⁹ However, part of the National Guard that was integrated into the army brought its unruly spirit over.³⁰ The fact that the military was very poorly financed created additional ground for breeding discontent among servicemen. As a result, there were several military mutinies, usually headed by veterans of old militias. The government was successful at quelling them, but was never bold enough to actually punish the offenders.³¹
- (3) *Georgian guerillas in Gali/Zugdidi area.* Following Georgia's military defeat in a separatist war with Abkhazia, there were Georgian guerilla groups active in the border region, moving between Gali, an ethnic Georgian dominated region within Abkhazia, and neighboring Zugdidi which was under the Georgian control. Apart from destabilizing the conflict area, they contributed to criminal business. In May 1998, these militias were at the center of a largest armed Georgian-Abkhaz encounter in Gali that led to humiliating results for Georgia and a new tide of internally displaced persons from the region.³²
- (4) *The situation in Kodori Gorge.* This valley was the only part of Abkhazia that stayed under the Georgian control after the war. However, this mountainous area was physically largely isolated from the rest of Georgia and the actual control was exercised by local strongmen, presiding over *monadire* (the hunters), a local militia that generally declared loyalty to the Georgian government, but on its own terms, and could blackmail the latter if it needed. State agencies largely failed to penetrate this area.

(5) *Militias in Pankisi and neighboring areas.* Since 1999, against the backdrop of the Russian-Chechen war, a number of Chechen refugees, including fighters, infiltrated the tiny Pankisi Gorge where about 5,000 of their ethnic kin lived, known as Kisti to the Georgians.³³ The weak Georgian state not only failed to check the flow of Chechen fighters (no attempt was actually made), but gave up any modicum of control over the Gorge altogether: the Georgian police did not even dare to show up there. This led to two major threats. Russia claimed that the region became a training and recreation ground for Chechen fighters and threatened military intervention; on the other hand, the area became a heaven for criminal business, with kidnapping of humans and drug-trafficking especially thriving. Allegedly, corrupt Georgian police became a willing accomplice in criminal operations. Watching impotence of their own government, and probably involvement of its servants in criminal dealings, the residents of the neighboring regions decided to take justice in their own hands and created their own militia: the government had neither capacity not legitimacy to stop that from happening either. A ghost on new warlordism raised its head in the part of Georgia that had been relatively stable in the worst of times.

The most outrageous and bizarre expression of the mess was an October 2001 episode when Ruslan Gelayev, a Chechen warlord, used Pankisi as a starting ground to march to Abkhazia for uncertain aims, with alleged connivance of the Georgian government: if the Georgian government did not actually help him, even allowing such a thing was a salient indicator of its failure.³⁴

It became a blessing in disguise for Georgia that after 9/11, fighting Islamist terror became an utmost priority for the US government, while, on the other hand, the stateless heaven of Pankisi attracted Al Qaeda – or so the

US government believed. As a result, in 2002, US started a *Georgia Train and Equip* program that included sending 200 US Special forces to train the Georgian military. The effort proved successful: the Georgian state managed to establish control over the area.

- (6) *Unpunished religious violence.* A group of religious fanatics around a defrocked Orthodox priest, Basil Mkalavishvili, emerging in the late 1990s, got involved in a series of incidents of religious violence attacking different religious groups, with Jehovah's Witnesses being most frequent but not only victims. Nobody was ever punished for this, despite ostentatious nature of violence. Moreover, some other organizations tried to follow the lead of Mkalavishvili's supporters.³⁵

In all these areas, the period after the 'Rose Revolution' became the turning point. After the ouster of Aslan Abashidze in May 2004, all armed agencies within Adjara fully came under the Georgian state control. Guerillas in Gali/Zugdidi area stopped to exist soon thereafter. When in July, 2006 the strongman of Kodori, Emzar Kvistiani, rebelled against the Georgian government, the latter was fast and effective to establish control over the valley³⁶ and turn it into a showcase of Georgian state-building success.³⁷ Mkalavishvili, the beater of heretics, was imprisoned, after which religious violence stopped. Re-establishing the state control in Pankisi Gorge started under Shevardnadze government, but the new authorities consolidated this achievement.

The legacy of this period is still there and may persist as a long-term problem: Salafist Islam continues to be an ideology of preference for the local youth, and it became a ground for recruitment for the Islamic State fighters. However, within the region itself, the exclusive right of the Georgian state to exercise military power was no longer openly challenged. The army became a much more disciplined force, though there was an attempted mutiny in 2009, notably led by the same people who did the same in 2001. This time, though, the mutiny was defeated within two hours, and culprits punished.³⁸

Thus, when it comes to the most conspicuous initial failure of the Georgian state, that of establishing control over the legitimate use of force, it was overcome (again, with the notable exception of Abkhazia and South Ossetia). This took about fifteen years to accomplish, but accomplished it was.³⁹

Modern public service and capacity to deliver public goods

State monopoly over legitimate use of force is a public good in itself, as much as it protects citizens from uncontrolled violence of self-organized groups and individuals. Despite remaining problems in this area, by 1995 this issue ceased to be the prevalent concern in Georgia. In the second part of the decade, it was replaced with corruption: this became the word capturing everything that was bad about this country.

Generally, it is debatable whether corruption in itself constitutes a measure of state failure. Allegations of corruption abound in many political regimes whose capacity to govern has never been questioned. However, when recognized cases of state failure are analyzed, especially wide proliferation of corruption is often considered an important indicator. This was the case in Georgia of the 1990s. But while this may appear intuitively clear, we still need a conceptual bridge to link the two concepts. The nature of public service may serve as such. Any evaluation of state-building includes the existence of a modern or 'Weberian' public service. It implies that political authorities have at their disposal a set of agencies (including those staffed by civilian bureaucrats, but also armed ones, such as the police and the army) capable to carry out policies designed by the political leadership. For this, it needs to be under effective control of legitimate, competent and well-organized public agencies. The absence or deficit of such a system is usually expressed by a wide and often vague concept of 'neopatrimonialism'.

Arguably, the Soviet state of which Georgia had been a part had public service that generally fit into this description. Despite substantive weaknesses such as being notoriously corrupt, slow, and inefficient,

it was also fairly disciplined, loyal to the Communist government, and generally capable of delivering major public services expected by the citizens: roads were built and repaired, senior citizens got their pensions in time, state-built flats were awarded to those in need (usually, after having waited for a decade or two, but much faster if a proper bribe was paid), etc. The quality of services might have been low, but the system was generally predictable and workable. However, this also required the fundamentals of the system, most importantly, total control over the economy and the financial system, being in place.

Most post-Communist countries managed to maintain some continuity with the old bureaucracy, adapting it to the new economic realities and – in successful cases – gradually reforming it by increasing the elements of meritocracy, transparency, accountability, and efficiency. In Georgia, it broke down almost completely, partly due to implosion and delegitimization of the state as such, but also due to full break-down of the system of public finances. There were two salient indicators of the break-down of the system: firstly, the size of salaries for public servants was not just low, but rather symbolic, considerably below the living wage, and sometimes not paid at all; secondly, the state was incapable of providing the most basic public goods: electricity, natural gas and water supplies were rationed so that they were available for a few hours a day at best; pensions for senior citizens were of a symbolic size (by 2003, they reached 14 Georgian laris or below seven US dollars) and often not paid at all – so that no person could possibly rely on them for survival; roads and public buildings went into disrepair – save for those refurbished through international assistance programs; etc.

Under these circumstances, describing Georgia as an ‘extremely corrupt’ country did not simply imply that the number of corrupt acts was considerably higher than in those countries that stand much higher on the ‘Corruption Perception Index’ of the Transparency International, the source most commonly referred to when measuring the level of corruption in any given country. It implied a different system of governance, which some scholars call ‘prebendary’ or ‘prebendal’. Max We-

ber described this model used in medieval patrimonial states in order to create a contrast with the modern understanding of public service,⁴⁰ while some contemporary scholars use the same term for the analysis of neo-patrimonial regimes like Nigeria.⁴¹ In a system like this, it is not the state that hires public servants, paying them reasonable salaries in exchange for carrying out services that it considers useful; it is individuals that buy public offices thus getting a license for collecting, or rather extorting payments from citizens and businesses. The difference between classical patrimonial systems described by Weber and contemporary neo-patrimonial ones is that in the former cases, this was an openly accepted rule, while nowadays this practice may be tacitly recognized but still concealed behind the façade of formally modern institutions: symbolic salaries are still assigned and sometimes actually paid in order to imitate the norm of 'real' modern states. For instance, it was a widespread understanding that the Georgian police worked on that rule: the entry into the system (starting from enrolling into the police academy and then getting any kind of job) had a more or less fixed price tag on it, with an understanding that a police officer would later get a handy return on the investment by extorting money from citizens by different means. The superiors got money both by selling offices, and getting a cut from extortions procured by junior officers.

Such a system can and should be condemned on moral grounds as 'corrupt', because it contradicts the modern normative understanding of integrity of the public service; but the Georgian case (as well as many cases around the world) also demonstrates that it also tends to be inefficient or, rather, inept. For instance, it makes it very difficult for the state to collect public revenue: most of moneys collected by tax and customs service went to individual pockets, with a pittance left for public finances. As a result, salaries in public sector were well below living wage, and there was no money for taking care of public infrastructure.

It was on this account that the results of the 2003 'Rose Revolution' have proven truly revolutionary. The event is sometimes described as a 'failed revolution',⁴² because it did not lead to consolidation of liberal democracy. This criticism is largely fair as much as the leaders of the

Rose Revolution presented it as a point of transition from autocracy to democracy (more on this in the next section). However, reforms carried out by Mikheil Saakashvili government were spectacularly successful when it comes to building modern statehood. As such, they were internationally acclaimed as a model of successful reforms;⁴² they also became an object of study and source of inspiration for those who wanted to find a way out of corrupt neo-patrimonial regimes of the post-Soviet space, be it Ukraine, Russia or Azerbaijan.⁴⁴ No wonder that following the Euromaidan revolution in Ukraine, quite a few Georgian reformers, including President Saakashvili, were invited to Ukraine in hope that their experience of successful public service reforms could be transplanted to that country.

The most obvious indicators of the success are invert to what was discussed above as indicators of failure. To make a brief summary, the state learned to raise taxes (tax revenue increased almost six times between 2003 and 2011, while actual tax rates decreased substantially⁴⁵) which enabled it to hire competent individuals for a reasonable remuneration, carry out its routine functions such as taking care of public infrastructure and paying for social services, and eradicate mass corruption that constituted the norm of state functioning rather than an exception from it.

These were the most uncontested achievements of Mikheil Saakashvili's term in power, recognized by even his strongest critics, albeit grudgingly. One could have a concern about sustainability: whether these achievements would survive Saakashvili's willpower and his sometimes autocratic methods. The narrative of the National Movement before and after the 2012 elections, when it transferred power to the *Georgian Dream* coalition, was that the new government would 'return Georgia to Shevardnadze's times' with rampant corruption in the public service, incapacity of the state to produce public goods, etc. The post-2012 government did not carry out any significant reforms in the public service and, arguably, the efficiency of the state did decrease in some areas; but overall, the reforms proved sustainable beyond power change. Which – whether or not leaders of the

Rose Revolution are happy to admit this – is the ultimate test of the success of their reforms: they survived their authors.

It would be an exaggeration to say that Georgia now fully conforms to the ideal type of modern rather than neo-patrimonial state.⁴⁶ Despite adopting formal distinction between political and non-political positions within public service, no tradition of non-political public service has been created: preferences are more often based on political loyalties or personal ties.⁴⁷ This is an important shortcoming to be addressed. However, there is probably no public service anywhere which perfectly conforms to the Weberian model: in real life, we always have a continuity of approximations, and it might be hard to clearly define a benchmark whereby the task of building a modern public service is deemed generally accomplished. However, one can be confident enough to say that after the period of reforms carried out in 2004-12, problem of state functionality and capacity seized to be a major or central problem of Georgia, and this achievement may prove sustainable.

The challenge of regime uncertainty

There is a chapter on Georgia's democratic development in this volume and no detailed discussion of its problems is intended here. But the issue of state-building cannot be kept fully separate from that of political regime. It is often argued that one cannot build a state in general: one should follow some more or less distinct political model. Tasks of state-building may be different if its legitimacy is based on the normative framework and institutions of hereditary monarchy, liberal democracy, ideologically driven party-state, etc. As Georgia embarked on a road of independent state-building, there was a consensus that this model should have been a European-style liberal democracy. Even though it has always been questionable whether Georgia can indeed be deemed a democracy or not, no alternative political model had ever been proposed or seriously considered.

It may be a challenge to *dissociate* the two topics, those of state-building and of democracy-building, both on the level of polit-

ical rhetoric as well as political analysis. It is often taken for granted that state-building and democracy-building are just two names of the same thing, while any attempt to separate them is considered suspect: supposedly, such an endeavour implies giving preference to state-building over democracy, thus tacitly opening way to justifying some kind of unseemly repressive practices.

However, in essence these two tasks, however interrelated in specific cases (like Georgia of the last quarter of century), are also different, and there exists both analytical and practical need to dissociate them. State-building is about creating public institutions that have power and capacity to carry out specific useful functions; the task of democracy-building implies creating specific ways to, on the one hand, legitimize and, on the other hand, limit that power. Institutionally, state capacity is concentrated in what we now call the executive power; democracy, on the other hand, depends on the development of parliaments, political parties, media and civil society that link this power to the people, at the same time imposing limitations on it.

Generally, the state can be fairly effective, and provide for many useful functions without being democratic: there have been autocratic regimes that have secured fairly stable development for their societies: Singapore under Lee Kuan Yew is the most popular example, though one can go further down in history and mention, for instance, Bismarck's reforms in Germany, or Japan's modernization, both in the second half of the 19th century. However, the experience of the last two centuries has shown that democracy has been the most reliable basis for stable political order: once consolidated, democracy ensures the most steadfast and predictable mechanisms of succession of political leadership, something that constitutes a weak point for autocratic regimes. Therefore, autocratic modernizations that initially appear relatively successful may eventually end up in political turmoil and even state collapse.

Whatever we think on the topic of development under different political regimes, however, it is fairly obvious that the state cannot be successful without sufficient level of political stability, and the latter can only be achieved through consensus among major political play-

ers with regards to acceptable ways of obtaining, maintaining, and exercising political power. For instance, different Soviet citizens might have had different opinions about merits of their political system (it was dangerous to express them anyway), but almost everybody acquiesced to the system in which it was up to the leadership of the Communist party to determine who and how would rule the country. As soon as in the period of Gorbachev-initiated *Perestroika* some actors refused to acquiesce to this assumption, the political system imploded, with the state repressive apparatus that used to look invincible failing to prevent this.

Moreover, when we say that democracy provides the most predictable background for long-term political stability, one should remember that this is only true for so called ‘consolidated democracies’, or systems where democratic rules have become fully acceptable and routine for all political players of any importance, or, according to Juan Linz and Alfred Stepan’s memorable phrase, democracy is ‘the only game in town.’⁴⁸ To the contrary, newly established democracies where important political players are not confident about, or interested in, its long-term survival, may be unstable and *not* conducive for building effective state institutions. This may lead to a civil war (like after a botched attempt of creating a democratic republic in Spain in 1930s,⁴⁹ or to restoration of some kind of autocracy (like it happened in many post-Soviet countries, most notably Russia).

The above can be summarized by saying that certainty about the political regime, that is, about written or unwritten rules regulating the ways to acquire and exercise political power, is a necessary precondition for effective functioning of the state. In this regard, the main problem with Georgia’s political development of the last quarter of the century is not only that its democracy failed to consolidate (truly deplorable as it is), but that no political regime succeeded to consolidate. Georgia’s case has been that of chronic *regime uncertainty*.

Georgia’s political system is often characterized as that of hybrid regime, that is one that combines features of democracy and autoc-

racy, but does not fully fit into either of those two categories. Many analysts prefer to treat this state as just another version of autocratic regime, although one with an adjective, like in 'competitive authoritarianism',⁵⁰ or only façade democracy.⁵¹ Still, others stress that such a hybrid or a 'gray zone' between democracy and autocracy should be interpreted as a political regime in its own right, rather than a transitional stage from one to the other.⁵² There is a truth to the latter contention, as such 'hybrid' or 'gray zone' regimes may persist for decades, without ever reaching a state where they can be codified as democracies or autocracies as these terms are generally understood.

However, these definitions and conceptualizations do not capture arguably the most important feature of hybrid regimes, which is *regime uncertainty*. This is not uncertainty of analysts with regards to codifying these regimes; the real problem is about uncertainty of rules that exists in minds of major political players, including *demos* as the major collective actor. We already mentioned that in consolidated democracies all relevant players assume that constitutional electoral mechanisms are the only way to obtain and maintain political power, hence they build their political strategies accordingly. Similar certainties may be reconstructed for stable autocracies: they are stable as much as major players understand how the power game works, and acquiesce to those rules. No such certainty has developed in Georgia so far. No Georgian government has been autocratic enough to discount genuine challenges from the opposition, but the system had also never been democratic enough for the opposition to be confident that they can fully rely on electoral mechanisms to come to power. As a result, there is no certainty with regards to the outcome, implying not only who will come to power (this kind of uncertainty is normal for democracy), but *how*, by what means the power will be obtained or maintained.

As a result, despite four precedents of genuine power change in Georgia since 1990, whereby the most radical opposition groups of the day moved from the street to the government offices, each of this change was preceded by the period of fundamental uncertainty-

whether the change was possible at all (even assuming the incumbents lost popular support), and in what way (constitutional or unconstitutional, peaceful or violent) it might occur. Hence, every time change of power came as a shock, as a radical break in the political process, and celebrated by the winners not as a routine power rotation (whereby one party replaces another within the existing political system), but as a political *regime change*, a transition from autocracy to genuine democracy. This was not only true of unconstitutional changes of power (as a result of bloody coup/revolution of December 1991/January 1992, or as a result of peaceful ‘Rose Revolution’ in 2003), but also of both electoral changes of power in 1990 and 2012. As a close observer of the pre-election period in 2012, I can attest to two major narratives of that time: Representatives and supporters of the incumbent UNM believed that they were going to win the elections, but the opposition would not recognize results and try to stage mass protests in hope of replicating 2003 the ‘Rose Revolution.’⁵³ The opposition was confident in its coming electoral victory, but did not believe that Saakashvili’s government would peacefully give up power. As to the general public, there were genuine fears that there would be major civic disturbances in the wake of elections. The actual outcome, with President Saakashvili conceding defeat as soon as preliminary election results were publicized, came as a surprise for the both sides.

A superficial analysis of the expectations of major political players several years after the 2012 landmark power change shows that while concerns of imminent destabilization are somewhat less acute, there is no confidence that the next power change will happen through elections, or that party competition will be free from violence. Leaders of the new ruling coalition, the Georgian Dream, have publicly reiterated that they do not consider United National Movement, the most powerful opposition force by all measurable indicators, to be a legitimate opposition,⁵⁴ which suggests that preventing their hypothetical comeback to power is a task surpassing conventional electoral politics. It has also repeatedly accused the opposition of plotting a comeback by unconstitutional means. While

the UNM publicly insists it only relies on constitutional means of struggle for power, there appears to be some internal debate whether electoral means may be sufficient for defeating the Georgian Dream whose power rests not only on 'administrative resources' (which has also been true of all previous governments) but on billions of their informal leader, Bidzina Ivanishvili. The 2012 precedent was indeed very important and hopefully, next cases of changes of power will follow it; but by the time of writing this paper, electoral democracy has yet to become the only game in the village of Georgian politics. Until this is the case, sustainability of any achievements in fighting corruption in the public service or capacity of the state to take care for public infrastructure will be under question.

Conclusions

I remember being interviewed by an American journalist, sometimes in the early 1990s (it could be 1992 or 1993). I had personally known this person for some time, so this was a mixture of professional interview and friendly chat, and we covered numerous challenges facing Georgia at that time, as well as behavior of different political actors. My counterpart was a polite American respectful to norms of political correctness, but in the very end she could not help asking: do you think that Georgians are mature enough to have a state of their own at all?

To be sure, this was not a formulation used in formal public discussions about Georgia, but this was at least a tacit question which quite a few of outside observers as well as Georgians were asking themselves. The nascent Georgian state looked like a total failure, and its long-term viability was subject to legitimate question.

As judged against that starting point, Georgia has achieved a lot. Yes, it lost twenty percent of its territory, and no solution to that problem is in sight. This is a psychological trauma for the nation and a headache for any Georgian government, but exactly because this problem is so hopeless, in practical terms it is less of an impediment for the functioning of the Georgian state. Despite the initial fears that

the trend of disintegration would spread to other regions of Georgia such as Adjara or Samtskhe-Javakheti, nothing like this has happened, rather the contrary: on the balance, the Georgian demos outside of the two separatist regions has become more rather than less integrated during these years. Theoretically, one could imagine large regional geopolitical shifts leading to problematizing those achievements (like this happened in eastern Ukraine recently), but nothing in Georgia's internal political dynamics makes any major conflicts of this kind imminent. Combination of the rise of Georgian religious nationalism and spread of political Islam in the region may also be a challenge to the Georgian state in the future: but the same may be said about many other countries with big Islamic populations. So far, Georgia has rather been notable for how little radical Islam has spread among its sizeable Muslim minority (outside a tiny Pankisi Gorge).

Another assumption that many people had about Georgia is that corruption, nepotism, clientelism and other features of neopatrimonialist state were endemic to this country and it was futile to even try changing this. This assumption was also proven wrong. Moreover, public service reforms that eradicated mass corruption as a major problem and dramatically increased state capacity to perform its functions were widely perceived as a model, especially in the post-Soviet countries. To be sure, Georgia is far from perfect on this account, with near-absence of non-political public service being a lingering problem. There are analysts who recently see some signs of backtracking.⁵⁵ However, the magnitude of the problem is no longer such that it would put Georgia into the failing state category.

But the trend to political instability inherent in the Georgian version of 'hybrid regime' continues to be an important challenge not only to the avowed ambition to become a European-style democracy, but also endanger the described achievements of its state-building. The 2012 precedent of electoral change of power was very encouraging indeed, but it has yet to be consolidated. This is the area to be watched most closely in the coming years.

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25 YEARS OF GEORGIA'S DEMOCRATIZATION: STILL WORK IN PROGRESS

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Introduction

Why is Georgia considered to be a more successful country on the way to democratization than its neighbouring former Soviet states? And, if Georgia is among the leading countries, why is not democracy consolidated, and even after a quarter century since restoring independence why is the quality of democracy still low?

Democratic transition in Georgia started in the late 1980s parallel to perestroika launched in the Soviet Union. In 1990, Georgia held the first, relatively independent elections and the Communist party transferred its power to the representatives of the pro-independent movement. However, change of the government through elections did not result in the establishment of liberal-democratic governance. On the contrary, the democratically-elected government openly violated opposition as well as ethnic minority rights. On the other hand, nor government opponents lacked anti-liberal and anti-democratic discourse. It is noteworthy, that political discourse at that time was characterized by “independence before democracy sequencing” type of argument. It may seem ironic, but the first non-communist rulers were removed from power while the country was about to gain a formal independence. In the wake of simmering civil confrontation and ethnic conflicts, former Communist nomenclature gradually returned to power. However, due to changes in foreign and domestic political environment, they had to form a coalition with a group of younger reformers.

The first years of independence were very hard for the democracy – military coup, civil war in Tbilisi and Western Georgia, wars in Tskhinvali region (South Ossetia) and Abkhazia occurred amid gross violations of human rights and total malfunctioning of formal institutions. The 1992 elections along with the constitution adopted in 1995 were the first steps towards state-building and democratization of the country. The new constitution of Georgia at least formally recognized key principles of liberal democracy such as representativeness, separation and balance of power, human rights and fundamental freedoms. Despite the fact, democratic changes did not go far and Georgia found itself firmly placed among the list of “hybrid regimes”. International community assessed the elections of 1990s as faulty, which year after year witnessed improvement in terms of administration but not in democratic standards. In the meantime, from the second half of the 1990s, significant changes happened with regard to media pluralism, in addition to that, the activity of civil society improved. These changes influenced democratic discourse in the country further in 2000-2001. Against the background of inefficient state institutions and rampant corruption, independent media along with civil society formed strong coalition with political opposition.

At this stage, two conflicting models of the development of political system emerged – on the one hand the supporters of democratic breakthrough in Tbilisi created the agenda and scrutinize the government, on the other hand, de-facto independent regime in Adjara Autonomous Republic emerged as a prominent model of consolidated authoritarianism.¹ Large-scale rigging of the 2003 parliamentary elections triggered civil protest, which was soon followed by government change first in Tbilisi and then in Adjara. Democratic breakthrough known as the “Rose Revolution” gave birth to new hopes. In fact, the new government significantly increased the efficiency of state institutions and enhanced governance, established new, more liberal and inclusive civic discourse, which represent important correlates of democratization. However, government deserved many critical remarks regarding democratic governance. Furthermore, in 2004-2012

“modernization before democracy sequencing” type of argument was voiced many times. After the 2012 tense election campaign, the ruling forces gave up power and transferred it to a new political force. It was assessed as a new democratic breakthrough. According to international standards, the 2013 presidential and the 2014 local government elections were assessed as democratic. In addition to that, the subsequent period was full of contradictory tendencies – on the one hand, the new ruling team had no constitutional majority and could not alter the constitution according to its own will, political and media pluralism were increased, however, on the other hand, legal persecution of the representatives of the former ruling party bore signs of political persecution and the government had attempts to monopolize power. Despite these facts, before the 2016 parliamentary elections and 25 years after Georgian independence, for the first time in its history, Georgia has a chance to overcome the boundary between hybrid regime and democracy.

The paper aims to assess 25 years of political transformation in Georgia against the background of theoretical debates in the field of transitology studies. Therefore, the first part of the article is to be devoted to a more generalized view of Georgia’s political transformation – in particular, we will observe how variable the political regime has been since its independence, what its key characteristics were and what structural base it creates for further democratization. The following chapters provide detailed review of democratic conditions during the rule of Zviad Gamsakhurdia, Eduard Shevardnadze and Mikheil Saakashvili. Special emphasis will be placed on the situation that has existed since 2012 and its relation to the chances of future democratization, especially considering the year 2016, which may appear to be a turning point in this regard.

A bird’s-eye view: for some generalization

At a glance, 25-year long process of democratization of Georgia proves to be unstable and is characterized with myriads of variations – from 1990 until today five presidential and seven parliamentary elec-

tions were held at the national level.² In three presidential elections an incumbent or person in power was declared the winner; although two of the elections were won by opposition, in fact it was just formalization of the fact of government change through elections.

In case of parliamentary elections, government was changed once as a consequence of protest rallies that followed elections and twice through elections (1990 and 2012 elections). The government change through military coup occurred once and the elections held after a year and a half gave legitimacy to the fact.

Table 1: Presidential Elections

Year	Winner	Second	Incumbent/ power holder	Opposition
1991	Zviad Gamsakhurdia 86.41 %	Valerian Advadze 8 %	X	
1995	Eduard Sheverdnadze 74.3 %	Jumber Patiashvili 19.3%	X	
2000	Eduard Sheverdnadze 79.8 %	Jumber Patiashvili 16.7%	X	
2004	Mikheil Saakashvili 96.2 %	Teimuraz Shashiashvili 1.9 %		X
2008	Mikheil Saakashvili 53.4 %	Levan Gachechiladze 25.7 %	X	
2013	Giorgi Margvelashvili 62.1 %	David Bakradze 21.7 %		X

Table 2: Parliamentary Elections

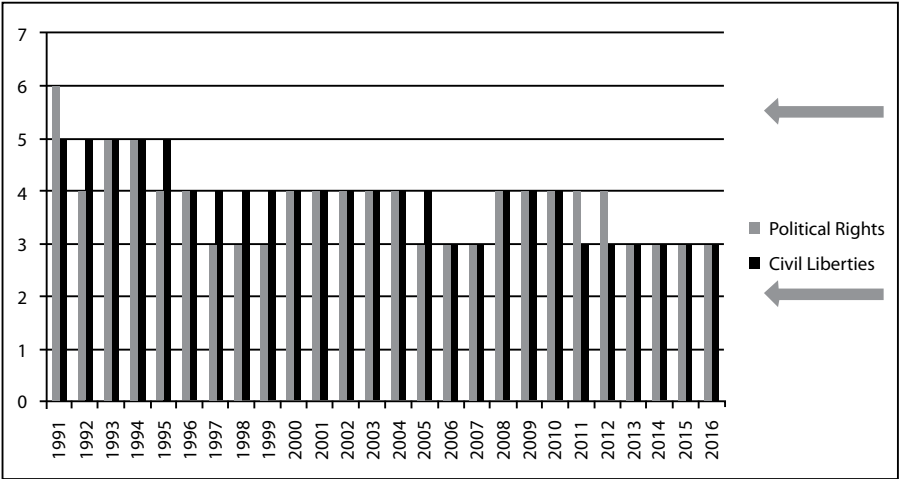
Year	Number of seats	Winner	Number and % of seats	Others relevant parties	Incumbent/ effective power holder	Opposition
1990	250	“Round Table – Free Georgia”	155 (62%)	Georgian Communist Party		X
1992	235	Bloc Peace	35 (15%)	Bloc 11 th of October; Bloc Unity; National Democratic Party. In total 24 parties entered the parliament	X (after military putsch)	
1995	235	Citizens Union of Georgia	108 (46%)	National Democratic Party; Revival Union	X	
1999	235	Citizens Union of Georgia	131 (56%)	Revival Bloc; Bloc Industry Saves Georgia	X	
2003-2004	235	National Movement Democrats	156 (66%)	Industrials – The Rights	X (after Rose Revolution)	
2008	150	United National Movement	119 (79%)	United Opposition	X	
2012	150	Georgian Dream	85 (57%)	United National Movement		X

Source: based on Central Election Commission (<http://www.cesko.ge/en>); Stephen Jones, *Georgia: A Political History since Independence*, I. B. Taurus & Co Ltd, London-New York 2013; Ghia Nodia and Alvaro Pinto Scholtbach, *The Political Landscape of Georgia: Political Parties: Achievements, Challenges and Prospects*, Eburon Delft 2006.

Despite the aforementioned fact, the Georgian case is characterized with more stability – during this time Georgia remained in the category of partly-free countries. On the one hand, the country held regular elections; however these elections had democratic outcome only in certain circumstances. These conditions and circumstances, as we shall later see, were weakening political leaders in power and/or appearance of new challengers, i.e. increasing political competition. Further, even democratic outcome did not bring significant change in terms of quality of regime.

In fact, according to Freedom House, following its independence, Georgia constantly remained in the category of partly free states – with the best average mark for political and civil rights – 3 and the worst – 5 (1991 is an exception, when political rights had been assigned 6. see table 3).

Table 3: Georgia as Partly Free Country



Source: Based on Individual Country Ratings and Status, FWI 1973-2016 available at <https://freedomhouse.org/report-types/freedom-world> (28.02.16).

Georgia belongs to the category of “unfinished transitions countries”. Countries of this type have sufficient level of institutional foundation reflected in respective constitutions, election system and

in the mechanism of vertical and horizontal separation of power. They leave room for political opposition and civil freedom, which in a way limits the authority and enables citizens to change the government from time to time. On the other hand, at every stage, except the transitional periods, government is controlled by a single political grouping. A single grouping controls the majority (often super-majority) in parliament, therefore the government as well as regional and local authorities. If government changes, it happens either by force and is followed by legitimization of its results through election, or as a result of elections, which is accompanied by tense political polarization and is on the verge of massive outbreak of violence. In other words, Georgia belongs to a dominant-power-system, where levers of power and resources are controlled by a single party and the change of government through elections coincides with the replacement of dominant party.³

When is it possible to change government and what happens to dominant force of the previous government? To what extent does it affect the quality of democracy? First of all, it is noteworthy, that government change can be conditioned by such internal factors as weakening the old leader and the influence of power center,⁴ and against these events, the emergence of a new leader or power center. This type of change results in the emergence of political alternative, and a new alternative leads to changes in political configurations as well as to partial change in loyalty schemes in business and society. In other words, the monolithic unity of dominant force weakens and the number of defectors increases. Defectors are not sure of the strength of their party at first and they are less motivated to struggle for maintaining its power. As the dominant power weakens, defectors start to move to the rival's camp. Therefore centrifugal pressure on the former ruling political force is so great that it is often unable to retain even its nucleus, thus dissolves easily and disappears from the political arena (see table 4).

Table 4: Dominant parties in Georgia

Party	Leader	Power Transition period	Transition trough	Survival	Quality of democracy after transition
Communist party	Givi Gumbardize	1990	Elections	Yes	worse
Round Table-Free Georgia	Zviad Gamsakhurdia	1991-92	Military putsch, legitimized through elections in 1992	No	Worse
Citizens Union of Georgia	Eduard Shevardnadze	2003	Rose Revolution, legitimized through elections in 2004	No	Improved
United National Movement	Mikheil Saakashvili	2012-14	Elections (parliamentary, presidential and local)	Yes	Improved

Survival of former dominant force evidently depends on: a) how the power transition happens and b) what is the quality of the regime created after the change of authority. If the authority changes through elections, there is more chance for the former dominant force to survive, at least for a certain period of time. And, if the new regime is more democratic than the previous one, former dominant force has more chance for the survival. In fact, as it is set forth in table 4, during the changes that took place as a result of elections, a new domi-

nant political force emerged (1990 and 2012-14) controlling political power at every level (national, regional and local). In addition, former ruling parties retained political existence at least for a short period of time. After the 2012-14 elections, the quality of democracy in the country has improved and created better conditions for the survival of former dominant political force.

It seems that, since 1990, the quality of democracy in Georgia tends to be stable – as it has been firmly placed in the category of partly free countries. Despite the fact, after 2012 elections there are two qualitative institutional (formal and informal) novelties that may affect the quality of the regime in future. One can promote democracy, and the other, on the contrary, includes significant threats for the sustainability of democratic institutions.

The first novelty is transformation of the country's political structure from a semi-presidential to a parliamentary system. In fact, since 2013 Georgia has had a divided executive branch. More power lay in the hands of the prime minister, although s/he lacks direct popular mandate. On the other hand, the president has mostly symbolic functions, however s/he has certain appointment powers and the most important thing is the president is elected by popular vote. Therefore, first time after 25 years since the independence there is no outstanding formal leader in Georgia. If we take a close look at table 5, we shall see that the governance of each dominant party was closely related to a strong and outstanding political leader, this type of governance had formally been implemented till 2012. Since 2012 there has been no distinguished political leader therefore this can check and balance the dominant power and prevent power concentration.

Table 5. Dominant Parties and Heads of State/Government in Georgia

Party	Years in power	Head of Government / Head of State		Years in power
Round Table-Free Georgia	1990-92	Zviad Gamsakhurdia		1990-92
Union of Citizens of Georgia	1993-2003	Eduard Shevardnadze		1992-2003
United National Movement	2004-2012	Mikheil Saakashvili		2004-2013
Georgian Dream	2012-	Bidzina Ivanishvili 2012-13	Giorgi Margvelashvili 2013 –	
		Irakli Garibashvili 2013-15		
		Giorgi Kvirikashvili 2015-		

As for the second factor, it is a more negative variable for the quality of democracy. That is the issue of the “autonomous power”. The issue emerged in 2013 after Bidzina Ivanishvili officially resigned as Prime-Minister, although he has informally exerted a certain impact on the politics. The issue of autonomous power can be explained in the following way: the autonomous power bases can be established in a situation, where “*the state apparatus, and the people who control it, have a “guaranteed” source of income that makes them independent of their citizens (potential taxpayers)*”.⁵ The actor with autonomous power bases can buy the necessary loyalty (politicians, security forces and/or intellectuals) from his autonomous revenue. Under such sys-

tem, the democratic institutions are undermined, and control of citizens over state actions is not structurally embedded or guaranteed.

Based on the generalized view presented in the chapter we will look closely at the democratic transformation of Georgia from 1990 to this day. Focus will be put on current challenges.

Gamsakhurdia: Democratic Elections and Autocratic Outcome⁶

Georgia's rocky journey towards democracy started in the late 1980s, parallel to the processes of Perestroika and Glasnost in the Soviet Union. National feelings quickly spread among Georgians and, beginning in 1988, tens of thousands demonstrated in support of Georgian independence in front of the parliament in Tbilisi. After April 9, 1989, when the Soviet Army violently dispersed a peaceful demonstration in Tbilisi and killed several people, nationalism was not to stop in Georgia. Georgia became the frontrunner in political emancipation in the Soviet Union along with the Baltic republics. However, it was only Glasnost that made a national awakening possible. Glasnost opened the media and the first nationalist ideas about Georgia's self-determination reached ordinary people. A few dissidents from the Soviet period, mostly unknown to the broad masses, became heroes overnight. They traveled from town to town, appeared in newspapers and even in broadcast media still under the local communist control. Georgian intelligentsia followed suit: historians, linguists, and artists were competing with newly emerged politicians in a nationalistic outcry. Even the local communist party, still a member of the all union party, proclaimed the independence of Georgia as its political goal by 1990.

The political emancipation was tremendous, however it lacked adequate institutionalization and was not aimed at democratization. In the 1990s, the first national multiparty elections took place in Georgia and the new Supreme Soviet (parliament) with 250 members (125 through the majoritarian system and 125 through the proportional system) was elected. The election produced a first ever peaceful

power transition in Georgia – the Communist party transferred the power to a nationalistic political party union, “Round Table – Free Georgia.” Zviad Gamsakhurdia became the head of Supreme Soviet and practically the head of Georgian Republic. The Communist Party of Georgia was the second party to pass the 4% threshold and enter the new parliament.⁷ It needs to be underlined, that preparation for the elections was in progress amid simmering political tension forced the postponement of the elections from March to October. Despite the tension, the elections can be deemed as the first significant democratic result, especially considering the fact that the Soviet Union still existed and these were the first multiparty elections in the Soviet Union.

Soon after the elections, the Supreme Council made significant amendments to the Georgian Soviet constitution which was still in force. The official name of the Georgian SSR was changed and the country turned into the Republic of Georgia. State symbols such as the coat of arms, as well as the national flag and the national anthem were changed. The leading role of the Communist Party was abolished and foundation for political pluralism was laid.

The election drove first wedge inside the Georgian National Movement, however. Few pro-independence parties participated in the 1990 elections and even entered the parliament as an opposition by winning in single-mandate constituencies (People’s Front, Democratic Georgia, Rustaveli Society). However, other parties did not recognize the government’s legitimacy and elected their own representative body – National Congress. The reason for the split was the fact that Gamsakhurdia’s opposition did not recognize the legitimacy of the Soviet elections. The national opposition considered that before gaining independence, participation in Soviet elections equalled to recognizing the legitimacy of the Soviet authority. Further, an election rule prohibited regionally based parties and groups from running in the elections. This effectively blocked the already mobilized ethnic minority representation from holding power in parliament, further fostering a sense of alienation among ethnic minorities, particularly

among Abkhaz and Ossetian groups. So, the election drove the first wedge between Georgians and other ethnic groups as well.⁸

In 1991 political processes developed rapidly – on March 31 Georgia held a referendum on the independence from the USSR. On April 9, the Supreme Council declared the Independence of Georgia and on April 14 presidential system of government was established and the Supreme Council elected Zviad Gamsakhurdia as the president of Georgia. The following month, on May 26 presidential elections were held and Zviad Gamsakhurdia won a landslide victory with 86.1% of total votes. At a glance, against the background of Gamsakhurdia's overwhelming popularity, his victory was logic, however, on the other hand, other candidates did not have sufficient time to participate in the pre-election campaign – one month was too little time for the preparation for elections. As a matter of fact, presidential model was established in the country without any considerable public discussion. In addition, election campaign had lots of shortcomings especially with regard to exerting pressure on opposition candidates and their supporters.⁹

In general, democratization was not a deliberate goal of the government during Gamsakhurdia's rule. On the contrary, the ruling elite in the country supported independence as the precondition for democratization. The ruling elite perceived the elections and representative institutions not as means of participation, but rather as levers for control, merely with administrative functions. For instance, the president appointed prefects – heads of local governments directly subordinated to him. Prefects were the real power brokers in the local municipalities. In many respects, they effectively replaced the old Rayon Party secretaries. Gamsakhurdia's government did not recognize the importance of opposition. Deprivation of electoral mandates from those members of Supreme Council who represented the Communist Party was a good example of their attitude to opposition. Out of 250 members of the Supreme Council, 61 represented the communist party. After the failure of the 1991 August putsch in Moscow, the ruling majority deprived the elected members from Communist Party

of deputy mandates and expelled them from the Supreme Council.¹⁰

Gamsakhurdia's ruling party had the same attitude towards the political forces from the National Movement, among them to those who were members of the new parliament. He often used aggressive rhetoric and declared them as agents of the Kremlin.¹¹ In general, political parties—were large in number, but small in membership, often not exceeding a few hundred individuals. A very rudimentary and internally divided civil society could hardly substitute for the absence of political institutions. Political parties and civil groups were internally divided along ethnic and other lines (Gamsakhurdia supporters vs. Gamsakhurdia opposition). The central broadcasting media was now under firm control of the new elite, although the opposition was present in print media. Gamsakhurdia failed to provide institutional mechanisms to deal with the opposition. As a result, political groups paved their own paths to political participation – most oppositional parties organized their own military wings. At the beginning, Gamsakhurdia managed to suppress the opposition, relying on the still-working bureaucratic machinery of the Soviet system – the local police and the soviet military. In January, 1991, Gamsakhurdia abolished Mkhedrioni – the most influential militia group in the opposition – and detained its leadership by using internal Soviet troops. He was not able to rely on their support in late 1991, because the Soviet coercive machinery had ceased to exist as such, following the failed August coup in the Kremlin. Further, Gamsakhurdia had alienated most of local high-ranking bureaucrats along with some of his own followers. In September the bulk of the newly-founded National Guard joined the opposition. Together with the resurgent Mkhedrioni, they ousted Gamsakhurdia in January 1992.

Thus, the first phase of Georgia's democratic transformation ended in failure. The first democratic elections did not produce democratic regime. It removed the Communist Party from power, however established a new dominant party seeking to consolidate its own power. The first parliament neglected to accommodate different ethnic communities but also failed to satisfy ethnic Georgian

factions. The massive political emancipation in the late 1980s erupted into massive ethnic nationalism, both among Georgians and ethnic minorities. Gamsakhurdia alienated ethnic groups and led the country to violent ethnic conflicts. The nonexistence of political and civil institutions made cooperation among the Georgian parties impossible and conflict more likely. Gamsakhurdia's government did not possess the administrative capacities to suppress competing groups and to establish effective autocracy. His presidency lasted only one year but his legacy impacted Georgia's trajectory for the coming years.

Shevardnadze:

Patrimonial Rule behind Democratic Façade

In 1992 Eduard Shevardnadze returned to Georgia. Shevardnadze had ruled the country from 1972 to 1985 as the first secretary of the Georgian Communist Party before moving to Moscow and becoming the Minister of Foreign Affairs of the USSR. Georgia of early 1990s was a classical failed state. The Tskhinvali region (South Ossetia) was suffering from armed conflict caused by ethnic confrontation. Five months after Shevardnadze's return to Georgia in 1992, a war broke out in Abkhazia which in September 1993 ended up with the defeat of central government. In 1992-93, the civil war against Gamsakhurdia's supporters was raging in the western part of Georgia. Adjara Autonomous Republic was independently ruled by local strongman Aslan Abashidze. In addition, different militia groups controlled the rest of the country. Shevardnadze's authority was nonexistent in the regions, and even limited in the capital city.

Shevardnadze's rule in terms of democratization can be divided into three phases: the period of chaos – 1992-1994; the period of laying foundation for democratic institutions – 1995-2000; and the period of shifting democratic processes from failing institutions to the street – 2000-2003.

Following Gamsakhurdia's ouster, in January and February 1992, the Military Council represented by Jaba Ioseliani – the leader of Mkhedrioni, Tengiz Sigua – the former Prime Minister of Gam-

sakhurdia Government and Tengiz Kitovani – the head of National Guard, ruled the country. The Council abolished the 1978 constitution and reinstated the constitution of 1921. The 1921 constitution did not reflect the actual political and legal reality in Georgia. As a result, legal foundation of ruling the country was totally destroyed. It did not match with the existing government set-up, neither at the central level nor in terms of territorial division of the country.¹² Therefore, 1921 constitution did not have essential political significance and as a consequence, in early 1992, dictatorship was established in Georgia.

The Military Council lacked international recognition. In addition to that, the independence of the former Soviet republics was being internationally recognized between late 1991 and early 1992, but Georgia stayed far behind its former Soviet allies. In order to respond to these and many other challenges in the country, the Military Council summoned already retired Shevardnadze to Georgia. Soon, the Military Council was transformed into the State Council and Shevardnadze emerged as its head. The Council recruited members of political parties and society; however Sigua, Ioseliani and Kitovani remained to be real decision-makers. Together with Shevardnadze, they formed the State Council Presidium that could veto the State Council decrees. The presidium itself took decisions by consensus.

The first step towards democratization was the 1992 parliamentary elections. Despite extremely unfavourable conditions – the war in Abkhazia, as well as intermittent clashes with Gamsakhurdia supporters in Western Georgia, Shevardnadze did not postpone the parliamentary elections scheduled for October 1992. The electoral system applied in these elections was quite complicated and significantly differed from parliamentary elections held before and after in Georgia. In total, 235 members of the parliament were elected, 75 from single-mandate districts and 150 from ten multi-mandate districts. Each multi-mandate district had electorate of 230 to 250 thousand. Each voter had three votes for proportional system. There was no threshold applied in order to promote large presentation of fractioned political

landscape. 36 parties and election blocks took part in the elections out of which 24 political units obtained seats in parliament.¹³

The goal of the elections was to give legitimacy to Shevardnadze's government – that is why, the emphasis was put on the representation and many parties and groups had opportunity to enter the parliament. After the fiasco of Gamsakhurdia's Government, negative attitude to the presidential rule enhanced in the country. Thus, in 1992, Georgia did not elect the president; however, Shevardnadze found extraordinary outcome of the situation, which totally contradicted with the principles of power separation. In particular, Shevardnadze was the elected head of state and chairman of the parliament. The prime minister and the executive branch were subordinated to head of state. Therefore, nominally, more power was concentrated in the hands of Shevardnadze than a president generally has in a presidential republic. Despite the fact, until the control over the executive body remained at disposal of Kitovani and Ioseliani, Shevardnadze's authority was extremely limited. In addition, the parliament remained heavily factionalized and could not take decisions easily. Shevardnadze had to conclude temporary pacts with different political forces.

Despite the elections producing more or less representative parliament, 1992-1995 were distinguished by gross violation of human rights. During the civil war, human rights were violated in Abkhazia, Tskhinvali region and Western Georgia (especially in Samegrelo), as well as other regions and the Capital city. Murder, robbery and seizure of property, repression of peaceful demonstrations, restriction of the freedom of speech and expression were very common,¹⁴ in fact, the country was controlled by militias, and the state institutions, among them courts could not fulfil even basic functions. As a matter of fact, criminal formations captured these institutions, for instance, Temur Khachishvili, who had previously been a member of Mkhedrioni and had past criminal records was appointed minister of the interior in 1992-1993.

During his long career in the Communist bureaucracy, Shevardnadze learned to turn defeats to his advantage. He was thus able to

take advantage of the military defeat in Abkhazia to disarm the paramilitary units and consolidate his power. After the failure in Abkhazia, amid increasing chaos, the demand for a “strong leader” was growing among population and political elite, and Shevardnadze used it for its own advantage to increase his political power. On September 14, 1992, he resigned as head of the State Council and very soon returned back after his followers held demonstration supporting him and the opposition frightened by the uncertainty took no step forward. Thus, Shevardnadze used the uncertainty for the consolidation of his power.

After the defeat in Abkhazia, when Georgia joined the CIS (Commonwealth of Independent States) and Shevardnadze signed the agreement on the establishment of Russian military bases in Georgia, he found very weak opposition inside Georgia. With the Russian help Shevardnadze defeated followers of Gamsakhurdia in the western part of Georgia and effectively ended the civil war. Shevardnadze’s expert balancing act between various regions, factions, and parochial groups inside Georgia, as well as his complementary foreign policy towards Russia and the West, produced a relative stability since 1995. Terrorist attack of August 1995, when a mined car exploded near Shevardnadze’s car who was on the way to a signing ceremony for the new constitution, was the last struggle of militia formations. Shevardnadze survived, the last military formation – Mkhedrioni was dissolved and it symbolically put an end to the 1992-1995 chaotic period.

In 1995, Georgia adopted a new constitution. Elaboration of the constitution was not an easy task – in 1993, the constitutional commission was set up. The commission included more than 100 members, but in fact, only a small group of experts worked on drafting a new constitution and they enjoyed significant support from international organizations and foreign experts.¹⁵ At last, presidential model of governance outweighed the parliamentary one. The president was to be elected for a period of five years and the parliament – for four years. The office of prime-minister was abolished and it was replaced by the minister of state. Although the government needed to be approved by the parliament, the minister of state, as well as other min-

isters was accountable directly to the president. Despite the faults, the 1995 constitution was a significant foundation for establishing democratic institutions in Georgia. As a matter of fact, the constitution has been amended several times since then, however it represents the foundation for Georgian political system to this day.

From 1995 until early 2000, Georgia acquired some stability and political institutions such as parliament gained increasing influence. Although, the central government lost control of Abkhazia and part of the Tskhinvali region, and Adjara did not obey central authorities, militia factions were banned to raid on the rest of the territory and the state started to fulfil its minimum functions.

On November 5, 1995, parliamentary and presidential elections were held in Georgia. Eduard Shevardnadze gained a convincing victory in the Presidential elections. These elections served as a consolidation of his authority. The 5% threshold was established for the parliamentary elections. In the 1995 parliamentary elections, only parties or blocs that submitted the signatures of 50-thousand supporters or had representatives in the parliament by the date of the Constitution adoption were eligible to participate. The same parties could nominate candidates in single-mandate districts or candidates themselves had to submit signatures of one thousand supporters. In the presidential elections, parties and initiative groups had to submit 50 thousand signatures. The parliamentary Elections were held based on a mixed system. 235 members of the parliament were elected, 150 through nationwide party lists and 85 in single-mandate districts. The elections were not held in Abkhazia. Though, the term of office of 12 delegates from Abkhazia was extended. 53 parties participated in the elections and only three passed 5% threshold: the Citizens Union of Georgia, the National Democratic Party and the Revival Union, headed by Adjara leader Aslan Abashidze. Several other parties could get few mandates in single-mandate districts.¹⁶

The most significant outcome of these elections was the emergence of ruling parties, in particular, the Citizens' Union of Georgia and the Revival Union Party. Former nomenclature and a group of

young reformers became members of the Citizens' Union of Georgia. Zurab Zhvania and his Green Movement were the most influential among the young reformers. After winning the parliamentary elections, Zhvania was elected chairman of the parliament.

From the outset, the Revival Union Party was a regional party and Aslan Abashidze established it in 1992, as "Adjaran Union for the rebirth of Georgia". In 1998, the party was renamed "Revival Union".¹⁷ The party was the monopolist in Adjara and constantly won more than 95% of votes in every election held in the region, until 2004.

The 1998 local self-government elections proved to be a crucial step towards democratization, As a matter of fact, since 1991 no election had been held at local level. The ruling party – the Citizens' Union of Georgia was declared winner in the local elections in the majority of regions, and Aslan Abashidze's party won the elections in six regions of Adjara. Local executives (*gamebeli*) were still appointed by the centre, thus local governments lacked the strength. At regional level, Shevardnadze introduced the office of governors. The real power was in fact concentrated in the hands of appointed governors and heads of local administrations (*gamebeli*).¹⁸

The 1999 and 2000 parliamentary and presidential elections approved the authority of Shevardnadze and his party. However, gradually, serious issues with regard to pre-election campaign, election day, and especially to vote count (according to OSCE report, "The overall assessment of the count was characterized as bad or very bad in 24% of cases")¹⁹ emerged in the electoral system.

By early 2000, two models of authority established in Georgia – authoritarian rule of Aslan Abashidze was limitless and represented a consolidated authoritarian regime. As for the rest of Georgia, behind the democratic façade, which Shevardnadze used for its own advantage while communicating with the West, he established a patrimonial rule.²⁰ Shevardnadze revived networks of loyalty that existed since the Soviet times and used them as his own power basis. For the most part, he relied on informal personal relationships, cloaked with the help of formal institutions. Shevardnadze thus re-established bureaucratic-

patrimonial rule, corresponding to the type of polity that had in practice prevailed in Georgia since the 1970s. This style of governance can be represented by a pyramidal power structure, with the ruler at the apex. The ruler bases his power on a range of informal groups, dissolving old ones and creating new ones at will and according to circumstances, playing them off against each other. An interesting feature of this system is that it makes use of formal institutions and the latter's organizational capacities. At the same time, it undermines strengthening of those institutions and promotes corruption, nepotism, sale of offices, and continual personal reshuffles to avoid the horizontal ties to become strong and entrenched.²¹ Shevardnadze also feared the strength of state institutions, especially in the security sector and kept them underfinanced and corrupt. However, in 2003, when the regime needed to use coercive apparatus of the state against the opposition, it found that the structures were dysfunctional and demoralized.

Hybrid regime established by Shevardnadze left room for political competition and this is the weakest point of hybrid regimes in general. Freedom of media, civil society and elected self-governing bodies had façade significance for Shevardnadze's government. He had to wrap the reality of the regime so that it would become acceptable for the Western discourse. Shevardnadze's government lacked the resource for the "two-level game" – although initially free media did not have much influence on political processes, gradually the creation of alliance with different political groups resulted in reciprocal reinforcement – contesting political groups obtained a say and media became a more interesting ally in the political process. In the same way, if the importance of local self-government bodies equalled to zero, defeat of the ruling party in the 2002 local elections and the victory of the opposition granted new life and symbolic meaning to the institute. Consequently, emerging popular leader Mikheil Saakashvili used the position of the chairman of Tbilisi city council in order to increase his political influence.²²

Later on, Shevardnadze's government decided to bring the façade institutions under control; however, it was too late as in 2001 security

forces raid on independent Rustavi 2 TV Company provoked mass protests. Zurab Zhvania stepped down from the position of the chairman of the parliament; influential minister of the interior – Kakha Targamadze followed him. This was the last victory of veteran patriarch Shevardnadze. Very last time he applied his talent of balancing and utilized this crisis to get rid of two gradually empowering factions inside his party – minister of the interior Kakha Targamadze, who was believed to pursue his own political agenda as well as the wing of young reformers, whose demands on reforms became increasingly too wide reaching for Shevardnadze.

By 2001, the ruling party was enfeebled as a result of intra-party confrontations and centrifugal processes had already begun. It is symptomatic, that after 1999 elections the fifth parliament of Georgia consisted only of three factions, while in 2003 in the same parliament there were already 10 factions registered.²³ The youngest political wing was most active as it was getting ready for post-Shevardnadze period. In 2001 the former Justice Minister of Shevardnadze's government Mikhail Saakashvili formed a separate political grouping – the National Movement.²⁴ At first, Zurab Zhvania attempted to take control of the Citizens' Union party; Consequently, Zhvania addressed Shevardnadze with an open letter in 2001 where he assessed the situation in the country as to be "on the brink of catastrophe." In the end, Shevardnadze took the most dramatic decision when he resigned as the head of the ruling Citizens' Union of Georgia, in September of 2001. Thus, Shevardnadze openly rejected reformers' proposal. In the end, Zhvania was defeated in the struggle for the party and Shevardnadze's followers took control of the Citizens' Union.²⁵

At a glance, it is a difficult step to explain, however, resigning from the position of the head of his own party is an example of Shevardnadze's usual patrimonial style. He got rid of a body which had no function and sought to create a new power bases. Shevardnadze placed his hope in a new group, headed by Security Secretary Nugzar Sajaia. New minister of the interior as well as new security minister were Sajaia's protégés.²⁶ For electoral needs, Shevardnadze

tried to cement an eclectic unity consisting of former communist nomenclature, his own corrupt bureaucrats, some populist nationalist and those who would otherwise have had no chance to enter the parliament. However, the new bloc named “For New Georgia” (Citizens Union of Georgia, Socialist Party, National Democratic Party, Great Silk Road movement) was very unpopular and the only chance for Shevardnadze’s party to win the elections was a manipulation of elections. The government relied on its majority in election administrations. Shevardnadze did not stop to forge alliance with his rival Aslan Abashidze as well. According to official counting, the alliance of the president was first in 2003 elections (21%) and the second place went to Revival Union of Aslan Abashidze (19%). Saakashvili’s National Movement came in a close third with 18 percent.²⁷ Shevardnadze was clearly intending to form majority based on alliance with Abashidze. They would thus close doors for further reforms in the country. Shevardnadze maintained contacts with Aslan Abashidze even after the elections, at the backdrop of Rose Revolution protest demonstrations. He visited Abashidze in Batumi, in the meantime, Abashidze supporters staged rallies in Tbilisi parallel to Rose Revolution protest demonstrations.

Every attempt of Shevardnadze was predestined for failure – in the wake of mass protests and demonstrations as well as the takeover of government buildings, which was later called the “Rose Revolution”,²⁸ Shevardnadze resigned on November 23, 2003, and after six months Aslan Abashidze shared his fate. This was the case with their ruling political parties too – thus, at national as well as at regional level in Adjara new majorities were formed.

Saakashvili: Modernization before Democratization²⁹

The subsequent government learnt from Shevardnadze’s regime that weak state institutions pose a threat to those in power. Thus, the goal of a new government authority was to enhance state-building and equip state institutions with real power – Saakashvili’s achievements in this regards were impressive.

The 2003 Rose Revolution was an attempt to make a radical break with the Soviet past. The Soviet nomenclature had to make way for a new political leadership of young elites, most of whose members had been educated in the West. Extensive modernization and liberalization of Georgia were goals of the new government. Georgia did in fact implement comprehensive reforms in relatively limited time. The radical reforms of the administration that Saakashvili pressed ahead were praised as exemplary by international observers. In 2012, Georgia ranked 51st in the corruption perception index of Transparency International, while back in 2004, Georgia had been ranked 133th.³⁰ The government abolished many rules and regulations that had become obsolete and were used by corrupted bureaucrats to extract money from fellow citizens. It initiated new infrastructure projects and attracted foreign investments. As a result, Georgia's economy achieved remarkable growth rates – 9-12% in 2005-2007.³¹

Saakashvili strengthened bureaucracy, reduced extra expenses and increased remuneration, state service became prestigious. In particular, the government strengthened the administrative power of the state. The Security sector reform became one of the main goals of the new regime. Police reform is probably the most acclaimed achievements of the government – several police forces have been abolished, former police officers were dismissed and new personnel were recruited. The law enforcement system was modernized, equipped and funding has been increased. As an outcome, one of the most corrupt institutions became one of the most trusted public institutions.³²

In general, the new government succeeded in its effort to increase the administrative capabilities of the state. Public structures became more present nationwide, providing much better services with almost no petty corruption to citizens. Based on its increased capabilities and popular support, Saakashvili managed to effectively broaden governmental control over the regions of Georgia. In 2004, the local revolution in Adjara Autonomous Republic pushed the de facto local ruler Aslan Abashidze to abandon the country.

With enhancing state capacities the new government laid down solid foundation for further democratization. Nevertheless, the democratization was not seen as a primary goal by the new rulers.³³ The new elite saw societal transformation and a sound economic foundation as preconditions for democratic rule. They viewed a functioning state as the most necessary prerequisite. Only strong and effective state institutions could increase public trust in formal institutions and replace established informal and personal loyalties in Georgian society.

Nevertheless, the gap between democratization and modernization has become ever wider over the recent years. In fact, Saakashvili's government had no opposition – against the background of the Rose Revolution, after the 2004 elections, he had a constitutional majority in the parliament and could easily tailor the constitution according to his needs. In 2004, the new government introduced a set of amendments to the constitution. The amendments were aimed to increase government performance and efficiency. Therefore, the executive branch gained more strength, particularly the president, who was given quite extensive powers.³⁴ In addition, the government introduced the office of prime minister, which was occupied by Zurab Zhvania, one of the leaders of the revolution. As we shall see later, the key problem during Saakashvili's rule was not the increased powers of the president's office, but the absence of political contestation. As soon as political contestants emerged and presidential party failed in the 2012 parliamentary elections, president Saakashvili immediately turned into a lame-duck, despite the fact that, the same 2014 constitutional model was still in force.

Until a single party controlled both executive and legislative branches, the prime minister had acted as a “subordinate” to the president. In early 2005, Zhvania died, and since then the office of the prime minister degraded to the position of an “assistant to the president”, which resulted in frequent change of prime ministers³⁵. In 2006, the United National Movement won absolute majority in both local government elections and in elections held in Adjara Autonomous Republic.³⁶ The victory was partially supported by amendments made

to the election law. For instance, during Tbilisi Majoritarian elections winner-take-all principle was used for the division of mandates, which significantly reduced already weak representations of the opposition in the city assembly.³⁷ Further, while the local governance reform in 2006 did improve the financial self-sustainability of local entities, the strong overview functions in the hands of regional governors – presidential appointees – deprived them of real self-governance. Even Shevardnadze failed to achieve such degree of one-party governance – thus, the United National Movement controlled all political units at national and regional levels.

While these state administrative capabilities increased, the weakness of participatory institutions caused a remarkable setback to Georgia's democracy. This contributed to the marginalization of the opposition. In 2007, the antagonism between the ruling party and the opposition reached a critical point when a new wave of demonstrations in front of the parliament was dispersed by the police and independent TV broadcasters Imedi and Kavkasia were silenced. The state of emergency was declared. It certainly damaged the democratization process in Georgia. Indeed, Saakashvili's administration suffered much internal and international criticism.

To address these challenges, Saakashvili resigned and snap presidential elections were held in January, 2008.³⁸ Saakashvili won the elections with 53% of votes. Compared to the 2004 elections when he received 96% of votes, this was a significant loss for the ruling party. However, even after the defeat, opposition failed to maintain unity and in May of the same year, during the parliamentary elections, the ruling party easily managed to gain constitutional majority. It is noteworthy that the number of seats in the parliament was reduced to 150, out of which 75 members were elected by proportional vote and the other 75 by majoritarian vote. Both parliamentarian and presidential elections exposed a number of shortcomings – related to pre-election (media control, use of administrative resources in favor of ruling party, pressure on the opposition candidates etc) and election-day environment and especially to vote-count.³⁹ In general, Saakashvili's authority was

unable to establish a model for cooperation with opposition, and as a result marginalization of those parties, aggressive rhetoric from both sides and political polarization significantly enhanced.

The process of political transformation gradually became to be characterised by inconsistent democratisation efforts and a more authoritarian leadership style. Although the government included the establishment of a liberal democracy and membership in European and Euro-Atlantic structures among its political goals, there were increasing signs of restriction of political freedoms, censorship over media, manipulations during elections and persecution of the opposition. The government suffered a loss of image due to its conduct in the fight against crime as well. His policy of “Zero Tolerance” had a tangible impact on the high crime figures but it entailed serious breaches of human rights. The number of prison population rose threefold within a brief period of time (from about 8 thousand in 2004 to 23.7 thousand in 2010).⁴⁰

Saakashvili's state building reached its limits in conflict zones. In 2004, after bringing Adjara back, Saakashvili attempted to apply the same approach in South Ossetia. A mixture of military threats to the local elite and social help program incentives for the local population failed because, unlike Adjara, these measures strengthened rather than weakened local elite-population coherence. After brief skirmishes, Saakashvili put the Ossetia issue on hold. Nevertheless, the Georgian government eagerly tried to change the status quo in both conflict zones – sending peace plans and threat messages to the local leadership, trying to gain supporters among their leaders, especially in Ossetia, where several former high-ranking Ossetians defected to the Georgian side between 2005 and 2007. Saakashvili's strong promise on national unity in 2004 became his political fate in 2008 when the conflict in Ossetia escalated into the Russian–Georgian war. Russia recognized independence of both regions and established permanent military bases. The gulf between the centre and Abkhazia and South Ossetia has since widened even further.

Nevertheless, it can be said that the results of the ten years since the Rose Revolution have been relatively positive to overall democ-

ratization. When Saakashvili took power, Georgia was considered a “failed state”. In 2012 the country was seen as a model of modernization in the region. Indeed, the differences become more obvious in a regional comparison. After 25 years of independence, Georgia’s neighboring republics are still ruled by old networks based on family ties and patronage linkages. Although Saakashvili’s leadership style has been criticized, he and his government have succeeded in many respects in making a break with the country’s Soviet past and laid the institutional groundwork for peaceful transfer of power. In 2012 by conceding his party’s election defeat, President Saakashvili confirmed that modernizing state and society undermines power bases of incumbent power holders and at some point transfer of power becomes inevitable.

Transition Through Elections: Ending Permanent Revolutions?⁴¹

Three elections – parliamentary in 2012, presidential in 2013 and local in 2014 – were celebrated as free and fair and therefore as a democratic breakthrough in Georgia.⁴² The 2012 parliamentary elections were indeed a historic occasion for the country. It was the first time orderly and peaceful transfer of power since the country gained its independence. The opposition coalition named Georgian Dream (GD) formed around Georgian billionaire Bidzina Ivanishvili, won the elections and thereby gained the majority in the parliament. Saakashvili’s ruling party, the United National Movement (UNM) was only able to attract 40% of the votes and gain 65 seats (33 party list seats and 32 seats through single-mandate constituencies), while the GD alliance won 54% of the votes and 85 seats (44 party list seats and 41 majoritarian seats). President Saakashvili’s United National Movement (UNM) acknowledged its defeat and gave way to the opposition Georgian Dream (GD) coalition. Even though President Saakashvili’s term was not due to expire until the end of 2013, he appointed the coalition’s leader, Bidzina Ivanishvili, to the post of prime minister. The parliament confirmed the new government.

After the parliamentary elections, the outcome of the presidential elections in 2013 was essentially predictable. The new governing coalition and above all new Prime Minister Ivanishvili portrayed themselves successfully as “victors over the authoritarian regime” of Saakashvili and “the nation’s saviours”. Surveys indicated clearly that the UNM had fallen dramatically in popularity. By the summer of 2013, support for the UNM had dropped to just 10%.⁴³ Giorgi Margvelashvili, a politically inexperienced protégé of Prime Minister Ivanishvili, was elected Georgia’s fourth president with 62% of the votes. The UNM candidate, David Bakradze, received 22%.⁴⁴

The presidential elections enabled the Georgian Dream to consolidate its power on national level. In Autonomous Republic Adjara the elections were held in 2012 and the Georgian Dream defeated the National Movement. In 2014 the transfer of power was completed at municipality level as well. The pressure on the local authorities controlled by the United National Movement was particularly strong even before the elections. The Georgian Dream coalition had begun to assume power in the local government right after the 2012 parliamentary elections. For instance, when twelve UNM representatives in the Tbilisi municipal council switched loyalty to the coalition, the GD had a majority of 25 seats on the 47-person body, and thus secured an early transfer of power before the election.

At the same time, in the local elections, there was more evidence of competition during the campaign and run-off ballots were held in 21 electoral districts, including the capital city Tbilisi. The winner was the Georgian Dream candidate, who defeated the UNM opponent. The mayors and other local executives were elected directly first time. The administration of presidential and parliamentary elections, as well as atmosphere during campaign and on elections day was more calm and constructive as well.⁴⁵

Nevertheless, the three elections between 2012 and 2014 reflected replacement of the dominant party in Georgia – the United National Movement had controlled all political constituencies nationwide (on national, regional and local levels), since 2014 the Georgian Dream

has been the new dominant party. In other words, the election left Georgia's dominant-power system essentially unchanged.

The new dominant party initiated a campaign of “restoring justice” aimed at elimination of the major oppositional party. This resulted in a prosecution and arrests of high-ranking officials from the UNM camp, which has drawn international criticism. The prominent figures of the previous government arrested by the new government were Ivane Merabishvili, former minister of internal affairs, then prime minister and secretary general of the UNM at the time of his arrest; Gigi Ugulava, a former mayor of Tbilisi; and Bacho Akhalaia, a former minister of defence and of internal affairs. Outstanding warrants have been served for others, including former president Saakashvili, and former minister of justice, Zurab Adeishvili. The UNM has been generally under enormous pressure since it lost power and was struggling to stop increased number of defectors.⁴⁶

Under the new authority the quality of media freedom has improved – media became more critical and diverse. However, new government did not lack attempts to exert pressure on media and silence troublesome broadcasters and apply government mechanisms to achieve this goal. The case of Rustavi2 TV channel was a clear example of it.⁴⁷ Rustavi 2 TV channel had critical attitude towards the new government and was influenced by opposition party – the United National Movement (UNM) (here we can draw parallels to past disputes over Imedi TV channel in 2007). One of the owners of the Company filed an ownership claim in court. It is noteworthy that Rustavi 2, which played a pivotal role in live broadcasting of Rose Revolution protest rallies, passed through the hands of different owners during Saakashvili's rule; therefore it is difficult to decide which of the owners the real “victim” was. However, in 2015 the main point was not the ownership issue, but the threat, that could emerge as a result of silencing the TV channel being critical towards the government. Although the government did not admit its participation in the disputes over Rustavi 2, the court proceeding and the attempt of “immediate execution” of court verdict provoked serious doubts. In the end, execution

of the common court's decision has was supposedly suspended until the verdict of the constitutional court as well as the identification of pressure exercised by friendly states.

Since 2012 Georgia has faced a new internal dynamic, which can pose challenge to the further democratization of the country. We call this challenge as *Autonomous Power Bases*. Similar to the concept of “autonomy from citizens”, in which “the state apparatus, and the people who control it, have a ‘guaranteed’ source of income that makes them independent of their citizens (potential taxpayers),”⁴⁸ the autonomous power bases holders can exercise formal and informal control over government and other public institutions without binding themselves to public accountability. The uncontested leader of the ruling coalition is Bidzina Ivanishvili, even though he left the post of the prime-minister in 2013. He has a fortune that is vast by Georgian standards. It was estimated at 5.3 billion U.S. dollars in 2012,⁴⁹ one third of Georgia's GDP at that time (15.85 billion).⁵⁰ Worth to mention, that Georgia heads the list of countries where the richest individuals have a personal wealth that represents a significant proportion of the country's GDP.⁵¹ Further, these sources of his wealth originate from outside Georgia and therefore are removed from oversight by the Georgian state.

Now that Ivanishvili has officially withdrawn from politics, he has no longer to account for his actions to the electorate. He can therefore build up an “autonomous power” that is independent from the state and the society. Without holding a public office, he is not a subject to any formal restrictions. He does not have to deal with the day-to-day tasks of government, nor can be held to account for any government failures. On the contrary, he has a free hand in keeping the government under control by informal means. Back in 2011, when Ivanishvili announced his entry into politics, he promised the development of a democratic system, which even Europeans would admire.⁵² When he left the politics, he spoke of his intention to control his government from within the civil society. Shortly before his resignation, Ivanishvili said he would leave it to his succes-

sor to determine the composition of the new government, but that he would be prepared to make himself available as an advisor. As the incumbents are some of his closest confidants – prime-minister Irakli Gharibashvili (2013-2015) and Giorgi Kvirikashvili (since December, 2015) – both have long time worked for Ivanishvili’s business companies, they will hardly be in a position to reject the offer. Indeed, representatives of the government make no secret of the fact that they frequently seek advice from the former prime minister.⁵³ Ivanishvili’s informal power has manifested most strikingly in his attitude towards the current president. President Margvelashvili was his protégé, however later he objected several decisions made by the government of Irakli Gharibashvili. President’s position was strongly criticized by Ivanishvili. The latter admitted that, since stepping down, he has maintained informal contacts with the new president and gradually became disappointed by him.⁵⁴

Ivanishvili’s autonomous power base poses a challenge for the consolidation of democracy in Georgia ahead of new parliamentary elections in 2016. Ivanishvili has a relatively free hand to deploy his resources to influence Georgian politics by funding either the current government or potential alternatives. Ivanishvili’s non-governmental organization “2030” is often seen as a “recruitment agency” of the government. The organization unites dozens of experts, some of whom have already been appointed to positions in the government or are rumored to be prepared for political or governmental positions.

Nevertheless, there have been several positive developments in Georgia since 2012, giving ground for cautious hope about its further democratization. *First*, it is already clear that member parties of the ruling coalition will independently participate in the upcoming elections of 2016. In fact, the coalition has fairly diverse membership. The leading party, Georgian Dream – Democratic Georgia, defines itself as a centre-left party, while its partners range ideologically from liberal (Republican Party of Georgia) via nationalist (Conservative Party of Georgia, National Forum) to mercantilist (Industry Will Save Georgia). The party of the former defence minister Alasania, Our Georgia

– Free Democrats, left the coalition in November 2014. It was apparent, that the coalition had to deal with its internal struggles and inter-fraction competitions, which restricted the ability of the new ruling party to build up the strong vertical of power.

Second, the GD coalition never reached the necessary supermajority in the parliament to amend the constitution in a way it would have liked. The constitutional reforms initiated changes elaborated by a state commission during Saakashvili's presidency in 2010 and in force since the new president entered the office in November 2013, the majority required to amend the constitution is 113 of 150 parliamentary votes and not 100 as before. Given the current division of the political landscape, a constitutional supermajority is very unlikely and will remain the same in the new parliament. This is likely to encourage cross-party co-operation. The coalition would like to return the parliament to Tbilisi, but the opposition was unwilling to support the necessary constitutional amendment. As a result, the parliament continues to sit in Kutaisi – Georgia's second-largest city. On the other hand, it is worth to mention, that right after elections in 2012 the Georgian Dream Coalition and United National Movement minority succeeded in coming to an agreement to approve constitutional amendments, in spite of heated discussions at that time.⁵⁵ In spite of the strained relations between the parties in government and in opposition, the cohabitation of 2012 with Saakashvili still acting as a president did not result in big political paralysis and parties were successfully exercising the power sharing. Instead, both sides agreed to compromise and, despite major disagreements, they were able to reach agreement on specific questions.

Third, despite being under enormous pressure since 2012, the United National Movement has survived as a party and has even managed to cement its position as the main opposition. As we have seen, in Georgia's dominant-power system, no governing party had previously survived such a defeat. Zviad Gamsakhurdia's Round Table – Free Georgia coalition collapsed as soon as he was driven from office in the coup of 1992. Eduard Shevardnadze's Union of Citizens

disappeared from the political stage following the Rose Revolution in 2004. By contrast, the United National Movement survived its removal from power.

Finally, Georgia does now have a parliamentary system with a divided executive branch. These changes transformed the political system from a super-presidential model to one in which the parliament and prime minister have greater power. The prime minister is the most powerful actor in the new system. He or she is elected by the parliament and is not accountable to the president. At the same time, the president is still elected directly, has a direct popular mandate and thus continues to have a key political role. The president maintains a number of powers that include the appointment of senior civil servants with responsibility for foreign and security policy. Thus, in Georgia, executive power does not rest in the hands of a single individual, but is rather shared.

Conclusion

What way will Georgia choose in the future? 25 years after the declaration of independence, in 2016 Georgia is to hold parliamentary elections. These elections will probably respond to the abovementioned questions. Georgia has a chance to overcome “haunted circle of hybridity” and turn into a democratic regime. However, Georgia has also a chance to keep the traditions of dominant authorities.

As a 25-year-odyssey shows, Georgia has sufficient institutional foundation for democracy – that is corresponding constitution, electoral law, mechanisms for vertical and horizontal separation of powers. There is space for political opposition and civil freedom. However, on the other hand, the most important challenge for Georgia is the lack of symmetrical political contestation. At every level, except the interim periods, the government was controlled by a single political grouping. A single political grouping controlled the majority (often constitutional majority) in the parliament, the government, as well as regional and local authorities.

In addition, Georgian case shows that the monolithic unity of a single force is temporary, and even under the hybrid regime the gov-

ernment may change. If the change occurs bypassing formal institutions (elections) – as a rule the process of dissolution of dominant power is so rapid that, it cannot survive in new conditions. This was the case with the Round Table of Zviad Gamsakhurdia (military coup) and with the Citizens' Union of Georgia launched by Shevardnadze (bloodless revolution). Survival of former dominant force is possible when government changes through elections. Indeed, after the 2012 elections the United National Movement survived despite the pressure exerted on it.

The transfer of power through the 2012 elections is a crucial step towards democratization of Georgia. However, as a result of these elections qualitative institutional novelties emerged, that may positively or negatively influence the quality of the regime in the future.

Endnotes

1. The following paper will not discuss the territories that are beyond control of central authority of Georgia. According to Freedom House Abkhazian regime is partly-free (however, year after year the situation deteriorates) as for South Osetia, the regime there is not free. See Freedom in the World 2016, <https://freedomhouse.org/report/freedom-world/freedom-world-2016> (21.02.16).
2. Georgia – History of Elections. <http://www.cesko.ge/uploads/other/9/9078.pdf> (28.02.16).
3. Carothers, Thomas (2002): "The End of the Transition Paradigm." *Journal of Democracy*, 13(1); Levitsky, Steven and Way, Lucian A. (2002): "Elections Without Democracy: The Rise of Competitive Authoritarianism," *Journal of Democracy*, 13(2).
4. Hale, Henry E. (2005): "Regime Cycles: Democracy, Autocracy, and Revolution in Post-Soviet Eurasia." *World Politics*, 58(1).
5. Moore, Mick (2004): "Revenues, State Formation, and the Quality of Governance in Developing Countries." *International Political Science Review*, (3): 297-319.
6. This part draws partly on Aprasidze, David and David Siroky (2010: 121-36): "Frozen Transitions and Unfrozen Conflicts, Or What Went Wrong in Georgia?" *Yale Journal of International Affairs*, Spring-Summer.
7. Georgia – History of Elections.
8. President Gamsakhurdia achieved an electoral arrangement with the Abkhaz leadership that would guarantee their representation in the regional parliament. Abkhaz constituted 17% of the population of the autonomous republic, but would be assured of 28 seats, whereas Georgians constituted 45% of the region,

- but would receive only 26 seats. This ensured a veto minority for both the Abkhaz, who feared the elimination of their regional autonomy, and the Georgians, who feared Abkhaz separatism. This representative arrangement prevented the outbreak of a civil war as long as Gamsakhurdia remained in power.
9. Suny, Ronald Grigor (1994: 327): *The Making of the Georgian Nation*. Indianapolis: Indiana University Press.
 10. Jones, Stephen (2013; Part 1): *Georgia: A Political History since Independence*. London-New York: I.B. Tauris & Co Ltd.
 11. Ibid.
 12. After abolishing constitution from 1978 by military counsel, Abkhaz separatist restored the constitution from 1925, when Abkhazia had the equal status with Georgia as a part of the Transcaucasian SSR. Tornike Gordadze, Georgian-Russian Relations in 1990s, in: Svante E. Cornell and S. Frederick Starr (eds.) (2015: 22): *The Guns of August 2008: Russia's War in Georgia*. London-New York: Routledge.
 13. Georgia – History of Elections.
 14. See U.S. Department of State. “Georgia Human Rights Practices 1993.” http://dosfan.lib.uic.edu/ERC/democracy/1993_hrp_report/93hrp_report_eur/Georgia.html (29.02.2016).
 15. See Babeck, Wolfgang, Steven Fish, and Zeno Reichenbecher (2012). *Rewriting a Constitution: Georgia's shift towards Europe*: Baden-Baden: Nomos Verlagsgesellschaft.
 16. In general 1995 elections were assessed positively. There were critical comments on final vote counting mostly. See OSCE Parliamentary Assembly, Report on Parliamentary Elections in Republic of Georgia, 5 November 1995. <https://www.oscepa.org/documents/all-documents/election-observation/election-observation-statements/georgia/statements-11/2073-1995-parliamentary-and-presidential/file> (29.02.16).
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 18. Losaberidze, David, Konstantine Kandelaki, and Niko Orvelashvili. Local Government in Georgia, in: Igor Munteanu and Victor Popa (ed.) (2001: 265-322): *Developing New Rules in the Old Environment*, OSI/LGI. This chapter is available at: <https://iuristebi.files.wordpress.com/2012/12/local-government-in-georgia.pdf> (29.02.16).
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 20. This section draws partly on Aprasidze, David (2005: 179-19, here p. 181-183): “Georgia’s New Nationalism: A better Opportunity for State Building?” IFSH (ed.), *OSCE Yearbook*: Baden-Baden: Nomos Verlagsgesellschaft.
 21. See Migdal, Joel S. (1988) *Strong Societies and Weak States: State-Society Rela-*

tions and State Capabilities in the Third World, Princeton, N.J., Princeton University Press.

22. In 2002 local elections Citizens Union of Georgia even failed to win a single mandate in Tbilisi City Council. The New Rights Party won a fourth of all available seats nationwide. In Tbilisi, the Labour Party and the National Movement each received some 25 percent of the vote. For international assessment see Council of Europe, Report on local elections in Georgia (2 June 2002). <https://wcd.coe.int/ViewDoc.jsp?id=853173> (29.02.16).
23. Parliament of Georgia 1999-2004. <http://www.parliament.ge/en/parlamentarebi/saqartvelos-wina-mowvevis-parlamentebi-1317/saqartvelos-parlamenti-1999-2004-ww-1320> (31.03.16).
24. In 2000 group of young businessmen left GUC and established New Rights Party.
25. Freedom House, Nations in Transit. <https://freedomhouse.org/report/nations-transit/2003/georgia> (29.02.16).
26. Sajaia committed suicide in 2002. Death of the Georgian National Security Council Secretary Still a Mystery. <http://www.eurasianet.org/departments/insight/articles/eav022802a.shtml>.
27. Parallel vote tabulation concluded that the National Movement had won the election with nearly 27 percent of the vote, with For New Georgia placing second with about 19 percent. Monitors from the OSCE reported that the elections fell short of a number of international standards for democratic elections. Among the violations noted were ballot-box stuffing, inaccurate voter lists, biased media coverage, harassment of some domestic election monitors, and pressure on public employees to support pro-government candidates. Georgia, Freedom in the World 2004. <https://freedomhouse.org/report/freedom-world/2004/georgia>.
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32. Kakachia, Kornely and Liam O'Shea (2012): "Why Does Police Reform Appear to Have Been More Successful in Georgia Than in Kyrgyzstan or Russia?" *The Journal of Power Institutions in Post-Soviet Societies*. Pipss. Org no. 13. <http://pipss.revues.org/3964>(31.03.2016).
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 36. In 2006, local elections were already marked with certain shortcomings. Elections were called by a Presidential Decree with the shortest possible legal margin, which disadvantaged the opposition. Parallel to election campaign the government intensified implementation of social and infrastructural projects. This blurred the distinction between State activities and the electoral campaign as well as between ruling party and State. OSCE-ODIHR, Georgia Municipal Elections, 5 October, 2006, Limited Election Observation Mission Final Report. <http://www.osce.org/odihr/elections/23510?download=true> (29.02.16).
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 38. Georgia, Country Report, Nations in Transit 2008. <https://freedomhouse.org/report/nations-transit/2008/georgia> (29.02.16).
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 40. Georgia, Prison Population. <http://www.prisonstudies.org/country/georgia> (29.02.16).
 41. This section draws partly on Aprasidze, David. “Consolidation in Georgia: Democracy or Power?” IFSH (ed.), *OSCE Yearbook 2015*, forthcoming.
 42. See OSCE-ODIHR, Georgia Parliamentary Elections, 1 October, 2012, Final Report, 1999. <http://www.osce.org/odihr/elections/98399?download=true> (01.03.16). Although the parliamentary elections were adjudged free and fair, the pre-election period as well as election day were very polarized and full of violence outbreaks. Shortly after Ivanishvili publicly announced that he was interested in politics and intended to stand for election, his Georgian citizenship was revoked and his Cartu Bank placed under the control of the national bank. Several cases of violence with involvement of police forces were reported on election day.

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44. Elections Results. <http://results2013p.cec.gov.ge/> (01.03.16).
45. OSCE-ODIHR, Georgia Presidential Elections, 27 October, 2013, Final Report. <http://www.osce.org/odihr/elections/110301?download=true>; International Republican Institute, Georgia Local Elections http://www.iri.org/sites/default/files/fields/field_files_attached/resource/georgias_2014_local_elections.pdf (01.03.16).
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48. Moore, Mick (2004: 297-319; here: p. 306): "Revenues, State Formation, and the Quality of Governance in Developing Countries." *International Political Science Review*(3).
49. Today his fortune is estimated at 4.8 billion. <http://www.forbes.com/profile/bidzina-ivanishvili?list=billionaires> (03.03.16).
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51. It should also be noted that in Georgia, Ivanishvili possesses this wealth alone, whereas in Russia (number two in the list), wealth equivalent to 20 per cent of GDP is shared by 111 billionaires. Alexander, Dan, "Ex-Soviet States Dominate List Of Countries Where Billionaires Have Most Control." *Forbes*, 14 March 2014. <http://www.forbes.com/sites/danalexander/2014/03/14/ex-soviet-states-dominate-list-of-countries-where-billionaires-have-most-control> (03.03.16).
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GEORGIA'S PROTRACTED TRANSITION: CIVIL SOCIETY, PARTY POLITICS AND CHALLENGES TO DEMOCRATIC TRANSFORMATION

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Introduction

Interest mediation between society and the political institutions of the state is one of the crucial elements of the democratic process. Vibrant civil society and stable political party system often perceived as key component in the success of advanced democracies in the West and sometimes seen as panacea for developing world. To some, the very proliferation of civil society organizations as well as political parties-no matter what their type, agenda, or influence – builds the infrastructure of democracy, because in their view an active associational life is a precursor of democracy. As many scholars wish to explore commonalities, differences and even synergies between the two, they also highlight importance of conjunction of party politics and civil society as a key ingredient to build democracy. Though there are some significant differences between the way civil society discourse is framed in emerging democracies of Eastern Europe (particularly in Post-Soviet countries) and other developed parts of the world, in societies where democracy is severely challenged, the difference is not always as clear cut as it may seem. However, it is acknowledged that existence of strong civil society and political actors can result in tangible gains for consolidation of democracy, including greater responsiveness to citizen needs, increased cooperation across party and ethnic lines, and more sustainable political environment.¹

The precise relationship for the civil society, political parties and state remains a matter of some debates both empirically and in normative terms. In political literature the idea of civil society emerged in order to define popular groups or movements that were functioning as check to overarching power of the state bureaucracy. Juan Linz and Alfred Stepan in their study differentiate between five interacting and mutually reinforcing 'arenas' of democratization:² 1) civil Society 2) political society 3) economic society 4) rule of law and 5) state bureaucracy where a vibrant civil society provides a check on state power. As Dahrendorf observed: 'both are needed, civil society and state, but they each have their own *raison d'être* and their own autonomous reality.'³ In this context civil society is seen as a kind of political balance to the power of the bureaucratic regime, but at the same time civil society not seen as to be challenging the existence of the state itself.⁴ In recent political science literature, civil society is seen as a group who exercises capacity to 'enter into political arena seeking to use the available institutions to advance their respective agendas.'⁵ Moreover, in many parts of developing world civil society were presented as a sort of parallel democracy, or organic grassroots for 'engaging' the weak state in the democratization process, in order to encourage the development of a civil consciousness or democratic ethos.⁶

This holds true in regards to political parties. There is generally an agreement that political parties are key actors in any representative democracy and considered to belong to the realm of social action known as political society. According to Stepan 'political society' refers to political parties, elections, electoral rules, political leadership, intraparty alliances and legislatures by which society constitutes itself politically to select and monitor democratic government.⁷ Specifically, political society refers to the institutions through which social actors seek to win and exercise state power. Linz and Stepan claim that a democratic transition and especially democratic consolidation must involve political society: "the composition and consolidation of a democratic polity must entail serious action and thought in the development...of those core institutions of a democratic political soci-

ety...”⁸ both of them underline that, the associations of civil society can positively contribute as long as they accept the limits of their role as well as the fact that the health of the entire order demands the aggregation and channeling of their interests by political parties.

As democratization both encourages and discourages the advancement of civil society according to Linz and Stepan both a free and lively civil society and a relatively autonomous political society are necessary for a democratic consolidation. They stress the importance of understanding the difference between the two as well as their complementarity.⁹ However, sometimes it’s not that easy to distinguish the role of the civil society organizations and political parties, as there are engaged in certain type of competition. Although a critical distinction commonly made is that political parties seek to control state power whereas civil society organizations do not, CSOs always act on behalf of particular interest groups or articulate their demands. Like parties, civil society organizations, also competing for attention and citizens support and trying to function as an organized expression of public opinion or the opinion and preferences of sections of the public. Although civil society actors usually do not contest elections, they do perform socializing and mobilizing functions as institutionalized representatives of civil society. It seems that in some sense the roles frequently attributed to civil society organizations and political parties reveal great overlap.

While role of civil society and political parties for democratic transformation in emerging new democracies is crucial, that’s certainly true in regards to Georgia, where absence of well-developed and properly functioning democratic institutions is still problematic. Although the number of civil society organizations (CSOs) increased following Georgia’s independence from the former Soviet Union in 1991, and in some ways they played important role in transformation of post-communist politics. Civil society together with political parties were especially instrumental in Georgia’s ‘Rose Revolution’(2003) which mobilized thousands of citizens and led to new leaderships who were entrusted with reform of the post-Soviet system of governance.

Yet the SCOs have not always been able to influence political processes in the country. Especially after the “Rose Revolution”, despite democratic rhetoric many initial hopes about the critical role of CSOs in transformation proved largely unfounded. The International organizations and Georgia watchers have identified weaknesses in the ability of civil society to inform or influence state policy. Trust in civil society is reported to be low, skepticism and disinterest widespread and consequently, organized civic engagement in political life weak.¹⁰ Not surprisingly, research on the topic has often been policy driven and closely correlated with rapidly changed political landscape.

This chapter examines political changes in Georgia during the last twenty-five years drawing attention to the influence of ‘civil society actors in the process of liberalization and democratization.’ Two questions posed in the analysis are as follows. First, what was the role of civil society and political parties during the political transition? Second, what attributes make certain elements of civil society successful agents of change?

In the chapter we also provide several analytically and empirically grounded answers to the question asked. First, compared to the post-Soviet average standards, Georgia has had a politically active public and relatively open and pluralistic political system, which leads to a constant, yet at times problematic, interaction between political parties and the civil society. We further identify several groups inside Georgian SCOs such as the elder intelligentsia or the NGO community which greatly differ in their political preferences and values, none of them qualify however as a classical SCOs since they lack the basic characteristics such as membership-based financial sustainability or large public support. The NGOs are often supported by the Western donors. The degree of Western support often shapes the degree of their effectiveness serving as a key attribute making the NGOs successful agents of change.

The remainder of this chapter provides a rich analytical and empirical analysis of evolution of the party politics and civil society in Georgia since the independence. In the next section we explore how

the landscape of political parties has been evolving in Georgia and try to explain the reasons behind the multiple failure of establishing stable party system. Then we discuss the development phases of the Georgian civil society and its ability to shape the political processes in the country. We focus on development of local civil society actors over time and their role in political life of the country. We also discuss the role of international organizations and their links with domestic SCOs. We start analysing the beginnings of SCOs in the early nineties until the end of Eduard Shevardnadze's presidency. We will concentrate on the role of civil society in the 2003 Rose Revolution and the removal of the ancien régime. In the third part, we explore the evolution of civil society under the rule of Mikhail Saakashvili's post-Rose Revolution government from 2004 till 2012. Finally, we analyse the time under Georgian Dream since 2012 power transition. In the last part of the chapter, we conclude with some reflections on the past political processes in the country and provide some perspectives how the SCOs and political parties may evolve in the future.

The roots and political anatomy of civil society in Georgia

The last 25 years have highlighted that the transition of the post-Communist states from Eastern Europe and post-Soviet space to democracy has been a gradual process, with many ups and downs. In looking more closely at the process of democratic transition and consolidation, one may clearly observe that legacy of the shared totalitarian past continues to influence their transition to democracy. With transnational character and universal values it entails, civil society is still new phenomenon for this part of the world.

Over the last twenty-five years the civil society in Georgia has shown a non-linear development and has witnessed many ups and downs. After the quick disappearance of the ad-hoc and unorganized anti-Soviet mass mobilizations that brought down the Soviet regime in Georgia, civil society movements began again to emerge in the mid of 1990s. They became quite influential by the end 1990s and played a

key role in toppling President Eduard Shevardnadze in 2003 through the public protests called later “rose revolution”. After the period of weakness following the “rose revolution”, the CSOs started again to project their influence, and, especially the conservative part of civil society but also Western-funded non-governmental organizations played a significant role in the 2012 electoral power change.

Despite their significant impact on political processes in Georgia, civil society organizations still suffer under many structural weaknesses. Most of them suffer under lack of domestic funding and are dependent on external donors. According to the 2011 CIVICUS report, 37% of Georgian CSOs were entirely dependent on donor funds, and another 59% obtained half of their funding from them.¹¹ Besides the donor grants other financial sources are almost non-existent. According to the CIVICUS report, as for 2011, “88% of CSOs have never received any financial assistance from central or local government, 95% never from businesses, and 83% have never received individual donations.”¹² The lack of alternative sources of funding is also closely related to the lack of civil participatory culture in Georgia. According to the 2011 data, only 1-2% of the population was an active member of a socially – or politically-oriented CSOs.¹³ The Soviet-era distrust towards the formal volunteerism, as well as frustration with the results of Rose Revolution, overall lack of trust in public institutions and difficult economic conditions all contributed to the lack of participation. In contrast, informal social engagement is much higher, at 44%.¹⁴ Volunteerism for the CSOs is also very low. According to the CIVICUS data from 2011, 33% of CSOs had no volunteers at all, while 38% had between two and 20%.¹⁵

One can also identify when the CSOs seem to be most efficient: when they are empowered by external donors. The coalitions of international organizations and domestic CSOs have always been effectively influencing political processes. They played a central role during the so called Rose Revolution in 2003 and during the 2012 democratic power transition. On the other hand, when local grassroots are not supported by international community, their impact on shaping the political agenda remains rather limited.

In terms of their social composition, Georgian civil society can be divided into two broad categories: conservative part of civil society which mostly consists of the Soviet-era intelligentsia and the NGO-community which emerged in the mid of 1990s and consist of young educated intellectuals and policy experts. The intelligentsia is mostly supported by the older population and has ambiguous foreign-policy orientation. They mostly rely on their past glory but do not offer modern developmental models for the Georgian state and society. In contrast, the NGO-community is mostly supported by young people. They show a strictly pro-Western foreign policy orientation. Their weakness lies however in dependence on external funding and lack of social capital. Both the Soviet-era intelligentsia and the NGO-Community have been shaping the political processes in Georgia since gaining the independence. The majority of intelligentsia was in opposition to the first president Zviad Gamsakhurdia and supported the coup d'état against him. They also opposed the post-Rose Revolution government and have encouraged the 2012 power change by supporting the opposition Georgian Dream party and its founder billionaire Bidzina Ivanishvili. In contrast, the representatives of the NGO-community played a key role in shaping and mobilizing the public opinion against the second president of Georgia Eduard Shevardnadze leading to the 2003 public protests – the so called Rose Revolution – which forced Shevardnadze to resign through the public protests called later “rose revolution.” After the “rose revolution” and the following power change, although the CSOs were overall weakened, many of the NGO representatives were appointed to critical positions inside the new government and shaped the political processes from inside. Later on, many of the NGOs continued to act as democratic watchdogs and put pressure on the Georgian governments once they did not comply with the democratic norms. Thus, despite many challenges, the civil society of Georgia, comprised of various groups, has managed to influence political processes in the country to a significant extent. The remainder of this section analyzes chronologically the evolution of the various centers of Georgian civil society and their impact on the key political events in the country.

NGO bureaucracy and the “rose revolution”

The civil society that emerged in the mid of 1990s in Georgia mostly comprised of the Western-funded professional non-governmental organizations (NGOs) which lacked some very central features of classic civil society organizations.¹⁶ The “NGO community”¹⁷ consisting of “pro-western,” neoliberal, English-speaking, competitive people possessing key skills in the spheres of information management and new media.¹⁸ They were often characterized as “liberal intelligentsia”¹⁹ or “NGO-crazy” that was “elitist”,²⁰ “politicized”²¹ and “disconnected from the public at large”.²² Some authors argue that NGO community is not the same as civil society. According to Mitchel, “for too many in the development community strong NGOs have become a surrogate measure of civil society.”²³ The Western-financed watchdog organizations, such as Georgian Young Lawyers Association (GYLA), the International Society for Fair Elections and Democracy (ISFED) or Transparency International Georgia (TI), “played important roles in keeping governments accountable, particularly when constitutional mechanisms for doing this had been weakened or did not exist.”²⁴ Yet, they lacked important prerequisites to become a true civil society, such as volunteerism, social capital, and, in some cases, also public trust. According to one author, “the civil society sector failed to provide a platform for wide public participation” and was not “adequately ‘embedded’ in society.”²⁵

The NGO community played the most central role in the 2003 “rose revolution”. According to Ghia Nodia, the “rose revolution” “was an illustrative example of CSO’s considerable influence”.²⁶ It was a triangle of the pro-Western former associates of Eduard Shevardnadze, a few liberal NGOs and their Western donors and partners, and the opposition media that have played a key role in mobilizing the social protests that ended up in the electoral revolution.

The emulation of the 2001 protest movements in Serbia by Georgian opposition politicians and the NGOs that toppled the Serbian President Slobodan Milosevic played a significant role during the “rose revolution”. In January 2003, the Open Society Georgia Foundation (OSGF) financed a trip to Serbia by three Georgian opposition

hopefuls: Mikhail Saakashvili, Zurab Zhvania and David Gamkrelidze. The trip was organized by the local office of NDI which urged the Georgian opposition political unity was the key to success.²⁷ But in fact, it was only Saakashvili, who later embraced the Serbian model and identified himself with the Serbian Prime Minister Zoran Djindjic – the hero of the Serbian protests, and urged Shevardnadze during several TV appearances not to repeat Milosevic’s mistakes.²⁸ The visit by the opposition politicians to Serbia was followed by another trip by the representatives of the Georgian NGOs where they were taught the techniques for peaceful protests.²⁹ In summer 2003, the representatives of Serbian Otpor youth movement visited Georgia and instructed about 1,000 students in skills of non-violent protests.³⁰ In spring 2003 Georgian analogy of Serbian Otpor – Kmara (“Enough!”) was created, with the support of the National Democratic Institute (NDI) and the Georgian NGOs – especially the Liberty Institute. Kmara’s significant role in the “rose revolution” has been widely acknowledged.³¹ Kmara played an important role in “[raising] political awareness and [fending off] voter apathy prior to the parliamentary elections.”³² According to one source, Kmara was financially supported by the OSGF.³³ However, the OSGF itself denied having given direct payments to the youth movement.³⁴ Some authors considered Kmara as a result of successful collaboration among the various NGOs, media outlets and opposition politicians. According to Angle, Kmara “was the product of the coordinated actions of a set of reformist actors, rather than the dominant civil society player.”³⁵ The role of Liberty Institute was especially significant.³⁶ Then head of the NDI’s Georgian office Mark Mullen even called Kmara “essentially a Liberty Institute invention.”³⁷ Next to the Liberty Institute, NDI, ISFED, OSGF and a number of other local and international civil organizations were involved in formation of Kmara and assisted the youth movement in various ways. On their part, the opposition parties also assisted Kmara. According to then-Kmara activist Giorgi Kandelaki, the youth branches of Saakashvili’s National Movement and Zhvania’s United Democrats “made hundreds of activists secretly available for a limited number of Kmara rallies.”³⁸

Next to supporting the youth protest movements, the Georgian NGOs played also a key role in election monitoring and in exposing the democratic deficits of the Shevardnadze regime to the international community. The ISFED and GYLA played a central role in the process of vote observation and ISFED conducted first parallel vote tabulation.³⁹ According to Angley, parallel vote tabulation was very significant since its results “provided opposition politicians with concrete statistical evidence that the government had manipulated the vote on a large scale.”⁴⁰ The NGOs’ contribution to the international awareness-rising about the deficits of Georgian democracy has been not less important. The reports by GYLA, Caucasus Institute for Peace, Democracy and Development (CIPDD) and other local organizations largely shaped the international opinion about the Shevardnadze’s regime and facilitated the international scrutiny of political processes in the country.⁴¹

Last but not least the opposition media played a significant role in the successful accomplishment of the “rose revolution”. During the period of post-election protests, Rustavi2 channel provided an almost non-stop coverage of activities of Kmara and rallies of opposition parties.⁴² Kmara also launched the video clips on Rustavi2 financed by the Open Society Georgia Foundation (OSGF) that portrayed Shevardnadze and his alliance “For New Georgia” as corrupt and unable to rule.⁴³

Conservative turn: Civil society after “Rose Revolution”

After the Rose Revolution two important changes occurred that influenced the civil sector in the following years. First, the international democracy-promoting actors, both state and non-state, changed their attitude towards the new government of Georgia. Although new government under Mikhail Saakashvili was anything but democratic, the international community considered it rather a reliable partner capable of conducting economic and administrative reforms. Therefore, the EU, the US and the Western organizations decided to pursue

political dialogue with the new government and to assist it with provision of capacity building instead of applying democratizing pressure on it.⁴⁴ Many prominent international foundations that played an important role in the Rose Revolution “appeared to be supporting rather than monitoring Saakashvili.”⁴⁵ As a result, especially in the first years after the Rose Revolution, they were more reluctant to finance the local NGO critical of the government.⁴⁶

Second, the ideological and personal closeness to the new ruling elite led to the exodus of the prominent members from the “NGO community” into the government. According to one author, since the “rose revolution” “the civil society sector has become a pool for selecting high – and middle-level government personnel.”⁴⁷ Thus, it is not surprising that Kmara and other NGOs failed “to transform the collective energy of the revolutions into organized, moderate, citizen power.”⁴⁸ On the other hand, Saakashvili and his team have become less cooperative after coming to power. According to Freedom House reports, “the recommendations [of the NGOs] generally [had] little impact on the formation of government policy” and the “UNM’s⁴⁹ total dominance of Parliament [enabled] it to ignore NGO criticisms of draft legislation.”⁵⁰ Thus, “overall drain of intellectual and other resources”⁵¹ and its failure to influence the government policies have been the main problems of the SCOs in the post-rose revolution era.

Despite the personal closeness to the post-rose revolution ruling elite, a large part of the NGOs was not necessarily pro-Saakashvili, especially in the last years of his presidency. In fact, many prominent NGOs, such as GYLA or ISFED, have become staunch critics of his authoritarian rule. Nevertheless, their strict attachment to the (neo) liberal norms and their association with the Western donors, have made them increasingly unpopular in the conservative circles. At times they were even described as anti-Georgian or anti-nationalistic. One author even coined them as “a narrow circle of NGO syndicates specializing in ‘grant attraction.’”⁵²

The NGO community managed to reorganize itself and regained some of the influence lost after the “rose revolution”. The NGOs

started to act in coalitions to increase their weight against the government. The acting in coalitions has increased their impact on the government. In 2012, over 200 media organizations and NGOs joined a campaign called “This Affects You, Too,” and put pressure on the government to amend the controversial law on party financing that included dubious clauses regarding the operation of CSOs.⁵³ Their campaign proved to be successful. The government complied and accepted a number of key recommendations proposed by the NGOs.⁵⁴ The same coalition successfully campaigned also for the “must-carry/must-offer” rules that would require “cable operators to carry all the television stations with news programs in order to increase public’s access to information.”⁵⁵ The government again accepted the recommendations of the NGO’s coalition.⁵⁶

Next to merging of important part of the NGO community into the government, another most important post-rose revolution event was the alienation by the new government of the old Soviet-era intelligentsia – or “the segment of society known in the former USSR as the ‘cultural and scientific intelligentsia.’”⁵⁷ According to one analyst, in the Soviet times the “so-called creative intelligentsia was a moral teacher of Georgian society” and its members enjoyed unrivaled privileges.⁵⁸ During the “rose revolution” the old intelligentsia was split. Some of them supported the opposition protests and its leader Mikhail Saakashvili. Significant part of intelligentsia sided with the regime of Eduard Shevardnadze.

After the “rose revolution,” however, the old Soviet intelligentsia “lost its status as the moral leaders of the nation.”⁵⁹ Moreover, they were stripped of “old privileges and jobs as market-oriented reforms took hold.”⁶⁰ Used to being “patronized by Shevardnadze” the welfare of intelligentsia was severely damaged under Saakashvili.⁶¹ The new government attacked, for instance, illegal construction and privatization which was flourishing under Shevardnadze and promptly confiscated “apartments given by Shevardnadze to artists and writers” which further alienated them.⁶² The Saakashvili government also toughened its rhetoric regarding the negative role of the old intelligentsia and the

Shevardnadze-era nomenclature in society. For instance, as Giga Bokeria – then influential law-maker and Saakashvili’s close ally argued back in 2007, “main barriers in our society are created by those elites that used to have comfortable positions in the old order of things.”⁶³ Saakashvili himself called the certain representatives of intelligentsia “flushed down into oblivion”⁶⁴ and as representing old criminal mentality. Accordingly, it was no surprise that the intelligentsia considered Saakashvili’s government as “arrogant youths running the country.”⁶⁵ Waging a public war against the well-known public figures of intelligentsia was perhaps a mistake that later turned as a boomerang effect against Saakashvili. According to Svante Cornell, Saakashvili was perhaps correct “in defining the intelligentsia as corrupt and unfit to run a state,” but there was no necessity of alienating it publicly.⁶⁶

Another important feature of old intelligentsia has been a nostalgic attitude towards the Soviet Union and Russia, which is understandable since the Soviet Union represented the only arena for its “creative activity and material wellbeing.”⁶⁷ In contrast, “most of the creative product of [Georgian] intelligentsia is not in very high demand in the West.”⁶⁸ For instance, in 2003 as many as fifty pro-government representatives of soviet intelligentsia openly criticized the United States for meddling in internal affairs of Georgia after the US embassy deplored the “unfavorable business climate” in Georgia.⁶⁹ The representatives of intelligentsia have since then regularly discussed the weaknesses of the Western civilization and its incompatibility with the Georgian mentality.⁷⁰

Prior to the 2008 election cycle a new kind of civil society actors emerged in Georgia, a large part of which consisted of “flushed down” members of intelligentsia. They were mostly focused on procedural democracy but were less liberal and Western-oriented in their ideological affiliation compared to the “NGO community”. They concentrated on authoritarian rule of Mikhail Saakashvili and demanded free and fair elections. For instance, in 2009 Levan Gachechiladze, the defeated presidential candidate of the united opposition, established a new public movement “Defend Georgia” which included many rep-

representatives of anti-Saakashvili Soviet-era intelligentsia such as writer Chabua Amirejibi, film director Revaz Chkheidze, theater director Robert Sturua, or poet David Magradze.⁷¹ The declared goal of the movement was to fight against the “autocratic regime [of Mikhail Saakashvili].”⁷² One of the main hallmarks of the old Soviet intelligentsia was their xenophobic discourse. They often justified the personal characteristics of politicians based on their ethnic origin. For instance, Robert Sturua argued that “President Mikheil Saakashvili [could not] love Georgia because he [was] of (hidden) Armenian extraction” and added that “he [was] under no obligation to love blacks, claiming that they [were] culturally inferior to him.”⁷³

Yet partly due to their extremely nationalistic or at times xenophobic attitudes and also due to their limited contacts to the Western world, they failed to spark interest in the Western democracy-promoting community. Moreover, as some authors argue, the 2007-2008 civil discourse lacked “a ‘positive’ appeal to some kind of developmental ideology, as the opposition refused to propose any political strategies other than improving the political system.”⁷⁴ Hence, after the Rose Revolution two centers of power were functional in the realm of Georgian civil society: “NGO community” – some of them supporting the UNM and others remaining neutral, and the Conservatives – supporting mostly Saakashvili’s opponents – first the billionaire Badri Patarkatsishvili and later another tycoon Bidzina Ivanishvili and his coalition of Georgian Dream. In fact, the conservative part of civil society was even less progressive and liberal than the “NGO community.” Although they were demanding democratic change, in reality they were mostly concerned with the lost privileges they had been enjoying during Shevardnadze’s presidency. Later on, multi billionaire Bidzina Ivanishvili bought their political loyalty by paying them salaries for a number of years.⁷⁵ Prior to the 2012 electoral power transition, they were then used for mobilizing the large parts of the society and turning the public opinion against the government.

Overall, it can be argued that in its extent the GD – civil society does not differ and is even less progressive than the “NGO commu-

nity,” both functionally and normatively. Whereas the “NGO-crazy” can at least provide some expertise and is able to recruit young educated people, the conservative part of the civil society mostly consists of Soviet-era intelligentsia who do not possess any modern-day knowledge that can be used for building democratic institutions or for modernization of the country.

After the 2012 electoral power transition, the same pattern has repeated: most of the “bright minds” of nationalistic civil society who backed Bidzina Ivanishvili merged with the new government. Nukri Kantaria, one of the leaders of Georgian Academy became a member of parliament from the Georgian Dream. Other representatives of cultural and scientific intelligentsia also entered parliament and some of them seem to have become influential power brokers inside the governmental coalition. After coming to power the former civil society representatives supported the new government in the same way the parts of the NGO community assisted the Saakashvili government. Thus, they again proved that their campaign of democratic elections was not based on intrinsic values but were rather means to an end: to replace regime of Saakashvili and to acclaim the power.

Changing landscape of civil mobilization – beginnings of real civil society?

Although the overall public profile of the NGOs has been remaining quite low, their popularity and trust toward them has been gradually increasing over the last few years. According to one survey, in 2014, 41% of respondents had positive image of the NGOs: they considered “helping Georgian citizens solve their problems” as the “main motivation” of NGOs.⁷⁶ In contrast, only 21% saw NGOs as “only motivated to receive funding for and employ themselves.”⁷⁷ More interestingly, whereas only 2% of population actually participates in the NGO activities, the percentage of those who express the interest in joining the NGOs amounts to 35.⁷⁸ Thus the gap between willingness to engage in NGO activities and actual rates of participation is quite high. Moreover, the unorganized social volunteerism has traditionally

been high in Georgia. For instance, in the 2014, 74% of the population “reported having given money to a beggar in the last six months,” 57% “reported having helped a stranger on the road,” and 29% “made a contribution to a charity.”⁷⁹

The increasing positive opinion towards volunteerism and social mobilization has also taken concrete shapes. Recently, a new forms of civil mobilization have emerged which are often considered as beginnings of a real civil society. For instance, in summer 2015, thousands of young people gathered voluntarily in the central streets of Tbilisi trying to repair damage caused by the flood. One author described this voluntary mobilization as “modern Georgian civil society’s finest moment” when “Georgians mobilized not to make demands or make a statement but to work together to solve a problem.”⁸⁰ Another positive example of the voluntary mobilization are environmental movements such as “guerilla gardening” which started to flourish in Georgia recently.⁸¹ Although there is no exclusive cause-effect relationship between the recent spontaneous outbreaks of civil mobilization and the longstanding activities of NGO-cracy and their foreign donors, some authors still see an indirect connection between two phenomena which is not “insignificant”.⁸² For instance, Mitchel argues that the attempts of foreign donors to “[cultivate] a culture of volunteerism” and an exposure of young Georgians under the age of 40 “to NGO culture and the civic values donors have sought to develop in Georgia over the decades” could have contributed to the spurious development of the volunteer movements.⁸³ The recent polls also confirm that the most-engaged group in the social volunteerism consists of younger and more-educated people.

The increased readiness of the society to be engaged in civil activity has not sufficiently been addressed by the NGOs themselves. Most of the NGOs remain donor-driven and show little interest in building social capital and membership base. This is also because the expectations and needs of the population often differ from the agendas pursued by the NGOs. Georgian population expects the NGOs to be working on economic and health related issues such as unemploy-

ment, affordability of healthcare and healthcare. At the same time, they consider the NGOs to be preoccupied with political issues only such as elections. Hence, the main challenge currently is to institutionalize “the informal forms of social capital” and to align the civil society actors with the “population’s existing priorities and habits.”⁸⁴

Party Politics and the Challenges of Democratic Consolidation

With a history of less than two decades, the Georgian party system is still quite young and volatile. To date the biggest problem for Georgia’s unconsolidated democracy has been the lack of societal forces or a political grouping powerful enough to effectively act as a counterweight to the government. Until recently, opposition political parties were not able to offer any alternative political agenda and seemed incapable of uniting behind a clear program for democratic change. Most observers of Georgian politics suspect that weak links between parties and social and economic interest groups stand behind the generally low level of popularity of parties.

Georgian political parties deploy a few weaknesses that are common for most of the post-Soviet states. First, Georgian parties lack a programmatic profiles and ideological affinities. They are difficult to identify on the left-right spectrum of classical political ideologies.⁸⁵ One reason behind their ideological sterility might be the fact that Georgian “political parties have not grown out of social cleavages [and] do not represent large segments of society.”⁸⁶ The lack of ideological profiles and consistent policies is also often subscribed to the significant role of the “cult of personality” in Georgian politics.⁸⁷ According to Welton, “leaders are elected for their charismatic personality rather than their policy prescriptions.”⁸⁸ Cult of personalities has also its source in the behavior of Georgian voters and is a sign of immature political culture. The voters generally tend to vote for strong personalities rather than for their ideological profiles.

Further, the Georgian party system was characterized by a zero-sum-game-mentality among political opponents. According to Nodia

and Scholtbach, already in the very beginning of Georgian independence, “the Georgian political factions clearly failed to reach a consensus about the basic rules of the game and considered each other enemies rather than competitors.”⁸⁹ The radical opposition never recognized the authoritarian rule by the first Georgian President Zviad Gamsakhurdia and toppled his government in the 1992 military coup. The radicalism has also followed the Georgian party politics in the subsequent years. Under the second president, Eduard Shevardnadze, the supporters of the first government were haunted and executed. After the 2003 electoral “Rose Revolution”, the new government alienated many social groups including youth and often used a harsh rhetoric against opposition politicians. The stigmatization of the former ruling parties and the imprisonment and hunt of the former officials has only increased under the Georgian Dream government that came to power after the 2012 parliamentary elections. The process of cohabitation between the Georgian Dream government and the president Mikhail Saakashvili proved itself to be more confrontational than envisaged by the Western observers.

As in case of the CSOs, one more problem of Georgian parties is a lack of funding and the organizational base. The Georgian business is generally afraid to finance opposition parties since “they fear obstruction from the authorities in the shape of [...] tax inspections.”⁹⁰ Therefore, the businesses keep a low-profile and avoid the close cooperation with the opposition parties. The Georgian electoral code allows the financing of political parties from the state budget. Nevertheless, the lack of membership fees and the reluctance of business to fund the parties other than governmental, puts the opposition parties in a severe disadvantage in contrast to the ruling party.

Finally, another serious problem of Georgia's political system is a tradition of merging of a ruling party with the state – a main characteristic of a dominant-party system. Since the independence, every political party and its leader, who came to power, tried to use the administrative resources to establish a rent-seeking system and extend its stay in power as long as possible. The rampant systemic corruption and

establishment of neo-patrimonial networks is a result. The unchecked use of administrative resources combined with control of main information sources – big TV stations allows for manipulation of elections, puts the opposition in highly disadvantageous position and contributes ultimately to failure of establishment of a stable multi-party system. The remainder of this section looks chronologically at evolution of Georgian parties and party system for the last twenty years.

Establishment of a dominant party system in Georgia

The first multiparty elections in Georgia were held in 1990 resulting in a multiparty parliament with an overwhelming majority of nationalist forces. Shortly thereafter, however, the country fell into multiple ethno-political and civil conflicts thus the process of building stable political institutions including the political parties was, at best, delayed for a few years. Different political fractions were split and considered each other as enemies making it impossible to reach a non-partisan consensus for a long-term development. After a few chaotic years, Eduard Shevardnadze, the former Soviet Foreign Minister, who was invited to lead the country after the 1991 coup d'état, succeeded in stabilizing the political situation. In 1993 Shevardnadze established a new political party – Citizens' Union of Georgia (CUG) – which remained the dominant party for a decade. In the 1995 and the 1999 parliamentary elections, the CUG won the parliamentary elections with a clear majority. According to Nodia and Scholtbach,⁹¹ the CUG served as “a formal umbrella” for Shevardnadze's power elite consisting of clientelistic networks that ruled the country in a semi-autocratic manner. Yet the CUG remained weakly institutionalized as a party which contributed to its fast demise after Shevardnadze's resignation in 2003.⁹² Moreover, unlike its successor the United National Movement (UNM), the CUG was not a monolithic bloc and consisted of various power centres, such as “reformers”, “hawks” or “conservatives”. The pluralism inside the CUG proved to be nothing less than its Achilles' heel contributing to its demise as a result of the “Rose Revolution”. The clash between the reformers and conservatives inside

the ruling party and the government became obvious in the beginning of 2000s. In the first years after Shevardnadze's re-election in 2000, major reformist and generally more Western-minded groups defected from the government and formed their own parties and fractions in the parliament. Mikhail Saakashvili, the future president of Georgia created National Movement party. Zurab Zhvania, the long-serving speaker of the parliament, who was often considered as a leader of reformist camp,⁹³ also defected in 2001 and created the United Democrats party. Nino Burjanadze, another bright mind of the reformist camp, who became the speaker of parliament after 2001, also joined Zhvania's movement. Next to them several business-oriented groups also left the governing party with most prominent of them being the New Rights Party. In the crucial 2003 parliamentary elections, the majority of defected politicians campaigned against the government. The remaining core of the CUG formed a new party just before the elections – For a New Georgia. After the ballot was obviously falsified in favour of the governmental party, the former allies of Shevardnadze played a key role in overthrowing the regime. They were in the avant-garde of the post-election public protests and ensured the international delegitimization of the ruling CUG party by portraying themselves as an alternative to the ancien regime. Finally, a combination of Western support, mass-mobilization and smart opposition tactics forced Shevardnadze to step down and catapulted the former allies of Shevardnadze into the power positions. The Rose Revolution was born. With the quick disappearance from the political scene of the CUG the dominant yet pluralistic party system has ended.

Building a one-party state: Georgia after the “Rose Revolution”

Against a wish of some authors, the Rose Revolution failed to go down “in Georgian history textbooks as a ‘revolution’ to end all revolutions.”⁹⁴ According to Thomas de Waal, “Georgia under President Saakashvili has undoubtedly modernized but not necessarily democratized.”⁹⁵ Several authors have characterized Georgia under Saakash-

vili as a “dominant party systems”,⁹⁶ a “one-party state”⁹⁷ or a “benign one-party state.”⁹⁸ At the same time, as Waal argues, one-party state does not equal authoritarian state since “the Georgia’s history of pluralism and the degree of Western scrutiny it is under” prevents the country from backsliding into the authoritarianism.⁹⁹ Other authors agree that “a degree of political competitiveness and pluralism” distinguishes Georgia from “classical’ authoritarian regimes.”¹⁰⁰ Nevertheless, whereas the process of state-building and administrative reforms had advanced, the democratic processes stagnated under UNM’s rule.¹⁰¹ Soon after the “Rose Revolution” Saakashvili consolidated and institutionalized the most of state power in his hands by strengthening the role of presidency at cost of legislative through controversial constitutional reforms in 2004 and through establishing the control on major TV stations. Saakashvili’s party had a qualified majority in parliament and was in firm control of every local government in the country. Nonetheless, as in case of Shevardnadze’s era, the façade institutions under Saakashvili have worked in the end. A combination of the external pressure and growing public discontent with Saakashvili’s uncompromised rule brought about a first electoral power change in 2012 parliamentary elections. The fact that the power change was streamlined through legal electoral process was a success of Georgia’s institutionalized democratic system, which despite being far from flawless, fulfilled its main functions. This time, opposition was more united and enjoyed both the financial resources and high popularity of Georgian multi-billionaire and the Maecenas – Bidzina Ivanishvili. Ivanishvili’s fortune has decreased the advantage of the UNM’s control of vast administrative resource. Party programs and ideological profiles, as usual, remained in the background. As the OSCE final report nicely summarized it, “the [election] campaign often centred on the advantages of incumbency, on the one hand, and private financial assets, on the other, rather than on concrete political platforms and programs.”¹⁰² The western scrutiny of the 2012 parliamentary elections also played one of the central roles in the first electoral power transfer. Unlike the 2008 presidential and parliamentary elections, when both

the EU and the US failed to apply democratizing pressure on Saakashvili's government and closed eyes on controversial conduct of elections, this time the West made clear that it was not ready to tolerate another rigged ballot. For instance, US president Barack Obama used its meeting with Mikhail Saakashvili to urge publicly the Georgian president to allow the democratic power transfer: "The formal transfer of power that will be taking place in Georgia, which I think will solidify many of these reforms that have already taken place."¹⁰³ A few days later, the White House reiterated its firm commitment to Georgia's democratic elections: "Parliamentary and presidential elections that are free and fair, followed by the country's first peaceful transfer of power, would be a defining moment in Georgian history and an example to others in the region."¹⁰⁴ Hence, the West played a key role in the 2012 parliamentary elections and in transition from a one-party at least to a two-party system after 2012.

From one-party state to uncertain future: New dynamics after the 2012 power transfer

The 2012 electoral power change brought significant tectonic changes in Georgia's party system with it. Throughout the Georgia's history since its independence, the political party system was characterized as "a loose multiparty system with a single dominant party", which was marked by a political competition occurring "mainly between the party in power and the multitude of opposition parties."¹⁰⁵ After the 2012 parliamentary elections, two-center equilibrium has emerged: On the one hand, there is a coalition of Georgian Dream (GD) which is in control of government and legislative as well as the most of the local governments and city mayors. The GD is challenged by the former ruling party – UNM, which has a strong minority in the parliament, strong party infrastructure, loyal TV stations and extensive influence in a number of state institutions, such as constitutional court and the national bank. Moreover, as the new opposition parties are emerging, there is a possibility that a multi-party system will emerge and establish itself. The logic of competition based on

government-opposition dichotomy has also changed. Many opposition parties oppose the former ruling party UNM more than the GD. The pro-governmental and anti-governmental fault lines have become rather blurred.¹⁰⁶

First time in Georgia's party history the former ruling party has not disappeared from the political scene after the defeat in the elections and after the change in leadership. Saakashvili's UNM has preserved its political profile and a small share of its electorate. It scores as the second biggest party after the governmental coalition of the GD in the most of the surveys conducted after the 2012 parliamentary elections. Hence, although it lost much of its electorate and dominant position it had been enjoying while being in government, the survival of the UNM as the opposition party is a positive novelty and a step towards consolidating a multi-party system in Georgia.

On negative side, the 2012 power transition has further exacerbated the issues of informal rule and political accountability. Informal practices have always been a problem of Georgia's political system since the political institutions have been immature and the political culture of informal networking has been strong. Yet it acquired a new level after the 2012 power transition. Bidzina Ivanishvili has since been considered as a de facto ruler of the country but does not hold any official position since late 2013. Many believe that "he is outside democratic control and beyond any institutional checks and balances, is ultimately calling the shots."¹⁰⁷ Accordingly, he has the power that is not accountable to any of the formal institution. Next to problem of informality the issue of accountability of a new government is another challenge. The GD consists of six parties, which on their own cannot achieve an electoral success. Their performance is bound to personality of Ivanishvili and largely depends on his political (and financial) capital. Therefore, the coalition parties perceive themselves to be accountable more to personality of Ivanishvili rather than to their electorate. Moreover, as doubts remain about the government's competence to deal with the opposition responsibly, Western officials have issued numerous warnings about selective justice and the persecution

of political opponents. Georgia's challenges still remain high as country will enter another election cycle, with a parliamentary election set for October, 2016. This election will be regarded both inside Georgia and abroad as another democratic litmus test, so the key challenge for the Georgian public seems to be how to deal with strong political personalities like Ivanishvili and Saakashvili and their controversial legacies. As their political ambitions are considerably greater than Georgia's weight in the international arena, their overwhelming influence (one political, and the other political and financial) hampers the development of strong, rule-based democratic institutions. To complicate the polarized political situation still further, both of them still hope to return to Georgian politics at some point. While Saakashvili impatiently waits for the GD government to fail and Georgian public opinion to change, it is still not completely impossible that Ivanishvili, who does not like losing a political battle, may return to government should his successors fail. This ambiguous situation puts Georgia in a vulnerable position vis-à-vis both its commitment to democracy and its foreign policy orientation, and increases regime and institutional uncertainty for the future.

Conclusion

For nearly two decades, to a greater extent than any other country in the post-Soviet space but the Baltic states, Georgia has exerted considerable effort to establish stable political institutions and a functioning democratic system. As political class was struggling to consolidate its democratic gains, it has become obvious that at present Georgian society lacks both strong political will and experience in democratic governance. For years, Georgia's political life was overwhelmingly dominated by a single party while citizens, opposition parties and civil society were left sidelined with little opportunity to engage. The most of the CSOs still struggle with elementary problems of financial self-sustainability through membership fees, openness, and mass voluntary inclusion.¹⁰⁸ Some authors lay at least part of the blame on the grant-issuing international donors.¹⁰⁹ Yet it is not entirely clear

whether it is a fault of international donors or of small domestic market and disinterest of local population and business and political communities to sustain the CSOs through membership fees. The Georgian businessmen are especially reluctant to finance the activities of the SCOs. The utmost reluctance of Georgian business to finance the CSOs can also be explained by its unwillingness to deteriorate relations with the “people in power”¹¹⁰ who consider the strengthening of the CSOs as a potential danger.

Heavy reliance on external donors curbs the capacity of Georgian NGOs to fulfil their functions in several ways. They are too much focused on meeting the criteria of external funding which often leads to “distortion of CSO priorities and agendas by donor conditions and priorities.”¹¹¹

Georgian CSOs are also too politicized which is due to the polarized political system of the country. Despite many weaknesses, civil society has managed to shape the political developments in the country and establish itself as one of the influential centers of power. Civil society sector was “one of the co-authors” of the 2003 “rose revolution”¹¹² and the 2012 electoral power transition. They continue to influence political processes also after the 2012 power transfer.

Overall, both political parties and CSOs have been undergoing difficult phases of development over the last twenty years. Deep structural problems have so far prevented the emergence of a stable party system and a network of self-sustainable CSOs. A high degree of personalization of party politics and the winner-takes-it-all mentality of Georgia’s domestic political competition often contributed to the disappearance of former ruling parties accompanied by the formation of a new dominant party. Continued reliance on external funding and lack of social base severely limited the most of the Georgian CSOs in their functions.

Recently, however, certain positive signs have emerged on the horizon. First time in Georgia’s history the power transition has happened through democratic elections in 2012 and also first time the former ruling party has not disappeared from the political scene after

losing the election. Also the UNM has lost part of electorate; the public opinion polls suggest that it will receive at least 10-15% of votes in the next parliamentary elections. It also preserved much of its resources and infrastructure including the political loyalty of the most popular opposition TV station – Rustavi2.

Next to the survival of the UNM, another novelty represents an emergence of a new kind of societal mobilization – which in contrast to the NGO community is not entirely dependent on external funding, and, compared to the conservative intelligentsia, is not politicized and not lost in the past. The central topics of new movements include the ecology (preservation of parks and squares and protesting building of new buildings) or social activities such as rebuilding work after the flood in Tbilisi zoo in the summer of 2015.

This is not to say, that Georgia has reached a point of no return. Although civil movements have recently shown capability to “mobilize themselves to address the most urgent issues,” they are still “too inconsistent, too impatient to be engaged in prolonged actions, and too badly organized.”¹¹³ They are rather social movements that still lack important features of well-established societal organizations, such as internal control and representation.¹¹⁴ Nevertheless the trend seems to be positive. For all its warts and frustrations, Georgia is an important experiment in democracy in a vital but troubled part of the Wider Black Sea region.

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GEORGIA'S REVOLUTIONS AND ECONOMIC DEVELOPMENT

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Having just celebrated its 25th independence anniversary, Georgia remains in a state of revolutionary flux. Just like a box of chocolate, this beautiful country is full of contrasting flavors, never losing the ability to surprise and fascinate at every twist and turn of its history. Most paradoxically, while Georgia's unprecedented reforms have become an internationally traded commodity, many Georgian reformers and revolutionaries are wanted at home for abusing the power of their office. Georgia's laws and institutions continue to be constantly remodeled: some new regulations are quickly and decisively introduced only to be patched or altogether reversed; having vanished in the recent past, many government agencies and regulations are resurrected under new names.

A major issue is strategic direction. Having signed the so-called Deep and Comprehensive Free Trade Area (DCFTA) agreement with the EU, Georgian policymakers are struggling to understand and deal with the "deep" and "comprehensive" regulatory impact this agreement will have on domestic producers and consumers. Moreover, while being firmly committed to the European path, Georgia is having a hard time adopting certain European values, sticking instead to centuries-old traditions, including nepotism and homophobia. Another concern is, of course, not to lose Russia and the vast Eurasian market in the course of "Euro-Atlantic integration".

25 YEARS OF GEORGIA'S INDEPENDENCE: AN ECONOMIC OVERVIEW

Georgia's modern day revolutions started on 9 April, 1989, when a peaceful pro-independence demonstration was forcefully broken by the Soviet army. What followed was utter chaos: civil conflict and ethnic strife, mafia wars, crime, corruption and an almost complete collapse of public infrastructure and services. Once widely recognized as the wealthiest and most privileged of USSR republics, a kind of Soviet Riviera, Georgia went into an economic and political freefall even before its declaration of independence on 9 April, 1991. In economic terms, Georgia quickly dropped behind most other newly independent states (except, perhaps, war-torn and chronically poor Tajikistan). Moreover, given its initially favorable position, the depth of Georgia's "transformational recession" involved a larger-than-elsewhere decline in wealth, income, health and quality of life for the vast majority of its population.

Georgian people reacted to the crisis with their feet: through mass emigration (mostly to Russia, but not only) and secession, threatening Georgia's future as an independent state. As a result of ethnic clashes in Abkhazia and South Ossetia, Georgia has effectively lost control of about 20% of its territory. Until 2004, it had only limited control over Adjara. While no precise data are available for the early independence period due to the *informal* nature of Georgia's criminalized economy, Georgia's GDP is estimated to have shrunk to less than a 1/3 of its 1989 level.¹ According to an IMF memorandum,² "three years after independence, the country had suffered a severe decline in recorded output, totaling 35 percent in 1994 alone."

The first signs of stability came with the end of the civil war in late 1993, after a series of agreements cemented Georgia's relations with the West. By then, Georgia has acquired a new significance as a potential transit corridor – bypassing Russia and Iran – for the vast Caspian oil and gas resources. Consequently, Georgia received a warm embrace from the then new Clinton administration, paving the way for the signing of a Bilateral Investment Treaty between Georgia and

the US in July 1995,³ and, ultimately, the construction of extensive oil and gas pipeline infrastructure across Georgia's territories. Simultaneously, Georgia started ascending the list of US foreign aid recipients, with the World Bank and IMF providing additional support to ensure macroeconomic stability and facilitate structural reforms.

Helped by the IMF's Systemic Transformation Facility (STF), the Georgian authorities managed to halt hyperinflation and stabilize the exchange rate in the second half of 1994. Internal stability was further helped by the government's success in accommodating or restraining organized crime after the failed attempt at Eduard Shevardnadze's in August 1995, and his election as Georgian president in November of that year.

Georgia continued on a path of gradual economic recovery between 1995 and 2003. Real GDP per capita grew at rather impressive rates (from very low base) in 1996 and 1997: by 14.0% and 12.6% respectively (see World Bank Development Indicators).⁴ Georgia was held back by Russia's 1998 financial crisis, as reflected in lackluster economic growth performance in 1998-2000. However, economic growth picked up again in 2001-2003, with real GDP per capita increasing by a healthy 12.5% in 2003, the last year of Shevardnadze's rule.

While these growth figures are evidence of Shevardnadze administration's early successes in implementing economic consolidation and state-building measures, they only tell a part of the story. Though no longer at war with itself, Georgia has by and large remained a dysfunctional, failed state. In 2002, it ranked 85th in the Transparency International Corruption Perceptions Index for 102 countries. EBRD's Business Environment and Enterprise Performance Survey, conducted in the same year, indicated that "although the business climate has been improving in some respects over time, bribery indicators are deteriorating and firms in Georgia perceive corruption as a bigger obstacle than elsewhere in the CIS."⁵

Indeed, when assessing Georgia's past achievement and future challenges in 2003, IMF staff emphasized that "corruption continues to be broadly perceived as resilient, diverting scarce public resources,

exacerbating income inequality, and weakening confidence". Among factors inhibiting the business climate, they list "political fragmentation, a tradition of clan and family based loyalties, weaknesses in the legal and judicial systems, and a culture of non-payment that is considered as socially acceptable."

Very importantly, whatever economic growth has been achieved in Shevardnadze's times, it failed to trickle down. Adjusted for purchasing power parity, Georgia's gross national income per capita in 2003 stood at \$3,470. In comparison with other non-oil CIS, Georgia did better than Kyrgyzstan, Uzbekistan and Moldova (\$1,840, 2,230, and 2,690, respectively), but worse than its immediate neighbor Armenia (\$3,630), and much worse than Ukraine and Belarus (\$5,160 and 7,380).

Moreover, the "median" Georgian, as opposed to the "average" Georgian, was much poorer in 2003 than suggested by the per capita income figures. Like any average indicator, the income per capita measure masks inequality in the distribution of income, and in 2003 Georgia was much less equal compared to all ex-Soviet peers (with the exception of Russia). In 2003, Georgia's income inequality, as measured by the so-called GINI coefficient,⁶ stood at 39.5 points, well above its levels in all other CIS countries where GINI values ranged between 35.5 (Uzbekistan) and 28.7 (Ukraine).

With close to a half of Georgia's population locked into subsistence agriculture, and another half operating largely in the shadow, the Shevardnadze government was barely able to cover its own operational costs, let alone offer an effective policy response to Georgia's mounting poverty and inequality challenges. Assessing Georgia's poverty situation in 2003, the IMF's noted that

"widespread poverty has been brought on by the dramatic drop in incomes ... and the subsequent collapse in social services... Government has not provided an effective income redistribution mechanism and has failed to provide adequate social safety nets. This largely stems from low tax collections, which have led to accumulation of regressive wage, pension

and social insurance arrears. Although public spending on health and education grew during the late 1990s, it remains 90% lower than in the pre-transition period (1% of GDP for health, and 2.2% for education in 2001). Also, demands for high informal payments further limit access to quality health-care and education, while poor targeting of social spending and energy subsidy has compounded the problem.”⁷

With hindsight, it appears that until 2003 Georgia had been trapped in a vicious circle of *pretense* that encompassed all aspects of citizen-state relations. Existing in name only, the “state” *pretended* to provide law & order, public infrastructure and utilities, insurance for health and old-age disability. Georgian “citizens” paid in kind – by *pretending* to contribute to health and social insurance, evading taxes and bribing off “public servants”. The reality was that anyone living and trying to do business in Georgia had nobody to rely on other than themselves, informal social networks and the mafia. People did not pay taxes and did not expect to receive any government services in return. They learned to provide for all their needs, including security of own life and property, contract enforcement, health and education, heating and electricity.

* * *

Breaking out of this vicious circle required no less than another revolution, in state affairs and in people’s minds. United by a clear vision and knowledge that the broad popular mandate they have enjoyed in 2003-04 will not last forever, Georgia’s Rose Revolutionaries gained their place in history by taking unprecedented steps to, finally, crush the criminal gangs and restore trust in state institutions.

First, they created an effective repression machine to convict mafia bosses, gangsters, petty criminals and drug dealers, pushing crime out of Georgia’s borders and bringing the country’s prison population to world record levels (per capita). To perform this task, the criminal justice system was reengineered to presume guilt – not innocence, – subjecting its victims to lengthy pre-trial detention periods and mas-

terfully using the plea bargaining mechanism and pliant courts to extract confessions and money.⁸ Second, they stripped the Georgian state of any imaginary functions it pretended to be performing, using massive layoffs to reduce and renew state bureaucracy (including, famously, the entire traffic police force), slashing taxes, regulations and whole agencies in charge of their “enforcement.”⁹

Third, they created a corruption-proof public administration system reducing the bureaucrat to a robot undertaking simple automatic routines with very little room for discretion or judgment. In stark contrast to the jolly corruption days, the greatest challenge for Georgia's public institutions (including, alas, state universities) was now to find somebody willing to take responsibility. With the legal repression system in full swing, applying a signature has become the Georgian bureaucrat's nightmare.

The brutal strategy of “zero tolerance” in handling crime, corruption, tax evasion and non-payment was a key factor in the Rose Revolution's success – in just a few years – to overcome the failed state predicament. And what a great success it was! The young Georgian generation no longer knows how to give or take bribes; their older siblings and parents are now used to paying their taxes and bills in full and on time. No Georgian would ever miss a utilities payment. Even the share of bad loans in Georgia's banking system remains extremely low despite the great difficulties experienced by Georgian households (and businesses) in the wake of Lari devaluation. And then, of course, there are the smiling and professional traffic police and street level bureaucrats that have become symbols of Georgia's new statehood.

* * *

Dizzy from global fame, the makers of Georgia's Rose Revolution became victims of their own success. They did not realize, at least not in time, that the brutal system they have created had to be gradually dismantled, giving way to a more humane and inclusive set of institutions. The result was a painful political defeat in October 2012, public disgrace, emigration (and new political careers!) for some, and prison terms for others.

The Georgian Dream coalition rode to a surprise electoral victory in October 2012 on waves of popular protest against legal abuses by the Saakashvili administration and its lack of willingness to deal with economic disparities. Three key elements on Bidzina Ivanishvili's government agenda were to reset Georgia's brutal justice system, reduce yawning social gaps, and restore economic relations with Russia while at the same time pressing ahead with Euro-Atlantic integration.

In line with this agenda, one of the first steps taken by the new government involved a comprehensive reform of the justice system, starting with a large-scale amnesty to reduce prison population to more "normal" levels, limiting the use of pre-trial detention and plea bargaining mechanisms by the prosecution (thus restoring the "presumption of innocence" principle); and, last but not least, granting greater independence to the judiciary.

There was little arguing in Georgian society and politics at the time about the need to abandon the practice of "revolutionary justice" and, instead, follow conventional rule of law principles. What was far from evident then – and is still not fully appreciated today – is that some of the zero-tolerance policies, which survived the Rose Revolution days, could and should be relaxed *today* thanks to the tremendous and irreversible cultural changes Georgia has gone through since 2003!

For example, giving customers a few weeks to settle their bills (while charging penalties and interest!) will not run the risk of spawning a culture of non-payment as long as the new rules are clearly communicated and enforced. Likewise, the current zero-tolerance and zero-discretion practice of subjecting businesses to maximum allowable penalties and freezing their bank accounts in every case of (suspected) tax evasion is clearly counterproductive in today's realities. Giving tax auditors some discretion in dealing with delinquent tax payers (and subjecting their decisions to court review) may marginally increase corruption risks and reduce tax collection (in the short run). However, the benefits of doing so (in terms of improved business climate, investment, business activity, and, ultimately, tax revenues) clearly outweigh any such risks.

Second, the new Georgian administration acted on its electoral promise to spread the benefits of growth to Georgia's poor, who until 2012 had been left out of Georgia's modern economy. Key "inclusivity" measures undertaken in the first three years of Georgian Dream coalition rule included the introduction of free universal health insurance, free access to publically provided school readiness programs, increased pensions and social benefits, as well as a spate of subsidies thrown at rural dwellers (mostly, subsistence farmers). Perhaps one of the most controversial measures seeking to appease Georgian smallholders was the moratorium on land acquisition by foreigners, which was signed into law in June 2013. While considered to be a temporary measure (deemed unconstitutional in June 2014), the moratorium remains *de facto* in place, reducing the incentives of foreigners and foreign companies to invest in Georgian agriculture.

So far, these efforts by the Georgian Dream coalition government have often been rushed, resulting in considerable waste of public resources,¹⁰ and most importantly, in little improvement as far as inclusivity is concerned. A related concern is whether or not such generous social outlays could be sustained from the fiscal point of view, given the competing needs to accelerate investment in public infrastructure and reduce the tax burden on businesses.

Finding the right balance between social justice and economic efficiency is very likely to remain a pressing concern for many Georgian governments to come. On the one hand, making the Georgian state to work for *all* its citizens will be crucial from the point of view of assuring political stability and thus facilitating much needed long-term investment by the private sector. At the same time, redistribution measures are quite costly in the short-run, requiring careful planning, targeted implementation and rigorous assessment of effectiveness and impact.

Third, the new government took energetic steps to advance the European integration agenda by accelerating the implementation of harmonization measures across a broad spectrum of policy areas from migration and visa regulation, to labor markets, to TV advertising and excise taxes on alcohol and tobacco. Negotiations

on an Association Agreement (AA) with the EU have been completed in record time, allowing for the AA to be signed on 27 June 2014 (according to information available on a Georgian government's website, by October 2015, the AA has been ratified by the European Parliament and by 25 out of the 28 EU Member States).¹¹ The Deep and Comprehensive Free Trade Agreement (DCFTA), committing Georgia to non-trivial economic and institutional reforms in exchange for greater (though not completely free) access to the European market, went into force on 1 September 2014. Finally, building "on the successful implementation by the Republic of Georgia of all the benchmarks set in its Visa Liberalisation Action Plan," on March 9, 2016, the European Commission proposed "to allow visa-free travel to the Schengen area for Georgian citizens holding a biometric passport."¹²

In parallel to these achievements, the Georgian Dream coalition was successful in its bid to mend fences with Russia. By June 2013, the informal Karasin-Abashidze dialog resulted in the re-opening of the Russian market for Georgian wine, mineral water and "low phytosanitary risk products" (such as tea, laurel, dried fruit, nuts, citrus, grapes, apples, pears etc.), triggering a round of foreign and domestic investment in Georgia's agricultural production and processing capacities (starting with IDS Borjomi's acquisition by Russia's Alfa Group in December 2012). As if competing with the EU, Russia continued to open up its market for Georgian exports. In May 2014, it lifted restrictions on high risk products (washed and pre-packed potatoes, tomatoes, cucumbers, cabbage, eggplants, cherries, apricots, peaches, plums, kiwi and berries). Though direct flights between the two countries resumed already in 2010, the inflow of Russian visitors to Georgia started accelerating after 2012. According to official Georgian sources, 925,000 Russian tourists visited Georgia in 2015 (14% up from 2014); more than 1mln are expected to arrive in 2016.

Implementing the DCFTA with Europe while maintaining economic exchanges with the Russia's led Eurasian Union will be a daunting balancing act, politically, economically and diplomatically. The

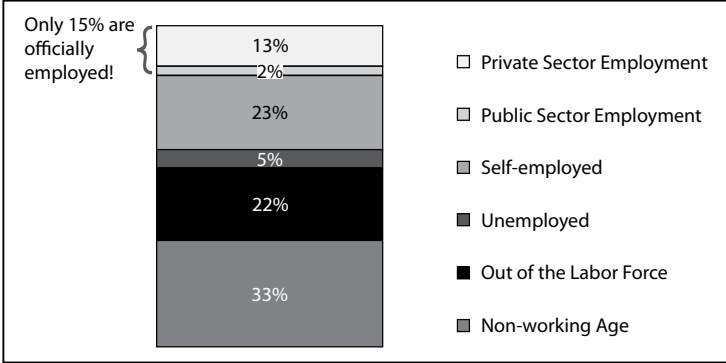
EU will undoubtedly provide technical assistance and funding to offset some of the harmonization costs. At the same time, Georgia may have to deploy every diplomatic tool at its disposal to reduce the risk of Russia's retaliation for joining a competing trading block. Georgia wants to be in Europe for political reasons, as laid out in Zurab Zhvania's famous speech at the European Parliament,¹³ but dipping into the deep (and comprehensive) FTA with Europe without a careful consideration of national *economic* interests may backfire. If the costs of AA/DCFTA agreements exceed their benefits, Eurasia may come back with a vengeance, economically, as well as politically.

TAKING STOCK

Following the collapse of the Soviet Union, the Georgian nation went through a process of rapid dis-investment and de-industrialization. It was forced to shut down industrial plants, sending scrap metal abroad, and workers into subsistence farming. Hunger has never become an issue thanks to the country's moderate climate and good soil conditions, yet inequality and associated political pressures rapidly reached catastrophic dimensions, unleashing cycles of violence, undermining the political order and inhibiting prospects of economic growth.

Surprisingly for many, Georgia's Rose Revolution reforms did little to close social gaps. Between 2007 and 2011, the share of people living under the poverty threshold grew by 43%,¹⁴ as reported by the National Statistics Office of Georgia. Equally alarming were the official unemployment statistics, particularly for new entrants into the labor market (people in the 20-24 age bracket). Moreover, official unemployment data do not tell the whole story. In 2014, only 15% of the Georgian population were employed in the official economy. Another 23% of the employed were categorized as self-employed, but a very large share of these was actually subsistence farmers who should have been labeled as under-employed at best.

Figure 1: Georgian occupation structure in 2014. Only 15% are employed in the official economy



As shown in Figure 1, by 2014, Georgia has failed to engage the majority of its working age population in the formal sector of the economy, which has important implications for aggregate productivity, poverty and inequality.

Achieving inclusive growth is easier said than done. The most obvious problem is the tradeoff between economic efficiency (job creation and growth) and redistribution policies. The need to provide the poor with a minimum level of income and access to social services, such as healthcare and education, reduces the amount of resources available to the private sector. Ultimately, it is up to each society to decide – politically – how much it is willing to lose in economic efficiency in order to achieve a “fair” distribution of resources and social justice. Science can play a role in this process – by clarifying certain concepts and quantifying the impacts and outcomes of various policy scenarios, – but the choice is fundamentally a political one.

In the remaining part of this chapter we consider the following questions:

Why do not Georgia’s achievements in improving the business environment translate into higher level of foreign and domestic investment? Are productive jobs more likely to be generated by small and medium enterprises (SMEs) that are receiving so much attention and donor support, or large and often demonized food processing and textile plants?

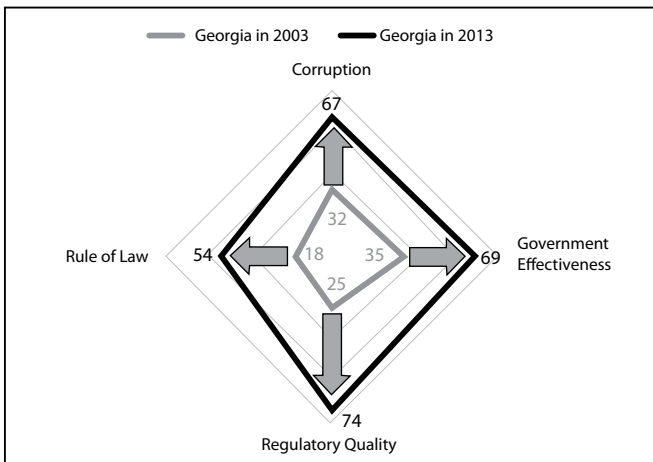
How much land consolidation is about right for a country plagued by low agricultural productivity, on the one hand, and a lack of alternative employment opportunities in its shrinking cities, on the other? How should access to agricultural land be regulated taking into account local interests and Georgia's development needs? Can farmer cooperation work for the poorest strata of Georgia's rural population? If so, how can it be sustained beyond the duration of donor-financed projects?

Finally, can bureaucratic regulation – elaborate educational standards and quality assurance measures – help bring better education to Georgia's darkest corners? If not, what other out-of-the-box solutions may be available to Georgian policymakers and anybody who cares?

OPENING THE DOORS FOR INVESTMENT

When viewed in retrospect, the story of Georgia's Rose Revolution reforms may be summarized by the following two charts. The first one, produced by the WB, shows the dramatic improvement in Georgia's ranking on all indicators of good governance from 2003 to 2013.

Figure 2: Georgia's progress on good governance indicators, 2003-2013



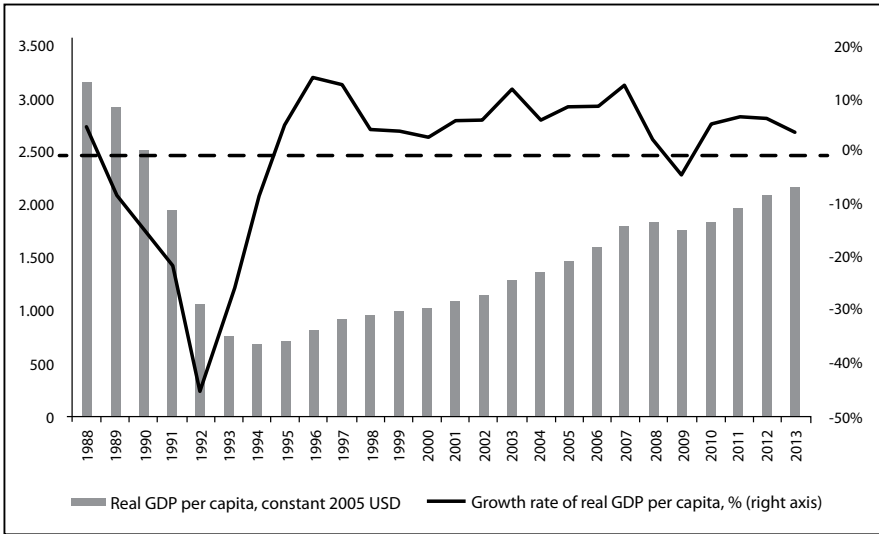
Source: Worldwide Governance Indicators (WGI) by the World Bank

The numbers on the chart indicate the percentage of countries worldwide that rank lower than Georgia. Higher values indicate better

governance scores. As shown, in 10 years, Georgia more than doubled its ranking on all Worldwide Governance Index parameters. Note that Georgia performed as well on most other global indices, including, most famously, the World Bank's Doing Business Index, and the World Economic Forum's Global Competitiveness Indicators.

The second chart shows Georgia's GDP growth performance since 1988 till present time.

Figure 3: Georgia's GDP growth, 1998-2013



Source: World Bank

It can be observed that, having reached its nadir in 1994, independent Georgia's economy has grown (from an extremely low base) at roughly the same annual rate in 1995-2003 (with crime and corruption) and in 2004-2013 (with very good institutions). Now, how come "good institutions" do not make any difference, at least as far as economic growth is concerned?

Before anything else, let us clarify that Georgia's reforms are not a myth, they are the everyday reality for anybody living and working here. Georgia is amazingly safe. There is almost no street crime to speak of. Certainly gone are police harassment and petty corruption. Doing business is indeed very simple as far as all the formalities

are involved. Georgia's borders are probably the "thinnest" in the region: coming in and going out is very easy for exporters, importers and travelers; customs procedures have been significantly rationalized; border police is very professional and welcoming (with bottles of wines, until recently). The traditional hospitality of the Georgian people is an established brand, more established, perhaps than that of Georgian reforms. The government bureaucracy is fairly lean and professional. Most government officials even speak English, helping impress donors, foreign diplomats, investors and, international rating agencies, such as Fitch and Moody's.

Indeed, what Georgia's reformers managed to achieve in a very short time is remove any barriers to economic activity and open the country up for foreign investment and foreigners – from freelancers who contribute to the county's feel-good atmosphere, to investors and corporate lawyers, agronomists and expert farmers, teachers of English and economics – people who could help move Georgia's economy forward. Until 2012, the open door policy may be said to have been Georgia's state religion.

What may have been lost on Georgia's reformers, however, is that open doors are neither a necessary nor sufficient condition for significant, long-term investment to come in. "Open doors" are not a *necessary* condition because investors would bribe their way through any doors if the business opportunity is there, as is the case in the oil-and-gas-rich Azerbaijan. "Open doors" are also very far from being a *sufficient* condition for long term investment. In the presence of serious risks, investors may come in to enjoy a country's hospitality but would not park their money there beyond a few years.

A key problem still haunting Georgia today is that the risks of investing in Georgia outweigh many of the locational and ease-of-doing-business advantages it offers. And, perhaps paradoxically, instead of abating, these risks may have increased after the Rose Revolution of 2003.

First, Georgia's small market size (internal and external) and tiny labor force pose significant **commercial risks** to any project that seeks

to produce and/or sell in Georgia. None of the open door policies could change this fundamental fact. The loss of the Russian market in 2006 and the preferential trade agreements with Europe may be said to have offset each other, but the Georgian economy will need time (and considerable investment in skills and technology) to re-orient itself from east to west.

Second, there are the **geopolitical risks** to consider. The fiery rhetoric of Rose Revolution leaders and active efforts at restoring Georgia's territorial integrity quickly transformed Georgia into a bargaining chip in the geopolitical confrontation between Russia and the West. While helping attract Western *public* funds and "technical assistance", geopolitical tensions are a red flag for long-term *private* sector investment, unless in the presence of outstanding business opportunities of which Georgia has very few on offer. The main sectors in which Georgia attracted significant long term FDI in recent years are transport, natural resource extraction, hospitality, hydroelectric energy and hazelnuts, all of which are about exploiting the country's location and natural resources. The rather large FDI Georgia received in 2007 and the first half of 2008 (causing a small uptick in GDP growth) did little to promote long-term productivity, exports or jobs. Rather, it fed a real estate bubble.

Third, Georgia performed rather badly in **securing investors' property rights**. In 2004-12, led by Zurab Adeishvili, the Georgian Ministry of Justice and state prosecution accumulated enormous powers, effectively placing them above the law, without any control by the judiciary, parliament or civil society. The institutional mechanisms and legal norms created in order to clamp down on crime and corruption, later (after 2007) came to be used against political opponents and businesses that would not kowtow. They were also employed as a brutal means of taxing firms and individuals (for example, by using pre-trial detention and the plea bargaining mechanism to "legally" extort confessions and money). To this date, Georgia is struggling to reconstitute justice in thousands of cases involving expropriation of property, illegal arrests, and extortion.

Last but not least, until recently, Georgia's fledgling democratic institutions failed to perform the critical consensus-building function in the rush to implement (badly needed) reforms, resulting in grave **political risks for the economy**. The openly confrontational we-know-better and winner-take-all approach of the Saakashvili administration turned former allies into enemies, leading to mounting political tensions and protests. Luckily for the country, Georgia's reformers did have the wisdom to concede political defeat in the 2012 parliamentary election and thus assist in the first peaceful and orderly democratic transition in Georgia's modern history.

* * *

Georgia's future policymakers will be well advised to maintain the current Georgia-is-open-for-business policies. Yet, for these policies to bear fruit, Georgian governments should also take great care to reduce investment risks: improve protection of property rights, enhance access to external markets, reduce political tensions at home, and maneuver the country into a more neutral, and therefore, safer position vis-à-vis competing global and regional powers.

Additionally, assuming these risks are handled, Georgian policymakers have to make up their minds regarding the country's strategy concerning industry, services and agriculture. While this is not always clearly understood, economic development along these three dimensions is inherently interlinked. Georgian revolutionaries of the past have often lamented about half the Georgian population being "stuck in agriculture". Yet, the way forward for Georgia is not to actively neglect and destroy its traditional smallholder agriculture. The way forward consists of offering Georgian smallholders (and, most importantly, their children) viable employment opportunities in the modern sector of the economy, on the one hand, and providing necessary education and retooling options for those who can and want to make the transition, on the other.

IS SMALL ALL THAT BEAUTIFUL?

It is often argued that small-and-medium-size enterprises (SMEs) can serve as an engine of *inclusive* economic growth. A well-

developed SME sector is said to be a source of price-reducing and quality-improving competition – which is particularly important for small-size markets like Georgia that are prone to monopolization or oligopolization. It is also well documented that SMEs can be a source of innovation, allowing the economy to quickly respond to a dynamically changing environment.

Yet, SMEs remain relatively small players in the Georgian economy, even though their numbers are large. In 2012, the share of SMEs in total business turnover was only about 17%. Their share in total production value in the business sector was only slightly higher, at about 18%. Moreover, the Georgian SME sector exhibits relatively low labor productivity, especially among the smallest firms.

The predicament in which Georgia's SME sector finds itself is quite consistent with recent analysis by Dani Rodrik.¹⁵ Just like is the case in most developing countries, Most Georgian SMEs are engaged in trade and simple service activities that can realistically absorb surplus low skill labor exiting the agricultural labor. While playing an important role as an employment buffer, such SME activities are very unlikely to “deliver rapid growth and good jobs in the way that manufacturing once did.” Rodrik's skepticism stems from two observations.

First, banking, finance, ICT and business services are indeed high-productivity activities that can help lift economies with an adequately trained work force. Yet, in countries like Georgia, such internationally demanded (“tradable”) services cannot absorb more than a fraction of the labor supply.

Second, while locally demanded (“non-tradable”) services, such as retail trade, hairdressing and taxi driving, can certainly absorb excess agricultural workers, such jobs do not promise a lot of productivity gains. Moreover, any growth in such low productivity services is ultimately self-limiting. Rodrik's point becomes evident if one analyzes the taxi service market in Tbilisi. As more and more villagers started driving taxis in Tbilisi, taxi fares fell to a level only slightly above earnings in low-productivity agricultural jobs, therefore reducing or completely eliminating the incentives for the arrival of new drivers (and their shoddy Ladas).

Thus, a smart industrial policy for Georgia might involve developing the country's largest food processing and manufacturing firms that, on the one hand, have the potential to create productive jobs, economic value, and exports, and, on the other, can integrate SMEs into their supply and service chains.

Achieving scale in production is particularly important for Georgian business given the fragmented nature of most value chains. Size and degree of vertical integration turn out to be the key for Georgian manufacturers' ability to *overcome coordination failures* plaguing the Georgian economy and in this way withstand competition from very large (and often subsidized) Turkish and other international businesses in the absence of any significant tariff or non-tariff protection.

An excellent case in point is Chirina Ltd., currently Georgia's largest poultry producer.¹⁶ Chirina represents a unique greenfield investment that was initiated, financed and managed by a prominent member of the Georgian Russian Diaspora. Having earned his personal wealth in the Russian chemical industry, Revaz Vashakidze chose to repatriate a part of his fortune to Georgia in order to invest in a modern, fully integrated poultry production plant capable of competing with cheap imports of frozen meat products, which had dominated the Georgian market until 2013.

Designed and built as a turnkey project by Israel's Agrotop in 2011-2013, Chirina is a unique vertically integrated complex. Its products – fresh and frozen chicken meat sold under the BiuBiu brand – already account for about 1/6 of Georgia's total consumption of poultry. With a doubling of its capacity in 2016, Chirina will become a major food industry player in Georgia integrating local agricultural producers into its supply base, applying downward pressure on prices and expanding the range and quality of products available to Georgian consumers.

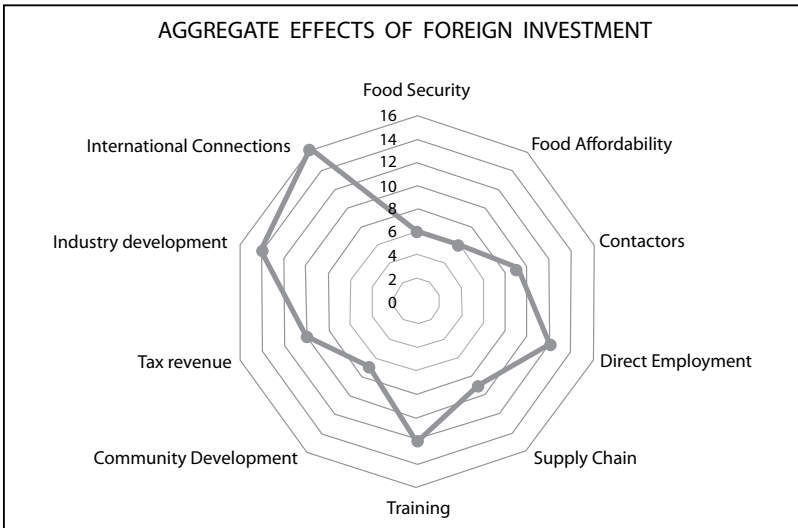
Chirina's example suggests that the notion that Georgia should prioritize SME development (at the expense of large enterprises) is akin to putting the cart before the horse. Contrary to the established development mythology, the key to Georgia's success in technolog-

ical upgrading, job creation and SME growth may be held by large, well-invested food processing and manufacturing businesses.

* * *

The role of large foreign-invested enterprises in resolving coordination failures plaguing the Georgian economy was the subject of a study conducted by Simon Appleby and Eric Livny over the course of 2014 with support from USAID’s EPI project. Specifically, Appleby and Livny looked at the impact of foreign-invested businesses on job creation and workforce development; product and process innovation (including technology spillovers affecting suppliers, competing agribusinesses and smallholders); expansion in the range and quality of products available to Georgian consumers; import substitution and improvement in access to international markets; and, last but not least, work ethic and the general culture of doing business in Georgia (a total of 10 dimensions). Figure 4 below depicts the cumulative scores of the eight enterprises included in the study along each of these dimensions. The aggregate impact along each dimension runs from 0 (no impact) to 16 (strong impact).

Figure 4: The impact of the foreign investment on the Georgian economy



According to Appleby and Livny, foreign-invested businesses play an extremely important role in helping to bring industry standards to the global level and promoting international linkages (14/16 and 16/16, respectively). They have a moderate effect on direct employment and general workforce development (10/16), and moderate-to-weak impact on tax revenue,¹⁷ community development and other aspects of the business environment.

PROMOTING GEORGIAN'S AGRICULTURAL SECTOR

Accounting for almost a half of Georgia's population, the country's rural economy can be considered too big to fail. The agricultural sector, which accounts for the lion's share of rural jobs, received a major boost in 2013-2015 having gained access to the Russian market and a flurry of government subsidies (vouchers, land plowing services, almost free agricultural insurance, etc.). Yet, Georgian product penetration into the Russian and Eurasian markets has slowed down quite considerably in 2015 and 2016 because of declining oil prices and ruble devaluation. In the meantime, many reforms have stalled, including land registration and foreign ownership of agricultural land. There is no clarity on the extent of compliance with DCFTA-related food safety regulations that would be required of Georgian smallholders. Any changes to irrigation tariffs and land taxation (which could be major tools of bringing life into the stagnant land market) are on hold due their political sensitivity. In the meantime, the government's attempts to develop farmer cooperation as a means of gaining scale (and productivity) are also not bearing fruit: tiny farmer groups that emerge in reaction to donor incentives (e. g. grants provided by the EU-financed ENPARD program) are mostly existing small businesses that chose to disguise themselves as farmer coops in order to be eligible for donor support.

AGRICULTURAL LAND

The most contentious question concerning Georgia's agriculture is what should be done about land fragmentation which resulted from the

dismantling of Soviet collective farms in the early 1990s¹⁸. According to one view (which was propagated by the Saakashvili administration in 2004-2012), too many Georgians are engaged in agriculture and, thus, in order to develop, Georgia has to go through a rapid process of land consolidation and urbanization. This thinking resulted in projects such as Lazika¹⁹ (a new modern city to be established on the Black Sea coast, which was supposed to absorb excess agricultural workers), on the one hand, and miniscule agricultural budgets during much of Saakashvili’s rule, on the other. When subsidies started being thrown at rural dwellers in 2010-2012, it was done for purely political reasons.

Table 1: Over the last 25 years, land consolidation has proceeded slowly and very unevenly:

Region	Land cultivated by households		
	Average plot size (ha)	Size distribution range (ha)	Inequality (Gini)
Adjara	0.3	[0;1]	0.33
Imereti	0.5	[0;6]	0.41
Guria	0.7	[0;17]	0.41
Samtskhe-Javakheti	0.9	[0;5]	0.43
Samegrelo	0.6	[0;18]	0.49
Shida Kartli	0.5	[0;5]	0.56
Mtskheta Mtianeti	0.4	[0;4]	0.62
Kvemo Kartli	0.6	[0;48]	0.63
Kakheti	0.6	[0;39]	0.72

Source: Authors’ own calculations based on 2011 GeoStat data

An alternative view is that, *in and of itself*, land fragmentation is not an obstacle for many kinds of niche agricultural activities in which Georgia may have a competitive edge: apples and pears, nuts, kiwifruit and citrus, handpicked teas, silk, branded wines and traditional products such as cheese, kvevri wine, chacha, tkhemali sauce and churchkhela. These types of products are not particularly scale-sensitive and could be efficiently undertaken by smallholders, if operating in a supportive environment, enabling access to critical infrastructure, inputs and services, and downstream marketing channels.

Large-scale industrial farming certainly has its advantages in the production of certain crops, such as cereals. In some sectors, only large enterprises may achieve the scale and level of vertical integration that may be required in order to effectively compete with cheap food imports. At the same time, if proceeding too fast and too far, large-scale farming could cause a major disruption to traditional Georgian landscapes and ways of life – a price the Georgian nation may not be particularly happy to pay. Moreover, when viewed from the political economy point of view, a massive displacement of smallholders in the democratic context of the 21st century is bound to translate into major political risks that would be to the detriment of investment (in agriculture and in any other sector of the economy for that matter). Finally, such displacement would be hard to justify even on purely economic grounds in the absence of productive urban employment options for those displaced. Putting a whole generation of farmers on welfare is hardly more efficient than keeping them on their land, where they are able to feed themselves and even produce a small surplus to sell in local markets.

There are also many 'positive' reasons not to write off Georgia's smallholder agriculture.

First, Georgia's agriculture is rife with low-hanging fruit (both figuratively and literally). In other words, productivity gains would be relatively easy to achieve in many traditional agricultural activities with very modest financial investment, organization and processes.

Second, as improved agricultural productivity will inevitably translate into lower poverty levels, the next rural generation is likely to be better educated and, hence, better prepared for employment in the modern sectors of the Georgian economy. Thus, rather than causing massive displacement of the rural population, gradual increases in smallholder agriculture productivity would feed into further investment in light manufacturing and urban services, with both "labor push" and "labor pull" effects going into full force.

Third, with its multitude of soil and climate conditions, ancient culture and traditions, there is great potential for Georgia to generate

unique, high value and geographically denominated products and to engage in innovative agroprocessing and organic farming.²⁰ Demand for such differentiated agricultural products (both primary and processed) is fast growing in the developed world. Examples are micro-brewery startups in the United States, agritourism or the slow food movement in Italy.

The latter point is worth elaborating. Greater differentiation in agricultural production and related agribusiness activities (rather than homogenization and mass production) is currently driving some of the most interesting success stories in agriculture around the world. In a globalized world, where mass products can easily be reproduced – driving profit margins to zero – well-trodden paths no longer show much promise. What matters is what cannot be easily reproduced or copied. Thus, Georgia and other developing countries should try new approaches that build on their own strengths and on what makes them unique.

Fortunately for Georgia, the country's history, culture, biological diversity and agricultural traditions enable it to do much better than just import some “modern” high yield crops and engage in large-scale (capital intensive) agricultural production of standardized agricultural products. Georgia can focus on the high value added (more labor intensive) segment of international markets, turning its weaknesses (such as abundance of labor force in the countryside) into strengths.

***FOREIGN INVESTMENT AND FOREIGNERS'
ACCESS TO AGRICULTURAL LAND²¹***

Until 2012, Georgia had been encouraging foreigners to purchase land and bring modern technology and management to the country's ailing agricultural sector. This extremely liberal approach was a boon for investment by global food industry giants such as Ferrero (which has a 4,000ha hazelnut plantation in Samegrelo) and Hipps (growing organic apples and producing aroma and apple concentrate in Shida Kartli). It also catalyzed the creation of joint ventures in agricultural production and food processing, which quickly assumed leadership

in their respective market segments such as: Marneuli Food Factory and Marneuli Agro (a cannery with 1,000ha of modern vegetable production); Chateau Mukhrani (pioneering a business model combining grape growing, boutique winery and hospitality services); Nergeta (“discovering” Georgia’s great potential as a kiwi producer); and Imireti Greenery (a 4,000m² hydroponic greenhouse fully substituting Georgia’s imports of lettuce).

Somewhat more controversial was the arrival of foreign farmers who settled in the midst of Georgian village communities. The South African Boers were among the first to receive a warm welcome (and citizenships) in 2010. About a dozen Boer families set up farms in Sartichala and Gardabani. In 2010-2012, Georgia’s openness also triggered the migration by a few scores of Panjabi families, who bought agricultural land in Kakheti, Kvemo Kartli and other regions. Towards the end of Saakashvili’s rule, in 2011-2012, Georgia also became an investment target for farming enterprises from the politically and economically troubled Iran and Egypt.

While good for the economy, the arrival of foreign farmers sparked popular protests across the entire country. The root cause of trouble in practically all cases was the hasty repurposing and privatization of pastures and agricultural land around Georgian villages.

One issue was (and still is) incomplete land registration. For example, about one third of Ferrero’s 4,000ha of landed properties was found to be owned or physically occupied by Megrelian farmers. In this particular case, a complicated compromise involving land swaps and compensation for affected smallholders was brokered by the Georgian government. Many other, less prominent and easier-to-ignore cases are still awaiting resolution, feeding mutual hostility and simmering conflicts.

Second, regardless of registration status, the privatization of pasture lands surrounding Georgian villages is an extremely sensitive matter. The arrival of new investors, whether foreign or domestic, reduces the amount of “free” pasture land available for local communities. Conflicts arose the moment new investors attempted to fence and cultivate their newly acquired properties.

In most documented cases, investors were able to accommodate villagers' demands by hiring the main troublemakers (e.g. as security personnel), renovating churches, schools and roads, or by providing free machinery services, seeds and training. In a number of instances, however, negotiations failed and open conflicts broke out.

Under the United National Movement's rule, such conflicts were typically repressed through agile police and local government actions. Protesters guilty of violating private property rights were arrested; some were jailed. The situation changed in 2012 following the Georgian Dream coalition's rise to power. Amplified by the media, the calls to stop the "foreign invasion" produced a policy shift. The police would no longer be deployed to suppress protests and repel property invasions effectively allowing some of local communities to squat on investor-owned land.

In June 2013, foreign investment in Georgia's agriculture was put on hold with the introduction of a temporary one-year moratorium on the acquisition of agricultural land by foreigners. Foreign investors and any businesses with foreign shareholders, including banks, were no longer able to come into possession of agricultural land or to use it as collateral. The moratorium was lifted a year later, following a legal challenge by Transparency International. However, to date, transactions involving agricultural land are not registered by the Public Registry pending new legislation.

It is unlikely that the Georgian government and/or parliament need to be reminded of the immediate negative implications of the law. It is universally recognized that Georgia's agriculture is in dire need of investment in physical capital and technology – all of which can only come from outside. By preventing foreigners from investing in the sector, the law also slowed down the efficiency-enhancing process of land consolidation. But were there any benefits associated with the moratorium? And, indeed, what problem did it attempt to solve?

A cynical and not particularly thoughtful interpretation is that the law was triggered by the specter of "Indians buying all of Georgia" and that it had no purpose other than addressing the racist sentiment

of Georgian plebs. Indian investors are the problem, the cynical argument goes.

Yet, the problem is real. It has little to do with xenophobia and is not unique to Georgia. Unless carefully designed and implemented, large-scale privatization of state-owned agricultural land in immediate proximity to Georgian villages has the potential to trigger violence and social unrest that would have far graver consequences for investment – both foreign and domestic – than the notorious moratorium. The organized protests that Georgia saw in early 2013 under the slogan “Georgian land for Georgians“ provides a foretaste of what could still follow if Georgia’s policymakers fail to find a solution to the fundamental problem of how to bring much needed investment in Georgia’s agriculture without threatening the livelihoods of small-scale subsistence farmers.

The moratorium on foreign land ownership did not solve any of the above problems and posed new dilemmas. It created a lot of uncertainty as to the future direction of Georgia’s economic reforms. It did not address foreign investors’ concerns about securing their property rights and investment. Nor did it help increase agricultural productivity and the incomes of Georgia’s smallholder farmers. By imposing the moratorium, however, the Georgian government showed awareness of the challenges inherent in rapid agricultural development and attempted to gain time in order to work out an acceptable solution.

Hopefully the time thus gained will not be wasted. The social calm and political stability that the moratorium sought to achieve may be difficult to maintain given its negative implications for foreign and domestic investment in Georgia’s agriculture. One does not go without the other, certainly not in the long run.

FARMER COOPERATION²²

There are many reasons to love the concept of farmer cooperation (and cooperation more generally). To begin with, there is a great aesthetic value in seeing people coming together, sharing resources and helping each other. But, there are also powerful economic rea-

sons for farmer cooperation. Smallholders are often too small to independently access markets, and can be easily exploited by middlemen and local monopolies. *Service cooperatives* can increase the bargaining power of smallholders versus banks, service providers, input suppliers, processors and the government. This light form of cooperation is quite effective and relatively easy to manage and sustain, which explains its prevalence in North America and Western Europe.

A more ambitious (and far more demanding) form of cooperation is pooling fragmented smallholdings into larger farms. Examples of such *production cooperatives* are the Israeli kibbutz and Soviet collective farms. These are said to benefit from economies of scale in primary agricultural production.

In spite of its aesthetic value and compelling economic reasons, farmer cooperation (of both types) has been a spectacular failure in many transition economies, particularly on the territory of the former USSR, including Georgia. In the words of Tim Stuart, development practitioners in the post-Soviet space are often confronted “with the reality of failed farmer groups that evaporate once the project ends, with unused equipment rusting in the corner of a field, an image, which has become a cliché of dysfunctional development in the popular press. And for many people engaged in development, farmer groups are a byword for failure.”

Of course, failure and success are terms defined relative to expected results. For the likes of Juan Echanove, coordinator of the EU ENPARD program, the journey of a thousand miles in farmer cooperation begins with a single step. His expectation is that dramatic changes in the legal and financial context for agricultural cooperation in Georgia will encourage the creation of bottom up farmer organizations based on the traditional forms of mutual help and resource sharing. According to Echanove, Georgian farmers have always established informal groups and associations on their own initiative and often without any external support. Such groups typically focus on a very narrow but functional scaling up of everyday economic activities, including joint arrangements for pasture management and feeding, collective plowing and harvesting, etc.

Despite such optimism, there is agreement among all analysts that for farmer cooperation to develop beyond its primitive forms, Georgian villagers have to be provided with the prerequisite skills and resources. A related question, posed by Simon Appleby, an Australian agronomist and agribusiness consultant with many years of experience in South East Asia and Georgia, is “if development agencies are the ‘wrong’ people to be involved in nurturing farmer groups, who are the ‘right’ players to be involved?” To his mind, “while it may be jarring to the collectivist sensibilities of some, it is worth looking at *corporations* as enablers and incubators of co-ops.”

One problem with this suggestion, however, is that private sector actors would not necessarily have the incentives to provide Georgian villagers with the skills and resources to do things the right way and to manage cooperation. For instance, while input providers would be quite interested in marketing their products (e. g. fertilizer) to individual farmers, they gain no advantage in helping to organize and train groups of farmers who, once organized, i) would be much tougher to negotiate with, and ii) could switch to competing providers. For exactly the same reason, no single buyer of hazelnuts or mandarins would invest time and effort to help organize and train farmer co-ops, even though it may be more convenient to deal with larger and more reliable growers.

Thus, while businesses may be the (only) right players to be involved in enabling and incubating farmer co-ops, special government or donors schemes would have to be developed to incentivize potentially interested corporate actors. While costly, such schemes could be justified if the resulting supply chain relationships have the potential to be sustained beyond the necessary period of incubation without additional subsidies.

Recent Georgian experience suggests that there could be situations in which businesses have the incentive to engage in nurturing formal or informal farmer groups. While exceptional, these situations provide an excellent sense of the underlying economics.²³

In 2008, Gaga Abashidze took over a small family business which for years had been buying and processing rose hips gathered by Geor-

gian villagers in the Shida Kartli region. The business model was extremely simple. Villagers harvested and delivered the fruit. Gaga processed and exported the rose hip juice to Europe and Japan. The villagers saw no advantage in cooperation, and Gaga saw no need to engage them as a group.

Things changed when Gaga “discovered” the lucrative market of *organic* rose hip products, which called for the adoption of a more complicated business model. First and foremost, moving to organic production required certifying all stages in the process, from harvesting to post-harvest treatment/storage and processing. However, as Gaga quickly understood, there was no way to certify hundreds of villagers. To acquire international organic certification, his supplier had to be a legal entity that could be trained and certified. Of course, once incorporated, his supplier could also come into possession of necessary equipment, contributing to the efficiency of harvesting, post-harvest treatment and storage, reducing processing costs and improving the quality of the final product.

Gaga had two options for re-organizing his supply chain: (i) to help create and work with a farmer organization, or (ii) expand his own business. Weighing up these two options, Gaga chose the farmer organization/outsourcing alternative for two main reasons.

First, many of the startup costs could be shouldered by the village community, including labor and land. Second, while there was little to be saved in labor costs by hiring his own workers, a co-op would be eligible for donor assistance to offset capital, training and certification costs.

Gaga knew that the co-op would be a reliable business partner. On the one hand, he had a long history of working with individual members of the group and trusted its leadership. On the other, having access to a lucrative export market, he could afford to pay a premium for organically certified rose hips, essentially killing any incentives for the group to switch to a different buyer. As much as Gaga needed the group to supply him with a certified product, the group needed him to gain access to the organic export market. Thus, both parties were to be locked into a *sustainable* win-win relationship.

There are two key lessons from this experience. First, the incentives for smallholder farmers to come together in order to improve product quality and achieve market access will be greatly strengthened once Georgia starts harmonizing its food safety regulations with those of the EU. Cooperatives may provide a useful organizational framework for the adoption of relevant practices. Second, the opportunity to export to new markets (to Europe under the DCFTA, for example) will give stronger incentives for private sector actors – mostly food processing enterprises – to engage with individual farmers and pull cooperatives and farmer associations into their supply chains. In light of these opportunities to overcome fragmentation within agricultural value chains, the Georgian parliament and government may want to consider amending the Law on Cooperatives in a manner facilitating greater corporate involvement in the creation and governance of smallholder co-ops. For example, corporations could be allowed to acquire a stake in co-ops (or “smallholder partnerships”) in return for investment in commonly managed storage or processing facilities.

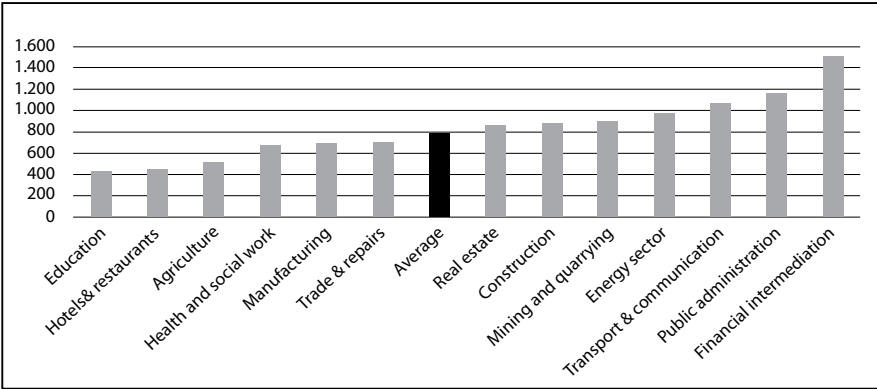
ADDRESSING EDUCATION CHALLENGES

Despite spectacular growth performance during the past several years (averaging more than 6% since 2005), Georgia remains a poor country. In 2011, Georgia's GDP per capita reached USD 3,605,²⁴ just below the Marshall Islands in the Pacific and just above Armenia. Still worse, more than half of Georgia's population lives on incomes that are much lower than this average figure. This is because Georgian society is plagued by a very high level of income inequality. To add insult to injury, many of the poor and extremely poor are either long-term unemployed or out of the labor force, not being able to contribute to the country's economic performance.

A key problem with poverty is that it tends to reproduce itself through education channels: poor people cannot afford good (and sometimes any) education for their offspring and, consequently, children from poor families tend to stay poor. Thus, the lack of investment

in human capital has the potential to lock poor “dynasties” in a vicious circle. Moreover, if the number of such dynasties reaches a critical threshold the whole country may be trapped in poverty. Hence education and the quality of public education for the poor in particular, has a critical role in breaking the vicious circle of poverty and inequality.

Figure 5: Average monthly nominal salary of employees by type of economic activity, 2013



Very unfortunately for Georgia, the collapse of all state institutions in the early 1990s left the country’s education system in ruins. What is particularly worrying today, however, is that judging by the extremely low level of salaries in the education sector (see Figure 5), the system hasn’t even started to recover. Despite a succession of reforms and many millions spent on teacher training and retraining; despite improvements in curricula and textbooks; despite investment in computerization and infrastructure, school boards and guards.

In the subsequent four sections we discuss the key quality and inclusivity challenges facing all segments of Georgia’s education system: preschools, schools, vocational colleges and universities.

ENSURING EQUALITY AT THE START²⁵

More than 50% of 3-5-year old Georgian children, the vast majority of whom are from poor rural families, had been excluded from the early learning system before 2013. This is a real time bomb if one

considers the impact preschool education has on learning outcomes, labor productivity and wages.

The situation in Georgia's small towns and rural areas is far worse than in Tbilisi and large Georgian cities, which have experienced a boom in private kindergartens during the last 10-12 years. While private kindergartens cater for the needs of the emerging middle class, the outright exclusion of the rural, poor and socially disadvantaged strata of the population creates a true barrier for greater social mobility in Georgia.

Clamping down on the development of (excellent) private kindergartens would of course not make anyone better off. Instead, what is needed is an out-of-the-box solution for expanding preschool education options for children in rural areas. Indeed, one of the first decisions by the Georgian Dream coalition was to make public preschools free for all children, regardless of social status. Although this may be a good solution for locations (mostly towns) in which public preschools exist and have the capacity to expand enrollment, making preschool education free does not solve the problem of very small towns and Georgian villages that suffer from a severe deficit of public preschools and qualified teachers.

Preschool education does indeed come first. There is considerable research evidence supporting the view that increasing the availability of early learning opportunities has the largest effect on the future of children. Early learning affects children's brain development, builds their cognitive and socio-emotional skills and improves performance at all subsequent stages of education. This, in turn, helps increase people's productivity and earnings as adults, helping to break the vicious circle of poverty, reduce crime and, as a result, increase aggregate welfare.

Much of this evidence is available on the website of economics Nobel Prize laureate (2000) James Heckman who has made the theme of early childhood development the focus of an arduous advocacy campaign. In his words: "The best way to improve the workforce in the 21st century is to invest in early childhood education, to ensure that even the most disadvantaged children have the opportunity to succeed alongside their more advantaged peers".

**BRINGING GENERAL EDUCATION TO
GEORGIA'S DARKEST CORNERS²⁶**

It is hard to overestimate the impact (both positive and negative) teachers have on children's minds, their career prospects and aspirations. Despite that being so, the second half of the 20th century has seen the teaching profession going into freefall as far as social esteem and pay are concerned.

This apparently global crisis in public schooling has mainly affected the poor: the rich and the educated were able to adjust by opting for far more expensive private options or by re-discovering "homeschooling" and "un-schooling" alternatives. The impact of this crisis is, therefore, strongest in weaker social environments where the teacher is often the only beacon of light (and enlightenment), as well as serving as the leading moral and intellectual authority.

While falling short of a comprehensive assessment, the Teacher Education and Development Study in Mathematics (TEDS-M), which was carried out by the National Assessment and Examination Center in 2008, speaks volumes about the low quality of Georgia's future elementary math teachers. Georgia ranked last among 17 participating countries in both teaching methods and subject comprehension (mathematics).

The relative social status of Georgia's educators is surely a key factor in the country's sorrowful performance in international tests that measure students' achievements in reading, math and sciences. For example, in 2006 and 2011 Georgia was ranked 37/45 and 34/45, respectively, in the Progress in International Reading Literacy Study (PIRLS), which examined the reading comprehension skills of children aged 9-10.

While only aggregate results of these and similar tests are currently available to us, it is clear that Georgia's performance in such tests is a function of the country's demographics and economic geography. Well more than half of Georgia's population – urban poor and subsistence farmers – have their children trapped in extremely low quality public schools that fail to present them with an 'equal opportunity', let alone prepare them for the 21st century 'knowledge economy'.

Alternative models of teacher recruitment and training²⁷

Georgia's education system requires new out-of-the-box solutions rather than more of the same teacher-training-curricula-reform type of medicine. First and foremost, the system urgently needs new blood. And this is mainly about two things: teachers' prestige and compensation.

What can bring the best and the brightest of Georgian university graduates into the country's smaller towns and villages to teach and contribute to a process of change?

One simple but unaffordable option would be to dramatically increase teacher salaries. A more complicated but relatively inexpensive solution would be to launch a **National Service Program** requiring (and enabling) the best university graduates – recipients of government scholarships – to give back in the form of serving one or two years as teachers and/or community organizers in Georgia's social and economic periphery.

For example, a similar scholarship scheme was introduced in Australia after the Second World War to attract teachers to isolated rural communities. Talented school-leavers could apply to have their university fees and a modest living stipend covered by the government in exchange for a commitment to serve in public schools in remote areas for a period of twice the duration of their scholarship.

For such a national service program to be effective, young and inexperienced teachers have to be trained and supported. Naturally, not all of them will develop a passion for teaching and stay in the profession; but many will, particularly if the government, the schools and local communities in question provide adequate incentives and resources.

Since 2009, Georgia has experimenting with as alternative teacher recruitment model as part of the **“Teach for Georgia” (TG) program**. TG's approach is rooted in the observation that Georgia's pedagogical universities are unable to attract young talent, instead becoming a refuge for those students achieving the lowest scores on the national student examination test. The alternative provided by TG is to target

university graduates and mid-career professionals who consider retiring or taking a break from their daily routines. Almost 300 candidates have been selected from a large pool of candidates in 2015; all of them went through an intensive pedagogical training organized by TG and got placed as teachers in remote and often desperate communities in the Georgian highlands.

TG offers decent compensation (up to 1,000GEL/month for teaching in isolated mountain locations). Far more importantly, however, it helps people find or redefine their purpose in life. Over the past five years, hundreds of TG teachers have gone on to serve in villages and small towns ranging from Svaneti and Adjara to Racha and Samtskhe-Javakheti, serving as role models, teachers and community leaders.

The role of incentives²⁸

A key problem that has to be tackled by any government reform or donor program is that of incentives. For many rural children, and girls in particular, attending school and completing their studies is a futile endeavor in the absence of any opportunity to continue their education. For many, the dominant strategy is early marriage and establishing a family. Very telling in this regard is the story of Dzevri, a small village in Imereti.

With close to 300 households, Dzevri is a small and utterly unremarkable village in the Terjola municipality. It would have remained utterly unremarkable, had it not been for the decision by an American couple, Roy Southworth and Cathy McLain, to settle in the village and make it the center of their philanthropic enterprise in Georgia. While Roy (the World Bank's country director for Georgia in 2004-2010) was busy transforming Georgia's economy, Cathy – an educational psychologist by vocation – created a private foundation, the McLain Association for Children (MAC), to take care of special needs and vulnerable children in Georgia's countryside.

As Cathy recalls, the idea of engaging with Dzevri's struggling school started after the third wedding the American couple had

been invited to by their new village neighbors. On all three occasions, the bride was in her early teens (15-16) and about to drop out of school.

The phenomenon of early marriage that Cathy and Roy encountered is, in fact, quite common in the Georgian countryside. According to a 2013 survey by UNICEF, about 9% of all school dropout cases are related to marriage. For many young girls, early marriage and motherhood is a strategy for dealing with a hopeless situation in which they have neither the educational background to qualify for government scholarships nor the financial resources to cover the cost of further education.

Cathy and Roy decided to respond to the early marriage problem with scholarships covering the cost of college education at public institutions. The program was first launched in May 2012, which was a bit late for students to register for the mandatory national admissions test. As a result, only two scholarships were awarded that year, however, the program quickly gained momentum thereafter. Six students qualified for MAC Foundation's scholarships in 2013 and 11 in 2014. In 2015, the school's principal, Manuchar Panchulidze, expects 23 kids – the entire age cohort – to graduate and continue to universities and professional colleges.

What is particularly gratifying is the profound impact that the promise of modest scholarships (of about \$1,500/year) had on students' motivation. Being acutely aware of the opportunity, the children from Dzevri are now doing quite well in the national student admissions tests, and many qualify for full or partial government grants, thereby saving Cathy and Roy's funds for other important causes.

PROMOTING EQUAL OPPORTUNITY IN HIGHER EDUCATION

The introduction of national tests and merit-based government scholarships in 2005 was a great leap forward towards meritocracy in higher education and social mobility. Students who perform well in these tests are eligible for government scholarships that allow them to study, free of charge or at a discount, at any public or private univer-

sity, thereby contributing to social mobility and potentially ending the vicious circle of poverty and inequality.

However, as we saw in the Dzevri example, the system is strongly biased towards children from relatively well-off urban families that have access to private tutoring (considered essential for success in the national tests) and/or can afford paying for university education. A highly disproportionate number of poor children drop out of school, do not register for the national tests, or fail them.

If you are so smart, why are you stuck in Kutaisi?

Another factor distorting educational choices is distance from the capital. In particular, children from Georgia's outlying regions tend to study closer to home rather than in the presumably better Tbilisi-based institutions. This bias persists even when controlling for performance in the General Ability Test (GAT) administered by the National Assessment and Examinations Center (NAEC).

For example, in 2012, students from Racha-Lechkhumi and Kvemo Svaneti (R-L-KS) came in second place after Tbilisi in terms of average GAT performance (see Chart 1). Yet, as reported by Maia Chanqseliani (2012), not as many Rachvelis as one would expect ended up enrolling in the best Georgian universities (Chart 2). Thus, despite ranking second on the GAT, R-L-KS was only in seventh place in terms of the share of students admitted to Tbilisi-based universities. Conversely, a disproportionate number of Rachvelis chose to study closer to home (e. g. in Akaki Tsereteli Kutaisi State University, which is in 43rd place on Chanqseliani's ranking of Georgian higher education institutions).

Figure 6. Average General Ability scores, by Georgian regions, 2012

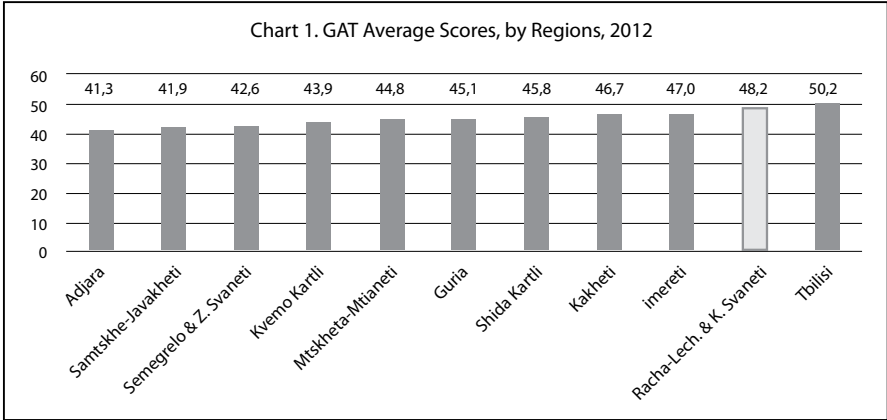
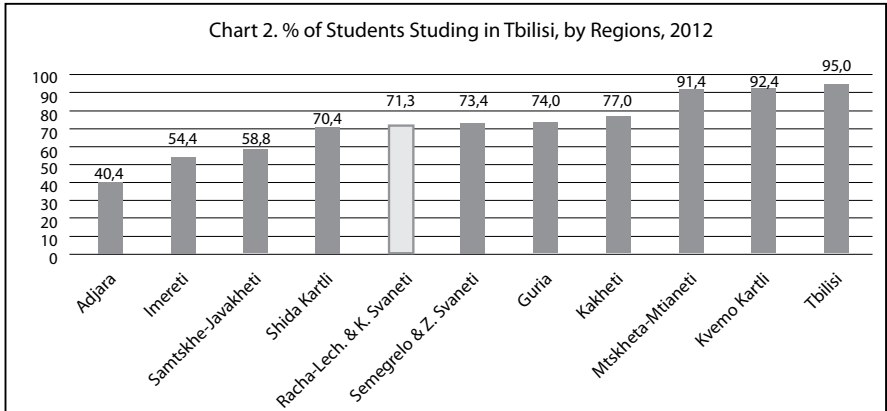


Figure 7: % of students studying in Tbilisi universities, by Georgian regions, 2012



One may discount the significance of Chanqseliani's ranking and Rachvelis' educational choices given the fact that many of the programs offered by Kutaisi State University are of rather decent quality, at least by Georgian standards. Yet, what Chanqseliani's ranking does capture is the quality of *peer and network effects* in education, which are shown to be extremely important factors in determining learning outcomes and future earnings. In other words, the quality of the human environment in which students find themselves early in their

life – not what they study but who they are studying with – has a tremendous impact on their future success. Essentially, by choosing, or being forced, to study in Kutaisi, Rachvelis diminish their chances of moving up the social ladder.

Distance plays an important role in distorting educational choices because government scholarships do not cover the costs of housing and living expenses for out-of-town students. The higher costs of living in the capital may prevent students from Racha and other rural locations from studying in Tbilisi regardless of their GAT performance. It goes without saying that the sorting of students according to distance and cost-of living factors significantly affects educational outcomes, occupations and, consequently, social mobility.

Cash transfers: impact on educational outcomes²⁹

While government scholarships are, unfortunately, biased towards urban elites, other policy tools, such as targeted cash transfers, may be available for the government to fight poverty and create a level field in education.

Importantly, the rationale for cash transfers goes beyond relieving short-run poverty. As explained by eminent development economists Abhijit Banerjee and Esther Duflo in *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*,³⁰ people are poor because of all kinds of detrimental factors, such as family, geography, and just bad luck. Yet they are unable to get out of poverty because they are trapped. Living barely above subsistence level, it is very difficult for them to become more productive because they spend most of their scarce income on food consumption. Unable to invest in skills and education and, therefore, lacking in professional qualifications, the poor remain poor. And, to add insult to injury, so do their children.

If one subscribes to this reasoning, then the availability of financial resources is crucial for getting people out of this vicious cycle. Yet, this policy position is controversial. An opposing view is that cash transfers reduce people's incentives to solve their own problems, with the funds being largely spent on conspicuous consumption (ceremo-

nial activities, movies, televisions, etc.) instead of education, health, and other long-term investments.

Thus, in the end, the effectiveness of such transfer programs depends on what recipients do with the money. Do they squander it or spend it on education and investing in their own skills?

To answer this question in the Georgian context, Zura Abashidze and Lasha Lanchava looked at the impact of the Georgian State Social Assistance Program (SSAP) on university enrollment. The program was introduced in 2005 and continues to run. By using a sophisticated regression discontinuity analysis that compares applicants who are just above and just below the cutoff point for receiving social assistance, Abashidze and Lanchava are able to show that cash transfers increase the chance of university enrollment by 0.8 percentage points – not a minor improvement considering that the university enrolment rate in the sample is 12.7%. The effect is stronger for males (by 1.7 percentage points), possibly reflecting gender-specific preferences (a bias towards males) by parents in the South Caucasian countries. The treatment effect is also stronger (by 1.1 percentage points) for city dwellers (as compared to inhabitants of rural areas). Accordingly, the effect is strongest (by 2.4 percentage points) for male children in urban families.

The study by Abashidze and Lanchava provides support for the effectiveness of the SSAP program in improving educational outcomes for the poor. In essence, they find that the SSAP increases university enrollment for the poor by anywhere between 5% (for rural girls) and 20% (for urban boys). If *unconditional* transfers have such a strong impact on the university enrollment of the poor, the government may consider other complementary approaches to nudge the poor to invest in skills and education. In particular, it might adopt *conditional* transfer programs, such as need-based university scholarships, that would encourage students from poor family backgrounds to continue their education. Such measures would reduce the pressure to leave the educational system and start working early with low education and correspondingly low productivity and income levels.

GETTING OUT OF THE “OVER-EDUCATION” TRAP

Like many countries in Eastern Europe and the former Soviet Union, as part of its “market transformation”, Georgia has experienced an explosion in university enrollment. Still today, thousands of students go every year through low quality economics, management, and legal education programs that bring them not an inch closer to productive employment.

That said Georgia stands out among other transition nations because, beginning in 2004-5, it had the political will to combat corruption in higher education and to set a high quality bar for both students and universities. As a direct consequence of its education policies following the Rose Revolution of 2003, Georgia is one of very few countries in the transition universe that managed to bring college enrollment from the peak of almost 47% in 2004 down to below the 1999 level of 35%.

Of course, Georgia could do much more in terms of weeding out weak university programs. But even then this would solve only a part of the problem. Georgia also has to offer its young generation a viable option of high quality *vocational* training that would help align future workers’ skills with current and future labor market demand. In the absence of such an option, Georgia’s labor market is plagued by a skills mismatch: a surplus of workers with tertiary and secondary general education, and a shortage of workers with technical qualifications. Common symptoms of this disease are high unemployment and employment in low skilled jobs among college graduates, and low monetary returns to tertiary education.

At present, the Georgian Vocational Education and Training (VET) system is failing to perform its role. Inadequately financed and unreformed, it is unable to provide high quality training in relevant disciplines. Moreover, VET training carries a social stigma that makes it even less attractive from the point of view of would-be-students and employers alike.

Regrettably, the situation in the VET sector represents yet another vicious circle. Most public VET colleges lack vision and lead-

ership. Their human resources (faculty and management) have been depleted by many years of neglect and negative selection. While any reform must start with a gradual renewal of faculty, the level of compensation in the VET system makes it nigh on impossible to attract high quality teachers. Not surprisingly, the quality of VET students also leaves much to be desired, resulting in a “garbage in, garbage out” modus operandi. And in the absence of industry linkages, there is no light at the end of the tunnel.

Judging by recent policy pronouncements coming from the very top of Georgian government, Georgian policymakers have realized that the VET system is broken beyond repair through standard administrative interventions such as teacher training, curriculum reform and/or quality assurance measures. The whole concept of vocational training will be apparently reviewed with an eye to getting the private sector – large enterprises and professional associations – directly involved in the operation and governance of professional colleges.

Indeed, by stepping in, the private sector could perform the role of an “external anchor”: sharing its knowhow and resources, influencing the process of strategic planning, operational decisions, key faculty appointments, and budgeting. In fact, Georgia already knows some examples of successful private sector-led transformation in vocational education. A good case in point is the public-private partnership involving Spektri, a vocational community college in Tbilisi’s vicinity, and Knauf, one of the world’s leading manufacturers of modern construction materials and equipment. Given the interest in promoting its products on the Georgian market, Knauf supplies Spektri with sophisticated training equipment (simulators), construction materials and tools, invests in its general teaching infrastructure, engages Knauf professionals in training Spektri instructors, and provides Spektri students and graduates with internships and job opportunities.

Unfortunately, this kind of win-win approach represents an exception to the general rule whereby businesses participate in ceremonial meetings organized from time to time by the Georgian Ministry of Education and Science, which remains the standard setter in

vocational training. This is suboptimal given that government agencies are, almost by definition, not very well informed about changes in technology and labor demand conditions. It would be essential to privatize the “standard setting” function and let professional business associations or guilds not only define the standards and priorities of VET education but also own it (as is common practice in leading industrial countries, such as Germany and Switzerland).

Finally, while the public VET system may take years to be thoroughly reformed, quick results may be achieved by redeploying public resources from some of the dysfunctional professional colleges to alternative training modalities, such as apprenticeship programs administered by interested private companies. Jointly Financed and regulated by government and business associations, business apprenticeships could go a long way in generating demand for vocational training, quickly and efficiently addressing gaps in knowledge and skills, and matching unemployed or underemployed workers to productive jobs. Importantly, such programs would also help buy the time that is necessary to restructure the entire public VET system and bring it in line with the technological demands of the 21st century.

CONCLUSIONS:

INCLUSIVE GROWTH OR NO GROWTH AT ALL!

In less than six months, Georgia will be facing another crucial parliamentary election. The outcome of this political contest is far from certain, yet, regardless of their identity, the winners shall inevitably grapple with the challenge of “inclusive growth” which in Georgia’s specific circumstances is about addressing three interrelated tasks: investment, job creation and economic growth per se; rural and agricultural development, and education.

Arguments have been advanced by some economists that it is perfectly reasonable to expect inequality levels to increase when a country starts to develop from very low levels of productivity, as is presumably the case in Georgia. These arguments find support in a theory that was popularized by Simon Kuznets in the 1950s. Accord-

ing to this theory, market forces tend to bring about higher levels of income inequality in the early stages of development; but, after a certain threshold of average incomes is achieved, this inequality would decrease.

Though perhaps logical, this theory lost its appeal after the 1960s, not least because the group of countries constituting the so-called “East Asian Miracle” – Hong Kong, Indonesia, Japan, South Korea, Malaysia, Singapore, Taiwan and Thailand – demonstrated the possibility of inclusive growth. Now, while the East Asian Miracle demonstrates the *possibility* (and the benefits) of inclusive modernization and industrialization, a key lesson of Georgia’s post-independence experience is that economic growth *must* trickle down in order for it to be sustained.

Indeed, advances in education and technology have changed the nature of politics, and, consequently, the link between inclusivity and growth. Near universal literacy, open access to information and social networks have provided the poor with political mobilization possibilities that were unthinkable in any earlier period of human history. Thus, even though rural development and redistribution policies come at a short-run cost to the economy, they are essential for political stability. And without political stability, no investment, domestic or foreign, will take place.

ENDNOTES

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- 3 US-Georgia Bilateral Investment Treaty <http://www.state.gov/documents/organization/43561.pdf>
- 4 <http://data.worldbank.org/country/georgia>

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- 17 Many enterprises report positive EBIDTA, but are yet to turn a profit given the amount of upfront investment they had to undertake.
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GEORGIA'S SECURITY PREDICAMENT

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Introduction

This chapter addresses Georgia's challenges in achieving national security within a complex and problematic regional and international system. It begins with consideration of the meaning of security, and of the options available to small states in seeking to maximise their security. Although internal security challenges are significant in Georgia, I focus mainly on international dimensions of security. That focus requires examination of Georgia's sub-regional and regional challenges, followed by consideration of ways in which larger European, Euro-Atlantic, and global structures and processes impinge on Georgia security. Of particular relevance here are Georgia's relations with Russia and with European and Euro-Atlantic institutions and the United States. The chapter concludes with discussion of options available to Georgia in addressing its security problematique.

I argue that the principal threats to Georgia's national security lie in its relations with the Russian Federation. The bulk of the more specific internal and regional threats are directly or indirectly linked to Russia. Russia poses an existential threat to Georgia, and has so behaved. Consequently, the principal focus of the Georgian state in its quest for national security has to be on relations with Russia. The policy challenge, therefore, is how to address the challenge from Russia.

I suggest that Georgia's effort to balance against Russia through integration with the EU and NATO, although important, is no panacea because this effort has not, so far, produced an effective guarantee of Georgian security vis-à-vis Russia. The Western focus may have

negative security implications for Georgia to the extent that Russia opposes such efforts and has the capacity to do so. It follows therefore that the solution to Georgia's major security challenge lies not so much in Georgian policy towards Russia or towards the West, but in the evolution of the West's relationship with Russia.

Theoretical Considerations

Many scholars have remarked on the difficulty of deriving a precise definition of security.¹ The meaning of security is value laden and essentially contested.² People seek to appropriate the value content of the concept to their own preferences and purposes. However, there appears to be a broad consensus on its core meaning, which is safety – the absence of threats to core values of a referent object, for example a person, a social group, or a state.

In this chapter, the focus is the Georgian state. I recognise, but will not deal in detail with, the question whether the security of Georgia's people is coterminous with that of the state. After all, Georgia's insurgent minorities might disagree, or they might be thinking of a different state. Within the Georgian majority, some believe that their survival is linked to a close relationship with Russia; many believe it is served by seeking protection from Russia. I take Georgia's core values to be: survival as an independent and sovereign state within its existing and legally recognised borders, wellbeing of citizens, and preservation of Georgia's national identity.

The category of threat is a broad one. Threats can be cultural, political, economic, or military. All of these figure in the analysis that follows. However, I shall concentrate on actual and potential political and military threats. These can be direct, as in the case of Russia's challenge to the sovereignty, independence of choice, and territorial integrity of Georgia (political) or Russia's use of force against Georgia (military). Or they can be indirect, for example, the spill-over of instability in the Northern Caucasus or the possible consequences of a renewal of the Armenian-Azerbaijani conflict over Nagorno-Karabakh.

In theoretical terms, there are two principal ways in which to discuss Georgian external security. One is security complex theory.³ This body of theory focuses on the characteristics of finite geographical spaces populated by states that cannot consider their own security without consideration of the policies of other states in the complex. That is to say, they are interdependent in terms of security. These relations are ones of amity or enmity. Later work⁴ took greater account of the nested and embedded quality of regional security: regions may include sub-regions, they may be embedded in super-regions, and larger regions are themselves embedded in the international system. The relationships between these levels are dialectical; each affects the other. They provide a very useful account of the structure of regional security in general. That account is frequently taught in Georgia and the other states of the southern Caucasus and has generated considerable research on Caucasian security. But it makes few predictive or prescriptive propositions about the behaviour of states in such bodies. That is to say, it is a largely descriptive construct.

The second is alignment theory, in this instance concerning the diplomatic choices that small states make in order to address perceived threats to their security. This body of theory is based on an empirical and descriptive account. But it attempts also an explanatory/predictive element (why do states do what they do and what should they do?). The original framing of alignment theory focused on a binary choice. States balance against power through alliances with third parties, who recognise the same power-political threat, in order to gain protection. Or they bandwagon with the threat, sacrificing elements of their *de facto* sovereignty in order to reassure the source of the threat to their security.⁵

More recently, scholars have questioned this binary choice in two ways. One is to contest the underlying motive. Is it power or is it security or profit?⁶ Second, one might question the statist and external focus of this discourse. Are the primary threats to states or leaders international or are they just as concerned about domestic threats as they are about external ones? Which source of threat dominates may

depend largely on contingent circumstances. For example, in certain circumstances, they might choose an external alliance that allows them to mitigate internal threats to their survival.⁷ Third, the menu of choice regarding alignment may be broader than balancing versus bandwagoning. States might try to hedge against that binary choice, attempting to play both sides of the fence. Or they might “hide”, seeking to avoid the choice altogether.⁸

This body of theory and these distinctions are closely related to the structure/agency debate.⁹ Here the questions are: to what extent is the behaviour of units within a system determined by the structure of that system, and to what extent does unit agency matter, or, going further, to what extent do the choices of agents constitute the structure. It is also related to the debate between neo-realists and neo-classical realists. Neorealism emphasises the role of structure in bounding choices of states and driving them towards the maximisation of power or security in a competitive system, where the imperative is survival. Neoclassical realists attempt a synthetic theoretical account of state behaviour, bridging the gap between structural and agency-based analysis. They suggest that external factors (structural constraint and opportunity) play a dominant role in accounting for state behaviour. However, the response to the outside is mediated in significant ways by domestic structure and process (*e.g.* history and culture, leadership perceptions, the degree to which the state controls foreign and security policy, constitutional distribution of competences between the executive and the legislature).¹⁰ That suggests that states exercise significant agency in their policy choices and/or that domestic structure and process have an important role in determining how states choose to respond to externally originating constraints and opportunities.

These distinctions concerning the options available to small states in a conflictual environment and the impact of external and internal drivers in security policy are fertile ground for analysis of security in the Caucasus. The three countries of the sub-region all face a similar configuration of power; they are surrounded by three more powerful states, Iran, Russia, and Turkey. Yet each of them has chosen a different

solution to this problem. Armenia bandwagons with Russia, Azerbaijan, so far, has attempted to hedge between Russia and the West, and Georgia has clearly attempted to balance with the West against Russia.

Georgia's Response: Historical Background

Concerning Georgia, this choice was not always so. There are four identifiable periods in the evolution of Georgian threat perception and national security policy. The first was the Gamsakhurdia period (1990-91). During that period, there was very little consideration of national security policy, because there was no effective government, and several of the country's regions were actively involved in revolt, or moving in that direction. The leadership was not capable of serious reflection on systemic, regional and local threats. The principal security threats were internal. Eventually, Gamsakhurdia was overthrown and fled the country in January 1992, and was replaced by a military council.

That body invited former Soviet foreign minister Eduard Shevardnadze to return and join them as speaker of the Georgian parliament (*de facto* head of state), initiating the second period (1992-1995). The country was afflicted by three internal crises at the time: the civil conflict in Southern Ossetia, the outbreak of civil war in Abkhazia in 1993, and the launching of a rebellion in Mingrelia by supporters of the deposed president. The rest of Georgia was affected by a full-blown humanitarian crisis. The approach to external relations was dominated by these internal threats to statehood.¹¹ Georgia adopted a hedging strategy.

Recognising their vulnerability to Russia, the government acquiesced to a 1992 Russian-mediated cease-fire in South Ossetia that left much of that region outside central control. In the summer of the same year, a new civil war broke out in Abkhazia. Active hostilities ended in late 1993, again through Russian mediation. There, the Georgian side accepted the interposition of a CIS peace-keeping force between the Georgian and Abkhaz sides. Finally, Russian forces intervened to assist the Georgians in suppressing the rebellion in Mingrelia.

In each of these processes, practical Western assistance in conflict resolution was minimal. No significant Western military assistance was provided to Georgia to assist in the country's effort to handle its internal conflicts. Instead, Western states and their organizations lived in hope that the regional power, Russia, could and would manage conflict along its periphery impartially, including in Georgia. In the case of South Ossetia, Russian engagement was weakly balanced by the Conference on Security and Cooperation in Europe (CSCE), which established a mission of long term duration in Georgia, one purpose of which was to observe the cease-fire. In Abkhazia, although mandating a small deployment of military observers (UN-OMIG), the UN Security Council acknowledged the leading role of Russia in bringing the active conflict to a close, and welcomed Russian facilitation of the settlement and its commitments to contribute to the peace-keeping force.¹²

In its foreign relations, Georgia tilted towards Russia in 1993, joining the Commonwealth of Independent States and the Collective Security Treaty. In 1994, during a Yeltsin visit to Tbilisi the two countries signed a cooperation treaty, one aspect of which was extension of leases on Russian bases in Georgia.¹³ But Georgia quickly developed constructive relations with a number of inter-governmental organizations and Western state development agencies to assist in the country's transition from relief to development and to open the way to broader relations with the West.

In the mid-1990s, Western, and particularly American, policy towards the region shifted, reflecting a growing perception that the Russian Federation was not impartial in its approach to the affairs of its region. That shift created opportunities for the Georgian government to tilt back in the other direction. That was evident in the Shevardnadze government's increasingly insistent and **formally** successful effort, culminating in the Istanbul declaration of the OSCE,¹⁴ to secure Russian withdrawal from military bases on Georgian territory. Russian acquiescence was in some measure a result of pressure from pro-Georgian Western states, and notably the USA. Another exam-

ple of this shift would be Georgia's expression of interest in NATO membership and deepening engagement with NATO's Partnership for Peace. A third is the late Prime Minister Zurab Zhvania's well known comment at the Council of Europe in 1999: "I am Georgian and therefore I am European."¹⁵

In practical terms, the Shevardnadze government, faced with a bilateral crisis with Russia over the Pankisi Gorge, sought, and received American assistance to control the area. That led to the GTEP (Georgia Train and Equip Program), in which US advisors trained Georgian units in counterinsurgency and special operations. After 9/11, the Georgians joined the Iraq operation in August 2003, before the Rose Revolution. Finally, in 1999, Georgia withdrew from the Collective Security Treaty. When Azerbaijan and Uzbekistan also withdrew, the group formed an alternative multilateral regional organization, GUAM.

In other words, the Georgian government during this period tacked back and forth, the direction depending on the severity of internal threats and the availability of external balancing options.

In the Saakashvili period (2004-2012), the Georgian government began with a brief exploration of improvement and normalization of relations with Russia, whose National Security Council secretary Igor Ivanov had facilitated the peaceful resignation of Shevardnadze during the Rose Revolution. Russian cooperation in internal conflict resolution was repeated in May 2004, when Ivanov assisted in the removal of Aslan Abashidze and the restoration of Georgian government control over Adjara. Saakashvili provided a very positive assessment of the warming relationship with Putin and Russia in mid-April 2004.¹⁶ This may have reflected his hope that Russia would assist in the Georgian government's resumption of control over South Ossetia and Abkhazia.

If that was the hope, then the hope was unfulfilled. When in 2004 the Georgian government attempted to restore its sovereign right to control trade and movement across its borders between South Ossetia and the Russian Federation, violence broke out between Georgian and

Russian forces in South Ossetia. At that point, the Saakashvili administration abandoned any pretence of hedging and sought to balance with the West against Russia, through a deepening relationship with the United States and a persistent quest for membership in NATO and the EU. Again, external conditions were propitious: the Bush administration viewed Georgia as a small success in its otherwise disappointing endeavour to promote democracy.

This reorientation was strongly resisted by the Russian Federation, which repeatedly pressured Georgia through a trade embargo imposed in 2006 and, allegedly, military incursions in the Kodori region in 2007. Ultimately, balancing failed when the Russians invaded Georgia in 2008 without a military response from the US and NATO (see below). Russia then detached and recognised Abkhazia and South Ossetia.

The current Georgian Dream government retains the strong commitment of the Saakashvili administration to European and Euro-Atlantic institutions while simultaneously attempting an improvement of relations with the principal threat – Russia. That improvement is limited not least by the Russian government's efforts to establish a sphere of influence in the Southern Caucasus, but also by Georgia's unwillingness to sacrifice its territorial integrity.

To summarise, in the early period Georgia came close to bandwagoning with Russia, in view of domestic risk and international indifference. As internal risks declined and international engagement grew, Georgia shifted towards a hedging position. Over time, Georgia tilted quite decisively towards the West. Despite the war in 2008, Georgia has continued to pursue a clear balancing option vis-à-vis Russia.

Georgia's Threat Profile

Although the focus of this paper is external security, it is difficult to disentangle internal from external threats. It follows that there is merit in brief comment on the internal threat profile of Georgia and how it intersects with the external.

Internal Threats to Georgian Security

Many threats to Georgia's sovereignty, territorial integrity, and stability have significant internal dimensions. Georgia's loss of control over about 20% of its territory as a result of ethnic insurrection and Russian intervention is the most obvious case in point. It is not the only one. Others include:

- The existence of large and incompletely integrated minorities in regions that abut kin states (the Azerbaijani population of Kvemo Kartli, and the Armenian population of Samtskhe Javakheti).¹⁷ Their lower than average association with the Georgian state generates vulnerability to external manipulation.
- Georgia's problematic economic performance, with comparatively low levels of inward investment and domestic capital formation, a rising rate of inflation¹⁸ resulting in part from currency depreciation, high levels of unemployment and much higher levels of perceived unemployment.¹⁹ The stability of a government and the state depends to some extent on its capacity reliably to produce an environment where citizens can prosper. This has yet to be achieved in Georgia.
- High levels of inequality (rich-poor, urban-rural). Research on social violence suggests that, although poverty *per se*, is not obviously related to societal instability, rising levels of inequality are. Moreover gaps between expectations and results are related to levels of violence.²⁰ Social discontent is, again, fertile ground for external manipulation.
- The weakly embedded and contested quality of democratic governance. Two out of three regime transitions since independence (from Zviad Gamsakhurdia to Eduard Shevardnadze and from Eduard Shevardnadze to Mikheil Saakashvili) occurred through unconstitutional processes. The most recent transition from the UNM government and presidency to that of the Georgian Dream was achieved within the framework of the constitution through elections judged to be free

and fair.²¹ However, Georgia has completed only one cycle of electoral transition. By most accounts, it is, therefore, an unconsolidated democracy.²² Events in late 2015 raise the question whether the United National Movement (UNM) and the Georgian Dream are fully committed to the constitutional process. How strong the 2012-2013 democratic transition has yet to be seen.²³

In short, Georgia is a fragile state. It lacks control over a considerable portion of its territory. Its territorial integrity is contested. The political community is weakly integrated. Georgia has substantial internal economic and social problems. Its institutions are in early development. Weak states provide targets of opportunity for interested external parties.

This brings us to the external environment and its threat profile. The threat profile can be examined at three levels: sub-regional, regional, and extra-regional.

The Caucasus

There are three general dimensions to possible threats originating within the Caucasus. One is transnational.²⁴ For example, Georgia is a possible conduit for movement of Islamic militants between the northern Caucasus and the Middle East. The more general point is that the frontiers of Georgia with its southern neighbours and between Georgia and the northern Caucasian territories of the Russian Federation are soft points for the movement of people and materiel into and out of Chechnya and other unstable parts of this region of the Russian Federation. Moreover, Georgia is itself a source of Islamic militants operating in Syria.²⁵ Russian commentary displays considerable sensitivity on this point.²⁶ In January 2016, for example, Russian foreign minister Sergei Lavrov claimed that “We receive reports that ISIL militants are using this hardly accessible territory to train, rest, and replenish their supplies.”²⁷ Russia may perceive Georgia to be complicit in, or incompetent to deal with, this threat to Russian security. That perception may affect Russian behaviour towards Georgia.²⁸

On the other hand, Georgian efforts to control this movement may draw the attention of militant transnational organizations to Georgia itself (see below).

The second concerns interstate relations in the Southern Caucasus. Georgia has reasonably good relations with Armenia, and a close relationship with Azerbaijan. The major problem here lies in the conflict between Armenia and Azerbaijan. The Nagorno-Karabakh conflict persisted from 1988 to 1994 before a cease-fire was achieved through Russian mediation. The outcome left the Nagorno-Karabakh region and surrounding districts in Armenian hands. Efforts through the OSCE Minsk Group to conclude a political settlement have been stymied for the last 24 years. The result is a permanent irritant in the bilateral relationship, as well as frequent recurrences of violence along the line between Azerbaijani and Armenian-controlled territory. Although neither the Armenian nor the Azerbaijani leadership has any obvious interest in the resumption of war, the persistence of this unresolved regional dispute has a number of implications for Georgia's profile of threat. One is the considerable militarization of the region as the two sides have engaged in a regional arms race. Second, the balance of power between Armenia and Azerbaijan has shifted over the period in favour of the latter as a result of large energy export revenues.²⁹ This shift may destabilise the balance underlying the conflict.

Another consequence is closer security relations between Armenia and Russia, which has a large base in Armenia, in proximity to Georgia.³⁰ Both Armenia and Azerbaijan are essentially armed by Russian suppliers. The result is a regional arms race between the two.

Having wooed Armenia away from the EU's Eastern Partnership process in the lead up to the 2013 Vilnius Summit, Russia then convinced Armenia to join the Eurasian Customs Union (EACU) and Eurasian Union (EAU).³¹ In the summer and autumn of 2015, Russian policy towards the conflict became more active. Russian policy-makers seemed to have turned their attention to drawing Azerbaijan into their regional economic union as well. The perceived national security threat to Georgia from Russia will deepen to the extent that Russia

further develops close strategic relations with Georgia's neighbours in the region.³²

The Immediate Surroundings

Turning to the broader surroundings, the transnational movement of Islamic militants was noted briefly above in the context of Georgian-Russian relations. However, the rise of Islamic State (Daesh) adds a different dimension. The former concerns illicit movement of groups who are targeting Russia. The latter concerns Georgia itself. Georgia cooperates closely with Turkey, the United States, NATO, and the EU. All of these are IS targets.³³ Georgia also maintains a positive relationship with Iran, which supports both the Iraqi government and the Syrian government. These are the two principal targets of IS. To radical Sunnis, Iran represents heresy within Islam. Georgia and Armenia are among the closest Christian states to IS's theatre of conflict. It follows that there is a serious potential threat from IS to Georgia arising from Georgia's alignments, and its identity.

At the inter-state level, Turkey and Iran pose no direct threats to Georgia. Nor are they likely to do so in the foreseeable future. Since the collapse of the USSR, there has been continuing speculation concerning the likelihood of Turkish-Iranian competition in the region. However, that alleged competition has been muted and, moreover, limited to the Karabakh conundrum. There, the Iranians have a loose alignment with Armenia because of Iran's occasionally troubled relationship with Azerbaijan and modest concerns about perceived Turkish designs in the region. Turkey has a somewhat harder alignment with Azerbaijan, resulting partly from identity affinity, fuelled by substantial Azerbaijani energy exports to and through Turkey, and also perhaps from a residual concern over the ties between Iran and Armenia. This somnolent competition might express itself more clearly if there were a rapid worsening of the situation in Karabakh, or if the Iranians and the Turks end up in a more direct conflict in the Levant. In any event, both countries have had positive relations with Georgia since 1991.

After the 2008 war with Russia, the Georgian government sought to deepen its relationship with Iran. As one Georgian scholar has suggested, given the failure of Georgia's efforts to secure effective protection from the US and NATO in 2008, it made sense to pursue regional options more actively. Moreover, despite its reasonably close relationship with Russia, and its reliance on Russian cover in the UN Security Council, Iran did not recognise Abkhazia and South Ossetia. One visible manifestation of the deepening relationship was Georgia's granting of visa-free status to Iran in 2011.³⁴ However, Georgia's capacity to develop this relationship further is limited by at least three factors. One is Iranian sensitivity to its relationship with Russia. The second is Iran's limited economic capacity. The third is obvious: cultivating Iran carries risks in relations with Georgia's other major strategic partners – the United States and the EU – both of which, until recently, had sanctions regimes in place against Iran.

There are significant economic benefits from these relations for all three parties in the Georgia-Iran-Turkey triangle. In strategic/security terms, one might interpret the Georgian position in the triangle relationship as an effort at soft balancing. Neither Iran nor Turkey wants its ties with Georgia to be disrupted by Russian interference in Georgia. Both Iran and Turkey have deep and mutually beneficial ties with Russia. In consequence, it makes strategic sense for Georgia to develop these bilateral relations as a weak deterrent to Russia. That interest is strengthened by the weak Euro-Atlantic response to Russia's invasion of Georgia in 2008 (see below).³⁵ However, the weakness of this deterrent is evident in the absence of any significant Iranian or Turkish response to the 2008 war in Georgia, or to ongoing Russian political and military (borderization) pressure on Georgia. In the first place, both Iran and Turkey have focused regionally on interests and threats in the Middle East. In contrast, Georgia is a secondary concern. If forced to choose between Georgia and Russia, both these countries would likely choose to sustain their relations with the latter at the expense of the former.

Moreover, the Georgian effort to cultivate closer relations with Iran has raised concerns in Washington and in Europe. The concern

was focused on sanctions evasion through investment in Georgia and also banking practices. As one US official put it: "We are focused intentionally on shutting down any Iranian attempts to evade sanctions, including through possible business connections in Georgia."³⁶ That is to say, Georgia's efforts to manage regional problems can spill over negatively into the relationship with Western partners. Whether these concerns are attenuated by the Iran nuclear agreement and the imminent relaxation of sanctions remains to be seen.

Russia

Russia is the dominant power in the former Soviet space by numerous measures: geographical area, resource endowment, population, economic size, and military capability. For smaller states in the region, balance of threat theory suggests that it would be a major security preoccupation of smaller states in proximity.

In the abstract, a dominant state seeking to stabilise or to control its periphery has at least three possible approaches, singly or in combination. It can seek to promote and maintain cooperative behaviours and institutions through diplomacy and positive incentives. It can seek to coerce its neighbours into compliance through diplomatic, economic, and military pressure, or through intervention. Or, the stronger party can conquer its neighbours. The Russian Federation has eschewed the first option and has settled for a blend of the second two.

Internal fragility produces vulnerability to external manipulation. Russia has clearly interfered in Georgia's internal affairs, not only in respect of the civil conflicts of the early 1990s³⁷ and the subsequent invasion and occupation of secessionist territories, but also in respect of the dynamics of Georgia's domestic politics.

Transnational regional factors such as cross-border migration create further opportunities for pressure on Georgia. The Nagorno-Karabakh dispute creates opportunities in the region that can be exploited by outsiders. Russia has taken advantage of those vulnerabilities to strengthen its strategic grip in the region.

This section addresses the threat to Georgia from Russia in greater detail. One element is Russian perspectives on the Southern Caucasus and Georgia in particular. First, it should be emphasised that Russia **does** have significant security interests in the Southern Caucasus. It is sensitive to potential spillovers of instability in a region on its southern borders. This includes the trans-border flows mentioned above. It also includes the possibility that instability there leaves opportunities that can be exploited by rival states. In consequence, in terms of threat management, it is predictable that Russia should seek to manage this space in order to mitigate those threats to its own security. That is standard great power behaviour in their “hinterland.”

At the level of foreign policy and security policy doctrine, the Russian government has claimed special status in its “near abroad,” “sphere of influence,” or “sphere of interest” – the former Soviet space. This trend predates the Putin era and extends well back into the 1990s.³⁸ It was reinforced by Russian President Putin’s speech at the Vehrkunde International Security Conference in 2007, where he stressed that US unipolarity was unacceptable to Russia.³⁹ In April 2008, Putin warned specifically against NATO enlargement to Georgia and Ukraine.⁴⁰

The same concern was evident in President Medvedev’s proposal, and then in the draft treaty, on European security. The first article stated that any security measures taken by any party including in the framework of military alliances would be implemented with due regard to security interests of all other parties.⁴¹ NATO enlargement into Russia’s “near abroad” falls into that category.

The 2010 military doctrine identified the extension of NATO military infrastructure in proximity to Russian borders through expansion of the alliance to be a major “external military danger” to the Federation. In 2012, the *Foreign Policy Concept of the Russian Federation* noted Russia’s “negative attitude towards the expansion of NATO, notably to the plans of admitting Ukraine and Georgia to membership in the alliance, as well as to bringing the NATO military infrastructure to the Russian borders as a whole.”

The warning about Georgia was escalated by Russia's Ambassador to NATO in 2012:

As far as Georgia is concerned, I am sure that NATO understands the seriousness of consequences that any step towards further engagement of Georgia with the alliance will have for Russia-NATO relations and European security.⁴²

One could multiply such examples. But the message is clear and consistent. Russia has a hierarchical view of international relations in the former Soviet space. In that view, Russia has a *droit de regard* in this space. In their view, that "right" should be respected both by outsiders (e.g. NATO, and increasingly the EU) and by other states in the region. Those states' sovereignty is deemed partial and dependent on the interests of the dominant power. For example, the Russian position denies other states the right to choose their own security arrangements. And, as is implicit in the draft European Security Treaty mentioned above, other Euro-Atlantic states should recognise their obligation not to undertake security initiatives that Russia might deem threatening.

These are not purely theoretical and doctrinal propositions; Russia acts upon them. There is a consistent pattern of intervention in the region to uphold these principles. As Russia restored military capacity, the scale of action escalated. In the 1990s, it was limited to small scale interventions in civil conflicts in order to be able to influence the policy choices of neighbours. In the late 2008, the Bucharest NATO Summit, where the alliance committed to the principle of Georgian and Ukrainian membership, was followed by Russia's invasion of Georgia, the detachment of Abkhazia and South Ossetia, and, in contrast to previous Russian policy, recognition of the two regions of Georgia as sovereign states.⁴³ That was followed by the conclusion of military cooperation agreements between Russia and the breakaway entities, formalising Russian occupation of Georgian territory.

In 2010-2011, the Federation proposed a Eurasian Economic Union that, if adopted, would constrain the European Union's effort to build closer ties with, and presence in, the economies of six former

Soviet states. As the first formal EU association agreements loomed in 2013, Russia prevented Armenia from concluding its association process. Attention then shifted to Ukraine. Here the Russian government bribed Ukraine's President Viktor Yanukovich away from association. He was overthrown, not least in view of his seeming abandonment of Ukraine's European aspirations. Branding the successor government as fascist and the result of an unconstitutional coup d'état, Russia annexed Crimea,⁴⁴ and then intervened in eastern Ukraine.

The change in government in Georgia in 2012-3 has had some positive impact on Georgian-Russian relations. Tendentious russophobic rhetoric has largely disappeared. The Georgians have attempted a bilateral diplomatic process to improve the bilateral relationship. Russia has reciprocated through the removal of the 2006 embargo on imports from Georgia. However, that improvement is limited by a number of fundamental disagreements between Russia and Georgia. At a general level, progress is constrained by Russian unhappiness with Georgia's Western orientation. More specifically, the two states disagree on the status of Abkhazia and South Ossetia. Russian decision-makers maintain that Georgia should accept the facts on the ground. The Georgian government is unwilling to accept the violation of its territorial integrity. That in turn prevents normalization. Russian forces and their local allies have proceeded with a creeping expansion of their area of control around South Ossetia.

In short, Russian policy-makers seek to control a space they deem to be theirs by right, and in so doing, the Russian government engages in coercive behaviour to interfere with Georgia's sovereign choices to build security and economic associations with the West, and to strengthen their position in bilateral relationships within the region.

The West as Solution

In short, Georgia has many internal, transnational, and external security challenges and threats. The question arising is the extent to which Western assistance and solidarity can assist Georgia in meeting these threats. Some of these challenges, for example unemployment

and inequality, or the alienation of large ethnic minorities have to be addressed through the policies of the Georgian government itself. Outsiders can assist, but the answers lie in the policies chosen by the government of Georgia to deal with them and the effective implementation of those policies. To the extent the government implements effectively, the possibility that outsiders may take advantage of these vulnerabilities is mitigated.

Transnational challenges require joint responses by regional states, although the West can assist through provision of expertise, capacity building and finance, for example in areas such as trans-border criminality and illicit migration. There is also a role for external support in mitigating the possibility of external spillover from regional disputes, such as that in and around Nagorno-Karabakh.

I have suggested that the most serious threat is that from Russia, a state that does not accept the equal sovereignty of Georgia, has partially dismembered the country, and has engaged in economic coercion and the aggressive and illegal use of force against Georgia. Georgia clearly lacks the means to address this threat on its own, given the asymmetry of power and capability. To what extent can the asymmetry of power between Georgia and Russia be redressed by support from Western states and institutions? Are these actors willing to accept this responsibility and the attendant risks?

In terms of the discourse on alignment choice, Georgian policy since the 1990s has steadily expressed a desire to join European (the EU) and Euro-Atlantic (NATO) institutions. The country has concluded agreements on strategic collaboration with the United States, and with NATO, and an Association Agreement with the EU. It has done so in the hope of achieving full membership in these institutions. Elite discourse and public opinion clearly suggest that this direction is widely supported.

Both institutions have sought to reach out to the republics of the former Soviet Union. In NATO's case, the outreach began with the Partnership for Peace, and from 1994-1995 the alliance began considering membership for partners. By 2007 the first stages of enlarge-

ment had been completed with the inclusion of all former Warsaw Pact members, as well as the three Baltic republics. The enlargement effort was paralleled by efforts to institutionalise cooperation with Russia, first through the Permanent Joint Council established in 1997, and then through the NATO-Russia Council (from 2002). The question remained: what was to be done to develop NATO's relationship with the western and southern states of the former Soviet Union?

The Bucharest NATO Summit in 2008 provided considerable insight into how or whether NATO was going to answer this question. The issue of NATO membership for Georgia and Ukraine was raised. It rapidly emerged that there was significant disagreement within the alliance on the subject, with some members strongly supportive, and those enjoying closer relations with Russia being hostile to the idea. The outcome was a fudge, whereby the two states were denied Membership Action Plans, but were promised eventual membership.

We have already seen that these states' membership in NATO was unacceptable to Russia. Some have suggested that the Bucharest decision was a crucial factor in provoking Russian military action in the summer of 2008. Others rightly note that Russia had been preparing for invasion for some time anyway, so the causal role of the NATO decision was unclear. What is clear is that NATO took no decisive action to defend Georgia once the conflict broke out. Nor did the activities of Western states acting individually have any significant impact. President Sarkozy, in his role as President of the Council of the EU, successfully mediated a cease-fire agreement in the war, but the agreement was hasty and badly formulated. It left the Russians in a position to pursue their agenda further while arguing that their behaviour was consistent with the terms of the agreement they had signed. The US military response was limited to the delivery of humanitarian assistance by warship at the end of the conflict. That action provided a small symbolic expression of US support for Georgia, but had no concrete effect on the outcome. It is often argued US diplomatic intervention during the war prevented Russia from achieving what many believe was its objective to remove Saakashvili.

However, the Russians did not have the forces on the ground to deliver that outcome anyway. Moreover, attacking Tbilisi itself would have been highly damaging in the wider diplomatic arena. Instead, they were likely expecting that Georgians themselves would get rid of their president.

The reasons for NATO inaction are fairly obvious. In practical terms, the military situation evolved too rapidly for NATO to respond effectively in a theatre where Russia enjoyed conventional superiority. In political terms, it would have been very difficult for the NATO Council to agree such action anyway, given the divisions within it just mentioned.

Since 2008, and partly in response to the 2008 war, NATO and Georgia have intensified their cooperation through the NATO-Georgia Commission, established in 2008. The NATO Wales Summit (2014) agreed to deepen the cooperation further. The latest phase in this effort was the establishment of a NATO-Georgia joint training centre at Vaziani in August 2015. Georgia, meanwhile, has strived mightily to demonstrate that it is a producer as well as a consumer of security for NATO and NATO allies through substantial troop deployments, first in Iraq and then in Afghanistan. In doing so, there has been substantial loss of life. Georgia has demonstrated its commitment with the blood that its soldiers have shed.

However, what is not there may be more important than what is there in terms of Georgia's effort to seek alignments that balance against Russian regional preponderance. So far there has been no obvious movement towards membership, which would entail a NATO commitment under Article 5 of the treaty to defend Georgia against attacks. Nor has there yet been any willingness on the part of the alliance to grant Georgia a Membership Action Plan. One could be forgiven for the conclusion that Russia has a veto, and, therefore, that whereas in theory NATO endorses Georgia's right to choose its security arrangements, in practice NATO is unwilling to accept the consequences and risks of Georgia's choice, and therefore the alignment that Georgia seeks is weak.

A similar observation may be made concerning US engagement with Georgian security. When push came to shove in 2008, the Americans did not come to the rescue. Although providing major assistance in reconstruction and putting Georgia's military back together, the American government has consistently refused Georgian requests for equipment necessary for dealing with the imminent threat posed by Russia (for example, advanced anti-tank, and air defence systems). The United States did sign a bilateral Charter on Strategic Cooperation, but once again that falls short of the security guarantee that Georgia seeks.

The EU is less significant to Georgia in security terms. However, EU membership might have some deterrent value in Georgian-Russian relations, not least given the overlap in membership between the EU and NATO. In 2003-4, the EU faced a challenge similar to that of NATO. It had completed its enlargement into Warsaw Pact Europe plus the Baltics; the question was what policy should be adopted towards those farther east. The first iteration was the European Neighbourhood Policy, ostensibly designed for deeper cooperation political and economic cooperation in the effort to ensure a stable wider neighbourhood. However, as one observer noted, given the effort and resources consumed in earlier enlargement rounds, and the consequent "enlargement fatigue," the policy was also designed to "stave off yet another round of enlargement."⁴⁵ That was the case even though the attitude of Russia towards the EU was fairly benign.

The policy outcome was not very impressive, given the modest financial resources committed to it and the absence of the EU's major carrot to incentivise compliance: the prospect of membership. Those member states with strong interest in the eastern direction (notably Poland and Sweden) began in 2008 to push for enhancement of the neighbourhood initiative. The war in 2008 accelerated this movement producing the Eastern Partnership Programme (EaP) in 2009. The EaP was to culminate in association agreements involving deep and comprehensive trade as well as liberalization of visa regulations in time for the 2013 Vilnius Partnership Summit.

The Vilnius Summit has already been discussed. However, several summary observations are pertinent. One is that, even though the emergence of partnership out of neighbourhood policy involved an increase in the allocation of resources to the eastern neighbourhood, the total allocation remained modest in comparison to the EU's investment in the previous decade's enlargements. Second, the partnership, like the neighbourhood policy, provided no clear perspective on membership. Deepening cooperation may be a substitute for, rather than a path towards, entry into the EU.

Third, Russia's intervention in Ukraine has produced significant EU (and US) sanctions on Russia. That is a significant development. But Ukraine is not Georgia. The EU took no significant material measures against Russia in response to its invasion of Georgia. Instead, along with others, it paid to sweep up the broken glass. Neither the EU, nor NATO, nor the US, have retaliated against Russia for its borderization practices in Georgia or Russia's violation of the EU-mediated 2008 cease-fire agreement.

Conclusion

The conclusion is straightforward. Internal security challenges are up to Georgia and its government, although Georgia has received and will continue to receive external assistance in trying to address them. Transnational security challenges are also a matter for Georgia, but can also require cooperation with neighbours. This is problematic, because two of Georgia's neighbours are effectively at war with each other, and because Georgia's principal neighbour – Russia – is actively hostile.

The large security challenge for Georgia is Russia. Georgia has been committed to balancing against that threat through exploring integration with European and Euro-Atlantic institutions and also through the development of a close, multi-faceted relationship with the United States. The problem with balancing is that in order to do so successfully, one needs a willing balancer. Western institutions have been consistent on the rhetoric of solidarity, but have been re-

luctant to deliver concrete commitments through accepting Georgia into their institutions or defending Georgia against this major threat. In the meantime, the advocacy of entry into Western institutions has been perceived as provocative by Russia, while cooperation with those institutions has not provided a deterrent or defence against the Russian response.

That raises questions about whether balancing is the best option, or whether bandwagoning or hedging is a more promising direction. The problem with bandwagoning is the question of how much Georgia would have to give up in order to pacify Putin. Moreover, any attempt to abandon the Western orientation would provoke substantial domestic resistance.

There are several problems with hedging. It might reduce existing levels of assistance from the West, which are, to a degree, a response to Georgia's expression of commitment to the West. Georgia may not have a resource endowment sufficient to try to go its own way. In the event Russia did not wish to play a hedging game, Georgia would become even more vulnerable than it is now.

The fundamental problem for Georgian security is that Russia holds all the major cards and no one is reshuffling the deck in Georgia's favour. This is a pessimistic conclusion. However, the larger international situation is quite dynamic at the time of writing. Russia has been profoundly hurt by the drop in energy prices. Lower prices are expected to continue for some time. The economic base for Russia's capacity to project its power into its periphery is shrinking.⁴⁶ In the meantime, Russia's attention has shifted to Syria, and its position as a global power with interests in the Middle East. Russia's association with the Assad regime has drawn the attention of Sunni movements in Syria. One consequence appears to have been the bombing of a Russian civilian aircraft with large Russian loss of life. In the meantime, IS has attacked France and has mounted a serious threat of terrorism throughout Europe, evident in the Brussels events in March 2016.

In six months, we went from deep alienation between Western states and institutions and Russia to a conversation about deep co-

operation to address a global shared threat: terrorism: "During the same period, Russia and the West brought their joint cooperation on Iranian nuclear programmes to a successful conclusion." This may affect Georgian security negatively or positively. If such an "alliance" transpires, then part of the price may be that Western collaborators, focusing on a more threatening target, acquiesce in what Russia is doing in the Caucasus in return for Russian cooperation farther afield. On the other hand, inasmuch as Russia itself is concerned by the threat from Islamic state and wants Western cooperation in dealing with it, they may seek to avoid actions that complicate efforts to build this coalition. In addition, if we believe that Russia's assertion in the region is in part a product of concern about losing a competition with the West, being part of a shared venture with the West where Russia is perceived to be an equal and critical player may assuage those competitive concerns. Finally, being treated as an essential, and equal player in a struggle to deal with a global threat addresses concerns about being marginalised or ignored in international affairs outside the region. That is to say, it may address their preoccupation with status inconsistency.

In short, to the extent that Georgia's existential security concern with Russia can be addressed, it will not be so much by the effort to "get into Europe". Instead, the solution to the problem depends fundamentally on how the relationship between the West and Russia evolves.

In the *longue duree*, it is worth remembering several things about Georgia's history as it relates to security. The Caucasus has always been a conflicted neighbourhood. Georgia, for most of its history, has been surrounded by more powerful actors. They have sought to control the space in between them. Many times, Georgians have been the victims of their enterprise. For much of that history, Georgia has been fragmented by outsiders. At some points in that history, Georgia has sought the assistance of Europe to balance. Generally, it was not forthcoming.

The current period is the longest period of independence and the unity of eastern and western Georgia for a very long time. Given the

security challenges that Georgia faces, that is a major achievement. Georgia so far has managed to navigate its problematic environment of threat fairly successfully, with the exception of the 2008 Russian invasion.

But the basic threats have not changed. Engagement with the West helps, because it provides soft deterrence vis-à-vis Russia. The more engaged the EU and NATO are in Georgia, the more Russia has to think about the consequences and risks of precipitate action against Georgia. But the West (Europe, NATO, the US) are no panacea, since they do not perceive their interests to be sufficiently engaged to warrant Georgia's defence.

And then there is the future. The Caucasus is a highly volatile security environment. The removal of sanctions on Iran makes Iran a more attractive partner for Georgia. On the other hand, Iran's re-entry into the region raises concerns about the possible revival of Turkish-Iranian rivalry there. One unintended consequence of Russian engagement in Syria has been a significant rupture in previously cooperative Russian-Turkish relations. That generates a new vector of conflict between two neighbouring powers, with Georgia in between.

Russia recently announced the end of its military operations in Syria and demonstratively withdrew some of its forces there. To the extent that this withdrawal is real and substantial, it releases the front end of its military for new ventures in its immediate periphery. In April 2015, the tensions between Armenia and Azerbaijan have revived as a result of a major military incident in Nagorno Karabakh. How these factors play out is unknown.

The extent to which Georgia has agency in determining its own national security future is limited. One thing is clear: Georgia can exercise that limited agency only to the extent that the nation is cohesive, and that the leadership is subtle, flexible and adaptive.

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