

Event report

BÖLL TEA BRIEFING

One Year after its First Democratic Change of Government: Georgia on the Road to Europe? ¹

In Georgia, the victory of the electoral coalition ‘Georgian Dream – Democratic Georgia’(Georgian Dream Coalition) led by the popular billionaire Bidsina Iwanishwili in the parliamentary election in October 2012 brought about the first democratic change of government in the history of the country. With the election of Giorgi Margvelashvili as fourth president since independence, the era of Mikheil Saakashvili and his party United National Movement seems finally over. The Georgian people will not easily forget the authoritarian character of his government: during the last months many court cases have been launched against several of his top allies on charges of abuse of power. With great interest, Georgians looked forward to the forthcoming Summit of the Eastern Partnership (EaP) on 28-29th of November in Vilnius, where the EU Association Agreement between the European Union and Georgia was expected to be initialled. In contrast to its South Caucasian neighbour countries Armenia and Azerbaijan, Georgia explicitly orientates itself towards Europe and by doing so also seeks the protection of the West against its northern neighbour Russia. The unresolved ethno-political conflicts of the past 20 years define Georgian-Russian relations and, at the same time, also dominate Georgia’s relation with the secessionist regions Abkhazia and South-Ossetia.

What are the biggest challenges for the Georgian government on its road to Europe and how can the reform approaches be consolidated? What are Georgia’s perspectives after the (fiasco of the) Vilnius summit? Will it be able to manoeuvre its way between its EU perspectives and ambitions and the ambitions and the plans its northern neighbour Russia has in mind for the region? And finally, again against the background of the Vilnius Summit, where AA and DCFTA Deep and Comprehensive Free Trade Agreement agreements with Georgia and Moldova were initiated which should be signed in mid-2014, but everything else more or less came to a sudden stand still: is there really still a roll for the EU to play in the South Caucasus? Does it really want to, considering the fact that, in fact, not all Member States have shown a great interest in the EaP and most Member States currently seem to be rather self-absorbed at the time.

2013 has been an interesting year for Georgia as the government and civil society have worked to stabilise its democracy and positioned itself for EU association while Russia tries to strengthen its political power in the South Caucasus by e.g. signing an agreement with Armenia. One year after the parliamentary elections much has changed for the better in Georgia but there is still some way to go, especially in terms of unemployment, economic development and the still unresolved issues with its neighbour Russia.

¹The event took place on 4 December 2013. Guest speakers were **Ivlian Haindrava**, director of the South Caucasus Studies Programme, Republican Institute, **Manana Kochladze**, chairwoman Association ‘Green Alternative’, Regional Coordinator for the Caucasus, CEE Bankwatch Network and **Amanda Paul**, Policy Analyst and Programme Executive, European Policy Centre. The event was held under Chatham House Rule. The opinions expressed do not necessarily represent the opinions of the Heinrich-Böll-Stiftung.

The post-elections political sphere: is more pluralistic than ever before and the overall trend has been one for more humanisation. In contrast to Saakashvili's last year in office, which was characterised by the state becoming more autocratic, people no longer fear to talk freely, attend protest or go on strikes and the new government has introduced a large scale amnesty. This has largely been a product of the coalition's work but certain risks remain. Evidently, coalitions always face the risk of internal collisions and contradictions but this also means there is a much lower risk of the government dominating the social and political life as it was the case under Saakashvili. Furthermore, the presidential elections happened in a much more positive atmosphere, as for the first time in recent history Tbilisi did not play host to large scale confrontations and the results were not contested by the political actors.

Democracy and stability

While the free parliamentary and presidential elections have been good for democracy, the main question is how stable it is. The upcoming local elections will be an important test for its stability. Decentralisation has been one of the important reforms started by the government. This means devolving powers to regional authorities who still lack the skills to deal with these issues. Nevertheless, starting this reform is a big step forward as this reform has been talked about for a long time.

A major change since the elections has been the increasing dialogue between civil society and government. This is not yet perfect in every sector but the establishment of a commission on illegal surveillance and the destruction of surveillance videos of sexual nature by the ministry of interior, show that the government is committed to democratic reforms and that the era of black mail has come to an end. On the other hand the judiciary system still needs improvement as there are many unresolved cases of the government disowning people or people suddenly 'gifting' their property to the government. Moreover, a major flaw in the democratisation of Georgia remains the weakness of the political structures and parties. Many parties do not have strong political platforms and often deviate strongly from their campaign promises, e.g. the coalition promise to stop building new dams, which was reneged on recently. The current coalition party Georgian Dream cannot be characterised as a 'real' party and it is unclear what it will look like in 6 months. The same can be said for the National Movement and shows that there is a lack of political culture and tradition in Georgia which needs to be developed in the future.

Major challenges

The social and economic agenda still poses the largest problem. Foreign direct investment flows have decreased and remaining flows are often offshore flows from Georgians. The government, however, has not been able to come up with a clear answer to the economic challenges. There have been ideas to focus on the energy-intensive industry and tourism but this seems unrealistic looking at the current structure of the Georgian economy. Some headway has been made in the agricultural sector where farmers were strongly assisted but this does not represent a long-term policy yet. A regional development policy, in conjunction with the EU strategy, has been put in place and in 2014 the important rural development strategy will be worked on.

Georgia also needs to do more in terms of its environmental policy which is far from the EU directives and norms. For example, it is not necessary to conduct environmental impact assessments when extracting oil or coal. While there is work being done to harmonise the law with EU law it is expected to take a very long time. Yet, it is necessary to address issues such as air pollution, with 70% of emissions coming from transport as there is little regulation on types of cars allowed on Georgian streets. Another area is the education policy. It currently is

being reformed and universities have become freer from the ruling party but more engagement from the civil society is necessary as it forms an important part of Georgian modernisation.

Meanwhile, Georgia's foreign policy orientation has remained largely unchanged. The euro-Atlantic orientation is still being followed by the new government, a sign of the growing maturity of the political elite. In the latest polls 81% of Georgians supported the idea of EU affiliation but knowledge about what EU membership entails remains limited. For most Georgians the EU simply represents a secure place where living standards are high. This public opinion obviously means that within the coalition there is virtually no talk about potentially joining the customs union with Russia.

2014 will challenge the new leadership as it will be difficult to go from initialising the association agreement to signing it. Moreover the NATO summit in September will show the future direction of Georgia's foreign policy in an increasingly fragmented South Caucasus. Russia's involvement has meant that Armenia has been pressured into joining the customs union and Azerbaijan remains uncommitted to either the European or Russian path. As a result the security situation in the region has deteriorated and the EU needs to try harder to achieve a consistent dialogue with Russia in relation to its geopolitical interest. In that context, the remarkable change in Georgia in the last 10 years towards democratic elections, peaceful transition of power and a strong opposition could potentially inspire the societies in Armenia and Azerbaijan to put more pressure on their government. Therefore, the EU needs to up its game via economic and political support and especially visa liberalisation to show these countries that the EU can deliver tangible advantages.

In terms of its policy towards Abkhazia and South Ossetia the changes have been of philosophical nature, as the Georgian government has realised that its conflict not only lies with Russia but also with Abkhazians and South Ossetians, which means that even in the unlikely case of a Russian retreat, the conflict would not automatically be resolved. Nevertheless, the conflict with Russia is a key issue and the population mostly sees Russia as a threat. Scenarios that are being considered are a Russian embargo on Georgian goods, the issue of Georgian workers in Russia who could be expelled and possible attempts by Russia to create unrest in Georgia. If one of these scenarios were to happen it would not ruin Georgia but if all these scenarios came into force they would together lead to major problems. Not to be neglected is also a military scenario. Russia has committed to reinforcing its military in the South Caucasus region and in case of an armed conflict between the West and Iran, Russia would want land access to its Armenian base, which would necessarily lead through Georgia and could create huge problems.

Eastern Partnership and Turkey

For the time being, the Eastern Partnership has not totally collapsed, mostly thanks to Georgia and Moldova. However, it is coming apart at the seams and a significant group of EU countries would not mind if the South Caucasus would disappear from the EU's field of action. In general only 5 or 6 countries, mainly from Eastern Central Europe, support the EaP and as result Georgia might actually be more committed to it than the EU itself.

Turkey therefore represents a major strategic partner for Georgia as its neighbour which is also going through the accession process to the EU. However, the process cannot be compared very easily as Turkey is a much larger country and its accession is more of a tectonic process. On the other hand, Turkey is Georgia's largest economic partner and is instrumental in helping Georgia achieve the standards required for its NATO membership. As part of Turkey's policy of

energy diversification, Georgia also play a crucial role as it is part of the transit corridor and therefore is part of the security arrangement with Turkey, Azerbaijan to protect the pipelines.

Conclusion

Overall, things seem to be looking up in Georgia. Since the last elections it has become a much freer and democratic country. While deficits remain, if these can be overcome, Georgia will be on track to become a 'European country'. Tackling the economic problems, further engaging civil society, achieving the association agreement and preserving past achievements would put Georgia on a path to further development and would also allow it to maintain its significant head start compared to the other Caucasian countries.



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