

Research Paper

S. Neil MacFarlane

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# Two Years of the Dream

## Georgian Foreign Policy During the Transition



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## Summary

- Since coming to power in late 2012, the Georgian Dream coalition has encountered an extremely challenging foreign and domestic policy environment – marked, in particular, by the difficulty of balancing relationships with the West and Russia respectively. In its first year, the government’s foreign policy was impaired by inexperience and lack of professionalism, as well as by confusion and dysfunctionality caused by the sharing of power with President Mikheil Saakashvili of the United National Movement.
- However, the new government learned from its mistakes and its foreign policy-making subsequently became more effective.
- Pragmatism and the depoliticization of economic issues have improved Georgia’s relations with Russia, but the process of normalization was truncated by disagreements on fundamental points arising from the 2008 war, and by Russia’s continuing unwillingness to accept Georgia’s right to choose freely its security arrangements.
- The relative success of Georgian Dream’s foreign policy so far has been largely a product of exogenous circumstances that encouraged the West and Russia to look more favourably on Georgia. The West’s disapproval of Georgian Dream’s justice agenda against former government officials did not prevent Georgia from signing an association agreement with the European Union and an enhanced programme of cooperation with NATO. Furthermore, the Georgian government achieved this without encountering significant interference from Russia.
- However, there appears to be little prospect for – and no clear government strategy towards – normalization of the relationship with Russia or membership of NATO and the EU.
- The evolving internal political situation may weaken the government’s capacity to monopolize foreign policy. The unity of the governing coalition is at risk. Opinion polls show increasing popular ambivalence towards Georgian Dream. Public support for Georgia’s Western orientation is strong but diminishing.
- Georgia is vulnerable to potential instability in its immediate region. Russia’s moderately benign policy towards it may change, as suggested by the signing of security treaties with Abkhazia and South Ossetia. There is no evidence that Western partners would meaningfully support Georgia in the face of direct Russian pressure.

## Introduction

Over the past couple of years, Georgia has witnessed not only significant political change at home but also important foreign policy developments. The victory of the Georgian Dream coalition in the parliamentary elections of October 2012 ended nine years of rule by the United National Movement (UNM) of the then-president, Mikheil Saakashvili.<sup>1</sup> This began a period of political transition, initially with Georgian Dream's founder, Bidzina Ivanishvili, as prime minister. The transition was reinforced a year later when Georgian Dream's Giorgi Margvelashvili defeated the UNM candidate in the presidential election.

Georgia's strategic position leaves its leaders little room for error in foreign policy. Any mistakes can have dramatic negative economic and developmental effects. They can also provoke very damaging external responses, as recent history has shown. Since late 2012, Georgia's political transition has brought to power a leadership with little or no foreign policy experience. Paradoxically, this period has seen significant improvements in relations with Russia as well as with the West.

Dealing with Georgia has been a challenge for the European Union for many years. As with the other Eastern Partnership states, the EU has never made clear its view on possible Georgian membership. Georgia's poor relations with Russia impeded the EU's effort to make Georgia a pillar of the stable, peaceful, democratic and liberal neighbourhood that is a central element of its security strategy. The domestic policies of Saakashvili and the UNM government breached the liberal and democratic standards in the EU's neighbourhood policy. In addition, progress on trade was hampered by the reluctance of the UNM government to accept key elements of the EU's reform agenda.<sup>2</sup>

NATO also has had considerable difficulty in defining its relationship with Georgia, as with other aspiring members in the former Soviet space. Deepening partnership with these states was a NATO priority but, as with the EU, it has never been clear, except for the Baltic republics, whether this implied eventual membership. Georgia aspires to NATO membership, and the alliance has accepted this possibility in principle. Meanwhile, NATO enlargement runs against Russia's definition of its security interest, and Russia has a competing regional security integration project. Given that Russia also occupies about 20 per cent of Georgia's territory, enlargement encompassing Georgia would carry significant risks for NATO. Furthermore, while the country arguably needs NATO for security purposes, the potential benefits to NATO of Georgian membership are obscure. This is despite the latter's provision of troops for the NATO-led International Security Assistance Force (ISAF) mission in Afghanistan.

Georgian Dream encountered an extremely challenging foreign and domestic policy environment when it came to power. On the domestic side, it faced significant popular pressure to deliver 'justice'

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<sup>1</sup> Georgian Dream is, in the first instance, a coalition of civil society and political groups that opposed the government of Mikheil Saakashvili's UNM. The coalition was founded by Bidzina Ivanishvili in late 2011. The Georgian Dream Party is the largest party within the coalition. The other parties range across the political spectrum, from traditionalists (the Conservative Party, the National Forum) to liberal democrats (Our Georgia-Free Democrats, the Republican Party).

<sup>2</sup> These included competition policy, the labour code, phytosanitary and food safety regulations, judicial independence, and judicial and police practices.

through the indictment, detention and prosecution of former government officials and UNM politicians for alleged violations of the criminal code. In foreign policy, relations with Russia had been deeply hostile under Saakashvili, especially since the 2008 war between the two countries. Western partners that had been close to Saakashvili were surprised by the UNM's electoral defeat and ambivalent towards the new government. They had no established relations with the new leadership and were suspicious of its alleged links to Russia. In this context, the new government had two major foreign policy priorities: improving the relationship with Russia, and accelerating the country's integration into the EU and the transatlantic community through NATO. In domestic policy, it chose to pursue the justice agenda. This combination contained two potential contradictions. Getting too close to Russia might sabotage the effort to achieve better relations with the West and vice versa. And prosecuting former officials complicated the effort to draw closer to Western institutions.

Yet, despite some stumbles, the Georgian Dream government has managed to make considerable progress on most of its foreign policy objectives. Relations with Russia have improved significantly, reopening an important trading relationship. At the same time, relations with Western institutions have deepened. Georgia initialled an association agreement with the EU in November 2013. Partly prompted by the crisis in Ukraine, the EU accelerated the process that led to signature of the agreement in June 2014, which the European Parliament ratified in December. This happened without the kind of interference from Russia that Armenia and Ukraine experienced over the same issue. In addition, although Georgia failed to obtain the NATO Membership Action Plan (MAP) that it had sought at the organization's September 2014 summit, NATO agreed to enhance cooperation with it. At the same time, the government has delivered on popular demands for members of the previous government to be held to account for alleged corruption and abuse of power.

This is a puzzlingly positive outcome, which this paper seeks to explain. The paper begins with a brief discussion of the background to Georgian Dream's electoral success. It then analyses the major challenges Georgian Dream faced in foreign policy and its performance in dealing with them. The paper concludes by considering how sustainable this success is, given that it is due mostly to factors outside Georgia's control.

## Background

In 2003 Georgia's long-standing president, Eduard Shevardnadze, was ousted in a peaceful mass protest, the Rose Revolution. Mikheil Saakashvili, one of the protest leaders, became president in 2004. He spent the next eight years building up the state, with substantial support from the United States and the EU. A radical turn towards the West, NATO and the EU was the lynchpin of his foreign policy. One consequence was a deterioration in relations with Russia, which culminated in the war of 2008. Russia followed its military victory by consolidating its occupation of Georgia's two breakaway territories, Abkhazia and South Ossetia, and recognizing them as sovereign states.

This disaster in foreign and security policy was accompanied by serious difficulties in domestic policy. Saakashvili's liberalizing reforms failed to address unemployment, falling agricultural output

and persistent large-scale poverty.<sup>3</sup> The economic challenges were augmented by the burdens of dealing with internally displaced persons and Russia's trade embargo. Growing popular dissatisfaction was largely hidden, and the opposition was fragmented and without effective leadership. The government systematically used state resources against its opponents and non-compliant broadcast and print media.

In October 2011 Bidzina Ivanishvili, a successful businessman and philanthropist, announced his intention to enter politics and remove the incumbent government by democratic means. Given his lack of political experience and his lack of an established and organized base of support, this seemed an improbable venture. However, the appearance of a seemingly credible and well-financed political alternative turned latent popular alienation from the government into mass support for the opposition. Despite substantial harassment and intimidation of the opposition, voters turned out in large numbers in the 2012 parliamentary elections and the Georgian Dream coalition won a clear majority of seats.<sup>4</sup>

## The inherited challenges

### Russia

The new government faced several major challenges, the most significant of which was the relationship with Russia. The relationship was well summarized at the time by the Russian analyst Fyodor Lukyanov:

[the] atmosphere of bilateral relations between Russia and Georgia is astounding. It is almost always full of strong emotions, full of inadequate expectations, followed by unfounded disappointment, replete with erroneous assumptions that lead to irrational actions, or, on the contrary, failure to act in critical moments when things can be fixed.<sup>5</sup>

A policy of implacable hostility towards its much more powerful neighbour was costly and dangerous for Georgia. It was costly in terms of loss of trade, caused by the Russian embargo on key Georgian exports such as wine and mineral water. The loss of the Russian market had painful social consequences, particularly in eastern Georgia's wine-producing region of Kakheti. Visa restrictions made labour migration to Russia more difficult, and there was a risk of interference with the large flow of remittances from Russia. Georgians in Russia were subject to harassment. The unsettled and intemperate quality of the relationship, alongside the continuous tension with the country's breakaway regions, carried a risk that hostilities might resume.

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<sup>3</sup> These issues are discussed in detail in S. Neil MacFarlane, *Post-Revolutionary Georgia on the Edge?* (London: Chatham House, March 2011).

<sup>4</sup> While freedoms of association, assembly and expression were respected overall, instances of harassment and intimidation of party activists and supporters marred the campaign and often ended with detentions or fines of mostly opposition-affiliated campaigners, contributing to an atmosphere of distrust among contestants. See <http://www.osce.org/odihr/98399>. The result was a surprise to many experienced observers. A week before the election, a senior Western diplomat in Tbilisi told the author that the major concern of the moment was convincing Ivanishvili to accept a minority position in parliament. Interview in Tbilisi, September 2012. A senior Georgian Dream legislator and senior foreign policy adviser to Ivanishvili noted that he had encountered similar observations in discussion with ambassadors. Email communication with Tedo Japaridze, September 2014.

<sup>5</sup> Fyodor Lukyanov, 'No Alternative to Reconciliation', in Nikolai Silaev and Andrei Shushentsov, *Georgia after the 2012 Elections and Prospects for Russo-Georgian Relations* (Moscow: MGIMO, 2012), p. 48.

The need to improve the relationship was obvious. But the conditions for doing so were difficult. Russia continued to occupy large sections of Georgian territory. Its diplomatic recognition of the parts it had sliced off made normalization difficult. Russian policy-makers were hostile to any deepening of security integration between Georgia and NATO, impeding the country's Western orientation. Russia's ambassador to NATO, Alexander Grushko, made this clear just after the change of government:

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.<sup>6</sup>

Russia's position was reaffirmed more recently in the December 2014 version of its military doctrine, which lists the following among 'particular external military dangers':

[The] build-up in the power potential of NATO and its assumption of global functions, implemented in breach of norms of international law, the coming closer of the military infrastructure of member states of NATO to the borders of the Russian Federation, including the further enlargement of the [NATO] bloc.<sup>7</sup>

On the other hand, the resumption of full diplomatic relations with Russia might have required, or could have been interpreted as, acceptance of the loss of Abkhazia and South Ossetia. That might have invited Russian demands for further concessions. Any substantial movement towards Russia would also have encouraged doubts in the United States and Europe with respect to Georgia's Western orientation in foreign policy. And concessions on territorial integrity would have ignited a firestorm in domestic politics.

The challenge, therefore, was to balance two conflicting imperatives. The first was to negotiate with Russia to reduce the level of hostility and risk in the relationship, and to attempt progress on economic issues. The second was to avoid creating the impression externally that Georgia was moving into the Russian camp and domestically that it would make concessions on fundamental political issues, notably territorial integrity.

### The West

Managing relations with Western partners was a second major challenge. Members of the new government were relatively unknown in the West. There was real uncertainty about its future orientation, particularly since Ivanishvili had made his earlier career in Moscow. Georgian Dream had a very weak base of contacts in Western diplomatic circles. It also had very little experience of diplomacy, public relations and lobbying abroad.

This was a major change from the previous government, which had very close relationships with key political actors in the United States. Saakashvili was close to the George W. Bush administration and key senators and congressmen, mostly Republicans. Many senior UNM figures

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<sup>6</sup> 'Russian Diplomat on Georgia's NATO Integration', Civil.ge, 30 November 2012, <http://www.civil.ge/eng/article.php?id=25496&search=>. Grushko reiterated the point in March 2014.

<sup>7</sup> Vladimir Putin, *Voennaya Doktrina Rossiiskoi Federatsii* [The Military Doctrine of the Russian Federation], December 2014, <http://news.kremlin.ru/media/events/files/41d527556bec8deb3530.pdf>.

(such as Giga Bokeria, the former head of the National Security Council) were well connected in Washington's neoconservative circles and lobbying world.

However, the United States had cooled on Georgia since the start of the Barack Obama administration in January 2009. One factor was the sense that Georgia had behaved rashly in the lead-up to the 2008 war. That war had put the United States and its NATO allies in an embarrassing position, and the outcome of the conflict was widely perceived to have diminished US credibility in the South Caucasus. Furthermore, the new Democratic administration placed a lower priority on Europe and the former Soviet states in its foreign policy, and prioritized a strategic 'rebalancing' towards Asia in general and China in particular.<sup>8</sup> In the Eurasian context, the Obama administration sought a 'reset' of America's relationship with Russia after years of deterioration under Bush.

Neither the rebalance to Asia nor the reset with Russia was consistent with Saakashvili's suggestion that Georgia was the new Berlin Wall in a renewed systemic Cold War with Russia.<sup>9</sup> His personal relations with members of the Obama administration were weaker than they had been with the Bush leadership. However, Saakashvili retained many friends in the US government bureaucracy, Congress and media. Their support for the UNM and Saakashvili was open and extensive. Their criticism of the new Georgian Dream government followed the line defined by the large UNM lobbying apparatus in Washington (see below).

The Saakashvili government had also built a very good relationship with NATO. The alliance was particularly grateful for Georgia's substantial military participation in Afghanistan. Its member states, seeking an early exit from that quagmire, were very happy to have Georgian troops replace theirs in the line of fire. On the other hand, the role of Georgia's government in the origins of the 2008 war had considerably weakened the already limited enthusiasm within NATO for Georgia's membership or even for offering it a MAP.

The view from the EU was even more complex. Those member states most interested in Georgia, such as Poland and the Baltic states, tended to be very close to the UNM and Saakashvili, and shared the UNM's hostility towards Russia. Others, such as Germany, were nervous about Georgia causing problems for their relationship with Russia. Still others had no particular interest in the country at all. However, the UNM was also an associate member of the conservative European People's Party (EPP), the largest faction in the European Parliament, with whose leadership Saakashvili and his colleagues enjoyed very close relations. This gave them considerable influence in the European Parliament.

## Local factors

The third major challenge for the new Georgian government lay at the interface between domestic politics and foreign policy. Constitutionally, control over foreign affairs and security was split

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<sup>8</sup> James Goldgeier, 'US-Europe: Washington's call to arms', *The World Today*, 69:5 (October–November, 2013), p. 24. Events in Ukraine since November 2013 do not substantially alter this assessment.

<sup>9</sup> Mikheil Saakashvili, 'Remarks, 64th Session of the General Assembly', 24 September 2009, [http://www.un.org/en/ga/64/generaldebate/pdf/GE\\_en.pdf](http://www.un.org/en/ga/64/generaldebate/pdf/GE_en.pdf).

between the government and the president, with the latter retaining considerable powers.<sup>10</sup> Politically, given the staggering of parliamentary and presidential elections, the presidency was initially still held by the UNM and the government by Georgian Dream. The latter was committed to the complete removal of the former from power, and its political priority was to finish the job. The Georgian Dream government's *cohabitation* with Saakashvili ended with the presidential election of October 2013, in which he was constitutionally barred from running. Georgian Dream then completed its consolidation of power with a decisive victory in the June 2014 local elections when the UNM lost all the councils it had controlled.

The UNM, in turn, tried to make the operations of the government as difficult as possible by interfering with its domestic policy agenda and by sabotaging its foreign policy. It branded Ivanishvili a Russian oligarch who had returned to Georgia in a Russian effort to destroy the country's hard-won independence and turn it away from its Western orientation and back towards the 'East'.

These mutually exclusive perspectives produced extraordinarily vituperative discourses. On the Georgian Dream side, Ivanishvili stated:

In Georgia, our popularity continues to grow. They [the UNM] just keep shouting. They know how to spread lies. They are idiots who do not understand that their time is over, they should shut up or apologize.<sup>11</sup>

When asked what the UNM should apologize for, the new prime minister replied that Saakashvili had installed an authoritarian government and claimed that, under the former president, one in 10 Georgians had been found guilty of criminal offences. The purpose of this judicial oppression, according to Ivanishvili, was to keep people afraid and obedient while the UNM constructed a 'mafia state'. By this account the party had halted low-level corruption in order to draw all the money to the top, where 'Saakashvili used the budget as if it were his own wallet, for himself, his family, and his friends'.

The tone on the UNM side was set prior to the 2012 elections. When Ivanishvili declared his political intentions, Saakashvili abrogated Ivanishvili's citizenship<sup>12</sup> and the government confiscated assets from his Cartu Bank.<sup>13</sup> When Georgian Dream was established in January 2012, Saakashvili commented that somebody using Russian money had cut a deal with former Shevardnadze officials ('political vampires and mummies') to take Georgia back to the past.<sup>14</sup> In

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<sup>10</sup> Under the constitution prevailing during 2012–13, authority over foreign policy was split between the government and the presidency. The president chaired the National Security Council, was commander-in-chief of the armed forces and appointed ambassadors. Under delayed amendments to the constitution, many of these powers reverted to the government after the presidential elections in 2013.

<sup>11</sup> Piotr Smolar, 'En Georgie, Saakachvili disposait du budget comme de son portefeuille' [In Georgia, Saakashvili used the budget as if it were his own wallet], *Le Monde*, 27 April 2013, [http://www.lemonde.fr/international/article/2013/04/27/en-georgie-saakachvili-disposait-du-budget-comme-de-son-portefeuille\\_3167664\\_3210.html](http://www.lemonde.fr/international/article/2013/04/27/en-georgie-saakachvili-disposait-du-budget-comme-de-son-portefeuille_3167664_3210.html). See also Bidzina Ivanishvili's April 2013 speech and question-and-answer sessions at the Parliamentary Assembly of the Council of Europe, when he noted: 'In recent years, almost all fields were controlled by the ruling elite in Georgia; the basic law of the country's constitution was abused, being practically tailored to serve one man's ambitions; elite corruption gave no room whatsoever for business to develop; human rights were ignored, with pressure deployed upon not only those holding different views, but their families and acquaintances; and the media were mostly under control.' Answering a question, he said that the speeches of Saakashvili and his colleagues were saturated with lies. Parliamentary Assembly of the Council of Europe, '2013 Ordinary Session (second part), Report of 12th Sitting (23 April 2013)', <http://assembly.coe.int/Main.asp?link=/Documents/Records/2013/E/1304231000E.htm>.

<sup>12</sup> Civil Registry Agency, 11 October 2011, <http://www.civil.ge/eng/article.php?id=24019&search=>.

<sup>13</sup> 'Cartu Bank Claims Politics behind Cash Seizure', *Civil.ge*, 22 October 2011, <http://www.civil.ge/eng/article.php?id=24064&search=>.

<sup>14</sup> 'Saakashvili: We Live in the Epoch of Revival', *Civil.ge*, 12 January 2012, <http://www.civil.ge/eng/article.php?id=24345&search=>.

short, the challenge from the new opposition was ‘an attack on democracy’ as well as ‘the enemy’s last chance to turn us back from the oath of independence’.<sup>15</sup>

There was therefore little reason to expect a smooth *cohabitation* and a coherent delivery of foreign policy while the two branches of the executive were controlled by such bitterly opposed parties.

The mixed signals and mutual recrimination arising from the domestic struggle between the two parties are one example of spillover from domestic matters into foreign relations. Another was the popular demand for, and the Georgian Dream promise of, justice. To large sections of the population, this meant arresting, indicting, trying, convicting and imprisoning key figures in the UNM, including Saakashvili.<sup>16</sup> The Georgian Dream coalition had made many promises during its election campaign, focusing on employment, poverty reduction, rural development, social services, and justice for those with grievances towards the UNM government. The problem with most of these promises was their cost and their complex and protracted implementation. There was very little money and very little capacity to deliver on them. In contrast, pursuing UNM members through the legal system was cheap, and adjudication of cases required few additional resources. As such, leaving aside its possible substantive merits in view of the record of the previous government, the ‘justice’ agenda was attractive to the new government.

However, pursuing justice risked creating the impression that the new government was selective and aimed to punish its predecessors. That played into the discourse of the UNM and its foreign supporters that Georgian Dream was seeking revenge and politicizing the judicial system. Thus the ‘justice’ agenda potentially hampered the effort to integrate the country more deeply into European and transatlantic institutions. Here, too, the new government faced a balancing act, this time between domestic justice imperatives and international expectations that there be no witch-hunt.

The Georgian Dream government also faced political constraints in society. Although a considerable majority favoured integration into Europe in the abstract, there was little evidence of support for many elements of the EU human rights agenda, notably minority language and religious rights or the rights of sexual minorities.<sup>17</sup> This extended into the Georgian Dream coalition.<sup>18</sup> The Georgian Orthodox Church, the most respected institution in the country,<sup>19</sup> also expressed unhappiness with the EU anti-discrimination norms Georgia was expected to adopt. In April 2014 it stated:

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<sup>15</sup> ‘Saakashvili Vows Free Elections, “Zero Tolerance” to Buy, Attack Democracy’, *Civil.ge*, 25 June 2012, <http://www.civil.ge/eng/article.php?id=24920&search=>; ‘Saakashvili Addresses Voters on the Eve of the Election’, *Civil.ge*, 30 September 2012, <http://www.civil.ge/eng/article.php?id=25279&search=>.

<sup>16</sup> In March 2013, the former president was summoned to appear before prosecutors for questioning on at least 10 separate cases. ‘Prosecutors Summon Saakashvili for Questioning’, *Civil.ge*, 22 March 2014. In July 2014, he was indicted for several alleged offences under Article 333:3 of the criminal code (abuse of power).

<sup>17</sup> See National Democratic Institute, *Public attitudes in Georgia: Results of a June 2013 survey carried out by CRRC for NDI*, undated, <https://www.ndi.org/files/NDI-Georgia-Survey-June-2013-ENG.pdf>.

<sup>18</sup> See, for example, the comments attributed to Ivanishvili’s nominee for minister for internally displaced persons. ‘Ivanishvili Asked to Reconsider His Pick for IDP Minister for “Hate Speech”’, *Civil.ge*, 19 October 2012, <http://www.civil.ge/eng/article.php?id=25368&search=>.

<sup>19</sup> Polling data consistently identify Patriarch Ilia II as the most respected person in Georgia. See, for example, National Democratic Institute, *Public attitudes in Georgia: Results of a March 2013 survey carried out for NDI by CRRC*, undated, [https://www.ndi.org/files/NDI-Georgia-March-2013-survey-Political\\_ENG-vf-small.pdf](https://www.ndi.org/files/NDI-Georgia-March-2013-survey-Political_ENG-vf-small.pdf).

Proceeding from God's commandments, believers consider non-traditional sexual relations to be a deadly sin, and rightly so, and the anti-discrimination bill in its present form is considered to be a propaganda and legalization of this sin.<sup>20</sup>

Cultural resistance to Europeanization also extended into particular elements of the economic openness agenda, such as foreign ownership of agricultural land.

The task for the government, therefore, was to tread a narrow path between the demands of Western partners with whom it was seeking closer integration and the reservations of a large sector of public opinion (including some parts of the Georgian Dream coalition) that did not support reforms that purportedly undermined Georgian identity.

To summarize, the Georgian Dream government was dealt a difficult hand. The relationship with Russia was deeply problematic. The United States' commitment to Georgia appeared to be less strong than it had been, and neither it nor the EU was willing or prepared to 'hard-balance' with Georgia against Russia. Many influential American and European figures were suspicious of Ivanishvili's credentials. They were wary of Georgian Dream and sensitive to any signs of its retaliation against officials of the former government. On the other hand, the United States and several European countries hoped for the improvement of relations between Georgia and Russia. As one commentator put it, "The Tbilisi government has little to lose – and a lot of goodwill in the West to gain – from trying to patch up the relationship [with Russia]."<sup>21</sup>

## The record

In foreign policy, the first months of the Georgian Dream government were rocky, reflecting its members' weak awareness of diplomatic practice. One example was Ivanishvili's suggestion that the government might attempt to reopen the railway through Abkhazia to restore direct rail links between Russia and Armenia. This idea failed to take into account the views of Azerbaijan and, given the difficult relationship between Armenia and Azerbaijan, which are effectively at war, this unexpected initiative was not taken well in Baku. Since Georgia is dependent on Azerbaijan for gas supply, transit revenues and direct investment, any worsening of relations would have carried significant costs. In addition, the presence of a large Azerbaijani minority population in districts of Georgia adjacent to Azerbaijan enhances the country's leverage over Georgia. To its credit, the government backtracked very quickly.

Azerbaijan's early relationship with the new government was also troubled by Ivanishvili's ruminations about whether it made sense for Georgia to continue with the Baku-Tbilisi-Kars railway.<sup>22</sup> This project was a central priority for Azerbaijan, which had already invested heavily in its construction in an effort to upgrade rail connections to Turkey and to develop a key link between

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<sup>20</sup> As cited in 'Georgian Church Speaks Out against Anti-Discrimination Bill', Civil.ge, 28 April 2014, <http://www.civil.ge/eng/article.php?id=27175>. Some members of the Georgian Dream coalition have suggested that the Russians are taking advantage of close relations between the Russian and Georgian Orthodox churches in a soft power attempt to impede Georgia's approach to Europe.

<sup>21</sup> Balazs Jarabik, *What the Recent Elections Mean for Georgia and Its Relations with the West*, CEPI Policy Brief, November 2012 (Bratislava: Central European Policy Institute), p. 3.

<sup>22</sup> 'PM Says Construction of Baku-Kars Railway "Triggers Questions"', Civil.ge, 21 December 2012, <http://www.civil.ge/eng/article.php?id=25575&search=>.

Europe and Central Asia. After a meeting with Azerbaijan's president and prime minister, Ivanishvili noted that his earlier remarks on the subject had been 'hasty' and 'politically flawed', and he acknowledged that diplomatic relations ought to be addressed in private.<sup>23</sup>

Ill-judged statements on regional issues spilled over into wider relationships. For example, Ivanishvili remarked that Georgia could learn from Armenia's experience in its effort to improve the security relationship with Russia. This may have been an effort to flatter Armenia during an official visit, but it ran manifestly counter to Georgia's policy towards NATO.<sup>24</sup>

Meanwhile, the government's enthusiasm for punishing its predecessors rattled Georgia's Western partners. Ivanishvili and Foreign Minister Maia Panjikidze referred to former officials as criminals. Leaving aside whether this characterization was factually correct, the latter had not been indicted or tried. Such statements risked prejudicing the judicial process and were construed abroad as political interference in the legal system. In addition to alarming partners, this provided ammunition to the UNM opposition in its effort to convince Western audiences that the government was engaged in a campaign of retribution. Again, however, the government quickly retreated.<sup>25</sup> (See further below.)

Prime Minister Ivanishvili's speculation on how to handle the *cohabitation* with President Saakashvili after the parliamentary elections also caused difficulty in relations with the EU and the United States. A day after the elections, he noted that this 'dual power' was inconvenient and unpredictable, and suggested that the best option was for Saakashvili to resign and call a new presidential election. He then suggested that other options were available and that he would not rule out impeachment.<sup>26</sup> Unsurprisingly, such statements raised concern among Georgia's Western partners that the government was seeking ways to consolidate its power at the expense of the presidency, the UNM opposition and the constitution. Yet again, realizing its vulnerability, the government rapidly retreated. A day later, Ivanishvili stressed that Saakashvili's resignation was not a demand, and that impeachment was not an objective of the new parliamentary majority. He thereby implicitly accepted *cohabitation* until the following year's presidential election.

The clumsiness evident in all of these examples reflected the inexperience, political naivety and unfamiliarity with diplomatic practice of an opposition that had been out of power for nine years. Ivanishvili had no background in foreign policy or diplomatic relations. Although some seasoned diplomats were retained, others with substantial experience of the central issues of Georgian foreign policy and who supported the political transition were distanced from the policy process or ignored altogether.<sup>27</sup>

At the time, there was considerable concern that this fumbling would have lasting consequences for Georgia's foreign relations. As it turned out, it did not – partly because the government showed a substantial capacity to learn.

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<sup>23</sup> 'Georgian PM Hails "Friendly Talks" in Azerbaijan', Civil.ge, 26 December 2012, <http://www.civil.ge/eng/article.php?id=25595&search=>.

<sup>24</sup> 'Ivanishvili Speaks on Ties with NATO, Russia', Civil.ge, 18 January 2013, <http://www.civil.ge/eng/article.php?id=25654&search=>. Armenia is a member of the Collective Security Treaty Organization and hosts a large Russian military base.

<sup>25</sup> See the minister of justice's interview on France 24, 12 November 2012, <http://www.france24.com/en/20121210-interview-tea-tsulukiani-georgia-justice-minister-mikheil-saakashvili-bidzina-ivanishvili-arrests-officials/>.

<sup>26</sup> 'Ivanishvili Wants Saakashvili to Resign', Civil.ge, 3 October 2012, <http://www.civil.ge/eng/article.php?id=25303&search=>.

<sup>27</sup> Interviews, Tbilisi, 2013 and 2014.

## Georgian-Russian relations

In contrast to other areas, the new government showed considerable focus in its relations with Russia. The vituperative rhetoric towards the country ceased when Georgian Dream came to power.<sup>28</sup> In November 2012 the government appointed a special representative, Zurab Abashidze, to initiate a dialogue with Russia. A career diplomat, he had long experience in policy towards Russia and had served as ambassador in Moscow. He reported directly to the prime minister, emphasizing the centrality of the task.

Russia's reaction to the 2012 election results suggested relief that the UNM government was gone and interest in the possibility of improved ties. Prime Minister Dmitry Medvedev noted that the result 'probably means that more constructive and responsible forces will come to the Parliament', while the Federation Council president, Valentina Matviyenko, expressed hope that the change in government would lead to improvement in the relationship.<sup>29</sup> After some hesitation, Russia responded to the appointment of Abashidze as special representative by designating Deputy Foreign Minister Grigorii Karasin as his counterpart.

The potential brief for negotiation was quite broad. There were functional issues (e.g. economic and cultural relations, and visa liberalization) that did not engage sensitive political differences. But there were also highly politicized matters, such as non-use of force against secessionist territories and Russian interference there. The latter were major obstacles to the normalization of diplomatic relations: Russia occupied Abkhazia and South Ossetia, had recognized them as sovereign states, had exchanged ambassadors and had signed security and economic agreements with them. In late 2014 Russia proposed a further deepening of relations with the two quasi-states in bilateral agreements involving enhanced financial support and the integration of their security forces.<sup>30</sup> Many in Georgia interpreted this as creeping annexation.<sup>31</sup>

The new government's foreign minister made it clear early on that there would be no concession to Russia's fundamental precondition for normalization: recognition of the independence of Abkhazia and South Ossetia, and acceptance of a permanent presence of Russian forces in these parts of Georgia.

Russia is occupying 20% of Georgia's territories; Russia is an occupying country; it has two embassies, one in Tskhinvali and another one in Sokhumi, and as long as it remains so, diplomatic relations with Russia will not be restored.<sup>32</sup>

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<sup>28</sup> For the rationale, see Brian Whitmore, 'Georgia's Changing Russia Policy', Radio Free Europe/Radio Liberty, 29 April 2013, <http://www.rferl.org/content/georgia-russia-foreign-policy-ivanishvili-saakashvili/24971738.html>.

<sup>29</sup> 'Medvedev: Election Results Show That Georgians Want Changes', Civil.ge, 2 October 2012, <http://www.civil.ge/eng/article.php?id=25300&search=>.

<sup>30</sup> For the text of the agreement with Abkhazia, see *Dogovor mezhdu Rossiiskoi Federatsii i Respublikoi Abkhazii o soyuзnichestve i strategicheskoy partnerstve* [Treaty between the Russian Federation and the Republic of Abkhazia on Union and Strategic Partnership], 24 November 2014, <http://www.apsnypress.info/documents/dogovor-mezhdu-rossiyskoy-federatsiyey-i-respublikoy-abkhaziya-o-soyuзnichestve-i-strategicheskoy-par/>.

<sup>31</sup> Interviews, Tbilisi, December 2014. See also Vasili Rukhadze, 'Looming Annexation of Abkhazia and Russia's Growing Appetite for Territorial Expansion', *The Jamestown Monitor*, Vol. 11, No. 210, 24 November 2014, [http://www.jamestown.org/programs/edm/single/?tx\\_ttnews%5Btt\\_news%5D=43121&cHash=od92fea81c93c0adbda40f2c988329c#.VKQKggk1ya70](http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=43121&cHash=od92fea81c93c0adbda40f2c988329c#.VKQKggk1ya70).

<sup>32</sup> As cited in 'New FM: "No Diplomatic Ties with Moscow as Long as It Has Embassies in Tskhinvali, Sokhumi"', Civil.ge, 26 October 2012, <http://www.civil.ge/eng/article.php?id=25392&search=>.

Moreover, while seeking improvement in relations with Russia, Georgia's government was not willing to abandon its orientation towards closer integration with Western institutions, notably the EU and NATO.

The Georgian Dream government delinked economic and social issues from political and security ones. This made economic sense, given Russia's status as the key export market for the country's agricultural goods, and as a major source of remittance income. Many Georgians also hoped that progress on low-level issues might in time improve prospects for full normalization.<sup>33</sup> In December 2012 the Russian government acknowledged that economic relations should be depoliticized. Talks began in the same month, with the sides agreeing to disagree on political issues.<sup>34</sup> The Abkhazia and South Ossetia issues were detached from the bilateral dialogue and left to the UN-based Geneva process, where they have languished since. The two sides also accepted that territorial disagreements should not prevent progress on economic and humanitarian issues. A clear picture of the nature and process of the direct bilateral negotiations is hard to draw, however, since they proceed outside normal ministerial channels, and are not made available to Georgia's parliamentary committees with legislative oversight of foreign policy.<sup>35</sup>

The outcome has been mixed. Russia has gradually reopened trade in agricultural products (notably wine) and mineral water. On the other hand, it has made it clear that in order to continue the process of improvement, Georgia needs to recognize what it calls 'new realities'. In January 2014 Russia's foreign minister, Sergei Lavrov, declared:

Attempts to condition the development of political ties on Russia withdrawing its recognition of existing realities have no prospect and are counterproductive and will produce nothing.<sup>36</sup>

In addition, Russia has continued to demarcate and to reinforce borders between Abkhazia and South Ossetia and the rest of Georgia. Unilateral 'borderization' (i.e. the erection of fences), in the Georgian government's account, has also extended over areas not originally part of the breakaway regions. Although Russia did not interfere with Georgia's signing of an association agreement with the EU, it continues to resist the possibility of its membership of NATO and any steps in that direction, such as negotiation of a MAP. And, as already noted, Russia has negotiated agreements with Abkhazia and South Ossetia on deeper economic, security and budgetary integration, which has been described as something that 'looked to be Russia's answer to Georgia's association agreement with the European Union'.<sup>37</sup>

In short, there was marked improvement in bilateral relations following the change of government in Georgia, but the process of normalization was truncated by disagreements on fundamental issues

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<sup>33</sup> See 'Georgian Defense Minister Irakli Alasania: "We Need to Outsmart Russia"', Radio Free Europe/Radio Liberty, 27 April 2013, <http://www.rferl.org/content/georgia-alasania-russia-interview/24970223.html>.

<sup>34</sup> 'News Conference of Vladimir Putin', 20 December 2012, <http://eng.kremlin.ru/transcripts/4779>. As one Georgian diplomat put it: in the bilateral context 'they talk about tomatoes, not occupation'.

<sup>35</sup> Email correspondence with Tedo Japaridze, December 2014.

<sup>36</sup> *Vystuplenie i Otvety na voprosy SMI MID Rossii* [Speech and Answers to Questions], Sergei V. Lavrov, 21 January 2014, [http://www.mid.ru/brp\\_4.nsf/newsline/B748284D938D69B144257C67003AC3CB](http://www.mid.ru/brp_4.nsf/newsline/B748284D938D69B144257C67003AC3CB).

<sup>37</sup> Thomas De Waal, cited in 'Vladimir Putin Signs Treaty with Abkhazia and Puts Tbilisi on Edge', *Financial Times*, 24 November 2014, <http://www.ft.com/cms/s/0/24239f90-73e8-11e4-82a6-00144feabdco.html#axzz3NUAeOaIP>.

arising from the 2008 war, as well as by continuing Russian unwillingness to accept Georgia's right to choose freely its security arrangements.

### Georgia and the West: politics and justice

Relations between Georgia and the United States, NATO and the EU have been difficult through much of the period under consideration. In the West there was widespread welcoming of the democratic transition in 2012, and also of the cooling down of the rhetoric towards Russia. Early doubts about whether the new government remained committed to Georgia's Western orientation eased as the limits of its effort to improve the relationship with Russia became clear. They were further dispelled by parliament's unanimous adoption of a joint Georgian Dream–UNM declaration on foreign policy that emphatically endorsed the country's Western orientation in March 2013.<sup>38</sup> The government continued to pursue an EU association agreement and maintained the commitment of troops to NATO in Afghanistan. Greater freedom of expression and media was welcomed, as was the end of widespread arbitrary arrests. Contacts between Georgian officials and European parliamentarians suggest that concerns in the European Parliament regarding the orientation of the country have been substantially dispelled.<sup>39</sup>

However, two major irritants remained after the change of government. One was the dysfunctional process of *cohabitation* with a president from the defeated party. Early calls from the EU Presidency, EU Council and European Commission, as well as from the European Parliament and the United States, for cooperation between the two branches of the executive were ignored by both sides. The president and the government instead set about doing as much damage as possible to each other domestically and internationally. The period was one of fairly steady presidential obstruction of the government's foreign policy. For example, Saakashvili used his constitutional authority to delay or prevent the appointment of ambassadorial nominees. The Ministry of Foreign Affairs and the embassies were largely staffed by UNM appointees or loyalists. Given the early Georgian Dream decision not to engage in a thorough removal of previous appointees, new ministers and ambassadors found themselves presiding over bureaucratic structures staffed by people who were sympathetic to the UNM and ambivalent about the change in government.

The vituperative conflict within the state created considerable dissonance for Georgia's partners, who faced conflicting messages. In this competition, the UNM enjoyed significant advantages. Saakashvili remained head of state until the presidential election and continued to control the National Security Council. The UNM and Saakashvili also had close connections to influential senators in the United States and to the EPP in the European Parliament and the Parliamentary Assembly of the Council of Europe.

UNM external lobbying was more effective than that of the Georgian Dream government. One reason was the UNM's capacity to take advantage of pre-existing networks abroad. Another was the

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<sup>38</sup> A full translation is provided in 'Parliament Adopts Bipartisan Resolution on Foreign Policy', Civil.ge, 7 March 2013, <http://www.civil.ge/eng/article.php?id=25828&search=>. This has been checked against the original parliamentary document, which has not been published. In the process leading to this outcome, government and opposition members debated heatedly. There was significant divergence of views. Compromises were made and consensus was achieved, an instance of give and take in stark contrast to previous parliaments under the UNM government.

<sup>39</sup> Interview with senior Georgian diplomat, June 2014.

new government's premature cancellation of contracts with lobbying firms in Washington and Brussels. On the other hand, the government and parliamentary majority eventually used their budget powers to limit the resources available to the presidency and the National Security Council.

The confusion and dysfunctionality in foreign policy caused by the cohabitation largely disappeared after Georgian Dream won the 2013 presidential election. Interactions between President Margvelashvili and Prime Minister Irakli Garibashvili, who replaced Ivanishvili in November 2013, have been troubled over the normal politics concerning the appropriate division of power between branches of the executive, but neither is seeking to bury the other in the same way that occurred during the *cohabitation*.<sup>40</sup>

The second irritant was disagreement over the prosecution of former government officials. When members of the new government took office in late 2012, the prosecution service immediately began investigations into the alleged offences of their predecessors. The former minister of defence and the chief of staff of the armed forces were arrested on charges of torture and illegal detention. Investigations gradually expanded to include officials of the interior and prisons ministries, the Tbilisi city government, and several former ministers who had fled the country. The elected mayor of Tbilisi followed, along with the former prime minister Ivane Merabishvili.

All of this was perhaps understandable, given the previous government's record of abuse of power, but it carried significant risks in relations with Georgia's Western partners. It led to warnings from a multitude of senior American, EU and NATO officials and parliamentarians that revenge and 'selective justice' would not be tolerated, and that such an agenda threatened Georgia's aspiration to integrate into Western institutions. The head of the EPP went so far as to suggest that Georgia could not expect progress of the association agreement unless the campaign of 'persecution' stopped.<sup>41</sup> In place of digging up the past, European and American leaders counselled, the authorities should focus on building the country's future together with the opposition.

The government was responsive when it came to the procedural aspects of this issue. Officials ensured that discourse about the criminality of their predecessors was moderated and the justice debate situated more systematically in a rule-of-law frame.<sup>42</sup> The government welcomed the former Council of Europe commissioner for human rights, Thomas Hammarberg, as EU special rapporteur on the Georgian justice system. It also invited the Organization for Security and Co-operation in Europe (OSCE) to monitor trials, and increased media access to them. It also collaborated closely with the OSCE's Venice Commission in the process of constitutional reform to enhance the independence of the judiciary. A constitutional amendment was passed to clarify and extend the independence of the prosecution service from the Ministry of Justice. The reports of advisers and consultants involved in these processes were generally positive as to whether Georgia's actions conformed to EU and international rule-of-law expectations.<sup>43</sup> These developments reflect a

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<sup>40</sup> For example, in mid-2014 there was disagreement over whether Margvelashvili or Garibashvili should sign the association agreement with the EU.

<sup>41</sup> 'Georgia: EPP President Deeply Concerned at the Arrest of Former Prime Minister and Former Health Minister', European People's Party, 22 May 2013, <http://news.epp.eu/zQCL3Y>.

<sup>42</sup> A good example is Prime Minister Garibashvili's letter of 6 August 2014 in response to the criticism by US senators of the indictment of Saakashvili, <http://www.scribd.com/doc/236483944/PM-Letter-to-Senators>.

<sup>43</sup> See Thomas Hammarberg, *Georgia in Transition – Report on the human rights dimension: background, steps taken, and remaining challenges*, September 2013,

[http://eeas.europa.eu/delegations/georgia/documents/virtual\\_library/cooperation\\_sectors/georgia\\_in\\_transition-hammarberg.pdf](http://eeas.europa.eu/delegations/georgia/documents/virtual_library/cooperation_sectors/georgia_in_transition-hammarberg.pdf). The

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consistent and sustained effort by Minister of Justice Tea Tsulukiani to achieve a real depoliticization of the judicial process. Progress in this direction was evident in the courts' rulings against the prosecution in numerous cases involving members of the former government.

The government tried to accommodate Western preferences concerning process and institutions, but not on the central question of whether or not to pursue former officials for alleged crimes. Calls by European and US policy-makers and legislators to halt investigation and prosecution of UNM leaders were largely ignored as the prosecution service targeted progressively more senior figures.

This culminated in the decision to indict Saakashvili in July 2014, less than a month after the signing of the association agreement with the EU. At various stages in the year leading up to the indictment, the United States, the EU and several major European states had strongly cautioned against indictment, warning that it might force a broad reconsideration of the West's relationship with Georgia.<sup>44</sup> The Georgian authorities proceeded anyway, and the indictment provoked considerable criticism from Europe and the United States.<sup>45</sup>

The government and Georgian Dream legislators fought back with equal intensity. The prime minister dismissed criticism as coming from 'a club of Saakashvili's friends'. The justice minister provided a detailed reply to EU and US critics on the meaning and importance of justice in the *Wall Street Journal*. The chairs of the parliamentary committees accused their European counterparts of blatant inaccuracies and interference in Georgia's judicial process, and noted that the European Commission itself had called for investigation of one of the issues in the indictment.<sup>46</sup>

Here again, faced with tension between domestic political logic and the externally oriented priority of deepening integration into Western structures, the Georgian Dream government consciously tilted towards addressing domestic concerns. Although the pursuit of the leaders of the former government may have been rooted in the personal animus of the Georgian Dream leadership, it also reflected a very pragmatic political logic. The first priority of the new government was the consolidation of power within the country. This required victory in the 2013 presidential election and the 2014 local elections. Since Georgian Dream was unwilling to rig these elections, it needed to show it was delivering on its electoral promises to ensure the continued support of the majority of voters. Asked about the damage the arrests were doing to Georgia's relations with the West, a senior

report also notes numerous remaining problems, some originating with the previous government, others emerging in the post-October 2012 period.

<sup>44</sup> Interviews in Tbilisi, 2014.

<sup>45</sup> See, for example, the statement of EPP Vice-President Jacek Saryuzs-Wolski in 'Georgia: EPP concerned about charges against former President Mikheil Saakashvili', European People's Party, 1 August 2014, <http://www.epp.eu/georgia-epp-concerned-about-charges-against-former-president-mikheil-saakashvili>; the letter of four US senators (John McCain, James Risch, Marco Rubio and Jeanne Shaheen) to Garibashvili on 1 August 2014, <http://www.scribd.com/doc/236123470/US-Senators-Letter-to-Georgian-PM>; 'What a Georgian Shame: A political vendetta imperils rare post-Soviet democratic success', *Wall Street Journal*, 29 July 2014, <http://online.wsj.com/articles/what-a-georgian-shame-1406589952>. This leaves aside the sophomoric tweet of Sweden's then foreign minister, Carl Bildt, 'GD Hits Back at "Unfounded Concerns" over Saakashvili Prosecution', Civil.Ge, 7 August 2014, <http://www.civil.ge/eng/article.php?id=27560>.

<sup>46</sup> 'Georgian PM: Swedish, Lithuanian FMs Are from Club of Saakashvili's Friends', Civil.Ge, 8 August 2014, <http://www.civil.ge/eng/article.php?id=27565>; 'Letters', *Wall Street Journal*, 5 August 2014, <http://online.wsj.com/articles/georgias-investigation-of-mikheil-saakashvili-1407258621>; 'Statement by George Volski, Head of Georgian Dream Faction, Parliament of Georgia', Civil.Ge, 5 August 2014, <http://www.civil.ge/files/files/2014/GiorgiVolski-Statement-August5.pdf>; 'Statement of Tedo Japaridze, Chairman of Foreign Relations Committee, Parliament of Georgia', Civil.Ge, 5 August 2014, <http://www.civil.ge/files/files/2014/TedoJaparidze-Statement-August5.pdf>.

member of the party replied: 'Each time we make one of these arrests, our [polling] ratings go up 1–2 per cent.'<sup>47</sup>

However, the choice of pursuing 'justice' risked significant damage to Georgia's relations with the EU, NATO and the United States, and to the government's prioritization of a Western orientation. In addition, given the balance of power in the region, it could be considered profoundly imprudent. Facing an unpredictable and aggressive major regional power in a tough neighbourhood, Georgia might have been expected to avoid actions that could compromise its balancing strategy.

### Understanding the outcomes

Neither the Georgian Dream government's pursuit of what it considers to be justice, nor the confusion in the formulation and execution of its foreign policy, has prevented it from attaining to varying degrees all of its major objectives. The relationship with Russia has stabilized. Georgia has signed the association agreement, despite the unhappiness of some EU members and of the largest political grouping in the European Parliament. Similarly, despite the qualms of some US senators, Georgia's relationship with the United States remains solid. On the domestic front, the judicial authorities have actively pursued former government members and the former president with no obvious effect on the broadening and deepening of Georgia's relationship with the West.

This pattern continued into the second half of 2014. In August, the government suggested that it was going to open an investigation into the financial affairs of UNM parliamentarian Davit Bakradze, the former parliamentary speaker and defeated presidential candidate. This provoked serious objections from the United States and others.<sup>48</sup> In November, Defence Minister Irakli Alasania was fired when he protested against investigations into officials in his ministry.<sup>49</sup> Alasania commented that these were part of an effort to derail Georgia's NATO aspirations and an attack on 'Georgia's Euro-Atlantic choice'.<sup>50</sup> Given Alasania's close ties to NATO and to the US Department of Defense, the alarm bells rang again in the West, yet these developments also have had no obvious effect on the West's relationships with Georgia.

The one area in which the government has fallen short of its ambition is the relationship with NATO. This seems ironic, given Georgia's resolute commitment to NATO's mission in Afghanistan. The Georgian Dream government actively sought the MAP that the previous UNM government had failed to deliver, and which NATO had made clear was not on the table.<sup>51</sup> At the 2014 NATO summit in Wales, it was again denied.<sup>52</sup> Instead, as expected, the country received a package of measures for enhanced cooperation. NATO's reluctance has no obvious relationship to Georgia's prosecution of former officials; instead it reflects widespread disagreement within the alliance over the extent to

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<sup>47</sup> Interview, Tbilisi, December 2012.

<sup>48</sup> 'Prosecutors Probe UNM Bakradze's Assets', *Agenda.ge*, 21 August 2014, <http://agenda.ge/news/19839/eng>.

<sup>49</sup> In the aftermath of Alasania's dismissal, the minister for foreign affairs and the minister for European integration resigned.

<sup>50</sup> 'PM Sacks Defence Minister Alasania', *civil.ge*, 4 November 2014, <http://www.civil.ge/eng/article.php?id=27777>.

<sup>51</sup> 'MAP for Georgia Not on Agenda of Upcoming NATO Summit', *Radio Free Europe/Radio Liberty*, 26 June 2014, <http://www.rferl.org/content/caucasus-report-georgia-nato-map/25436771.html>.

<sup>52</sup> NATO, 'NATO Leaders Take Decisions to Ensure Robust Alliance', 5 September 2014, [http://www.nato.int/cps/en/natohq/news\\_112460.htm](http://www.nato.int/cps/en/natohq/news_112460.htm).

which it should further institutionalize its relationship with Georgia, given the attendant risks *vis-à-vis* Russia.

Several factors help explain why the record of the Georgian Dream government is generally positive despite the policy dysfunction and structural constraint it has faced.

As far as the relationship with Russia is concerned, two points stand out. First, the elections of 2012 replaced a government that was a major opponent of Russia with one committed to reducing tension in the relationship and to exploring improvement in areas of mutual benefit. Pragmatism replaced brinksmanship. Second, over much of the period since the 2012 elections, Russia's attention has been diverted elsewhere. In comparison to other regional issues such as Ukraine, Georgia was relatively unimportant to Russia.

On the Western side, Georgia's partners have had to accept that, whether they like it or not, in its emerging post-authoritarian democratic environment, they have no choice but to engage with Georgian Dream. They underestimated its level of domestic support in the lead-up to the 2012 elections, and its victory was a surprise to them. Overwhelming public support for the coalition was confirmed in the 2013 and the 2014 elections. Faced with these results, and given the deterioration in its position in the former Soviet region, the West (and the EU in particular) needed a success in Georgia and therefore accepted the new political reality there.

Western partners could have pulled away from Georgia or sought to punish it in view of their discomfort with the evident unwillingness of Georgian Dream to abandon the prosecution of members of the preceding administration, and in view of its alleged emerging use of judicial means to handle dissonance within the ruling coalition. But to do so would have been difficult when, after 20 years of Western efforts to support democratization in Georgia, the country had finally delivered a constitutional transfer of power on the basis of thoroughly monitored elections judged to be free and fair.

Furthermore, for much of the period under consideration, Russia was engaged in a robust effort to reconsolidate the former Soviet space in the form of the Eurasian Customs Union, and, in due course, the Eurasian Union. In this context, it saw the EU's Eastern Partnership as a competing institutional process. In 2013 Russia pressured Armenia and Ukraine not to sign association agreements with the EU so that by the November Vilnius summit, the moment of delivery on the Eastern Partnership, only Georgia and Moldova were ready and willing to sign one.

Saying no to Georgia would have undermined the central pillar of the EU's eastern policy, and the EU needed to show success. Likewise, it would have been awkward for the United States to pressure Georgia at the same time as it was sanctioning Russia for interfering in the domestic affairs of Ukraine and annexing parts of its territory. Thus Georgia was able to further its strategic objectives *vis-à-vis* the EU and the United States because regional conditions over the past two years favoured its aspirations.

In this context, it is not surprising that the repeated EU and US criticism of the judicial campaign against the UNM was never accompanied by concrete steps to induce compliance with Western preferences. That the Georgian government's rebuttals became more vigorous over time suggests that it had learned that Western unhappiness was unlikely to be translated into retaliation.

## The future

The record of Georgian Dream's foreign policy since it came to power is reasonably positive. It had a clear focus on a small number of objectives and has achieved considerable success in their pursuit. The relationship with Russia has improved and risks in relation to Georgia's powerful neighbour have been reduced. Georgia has signed its association agreement with the EU. This has been ratified by the European Parliament, and the odds that EU member states will do so too are good.

Georgia failed to obtain a MAP from NATO, and steps taken at the 2014 Wales summit suggest that the alliance has no intention of providing direct support to Georgia in the face of the threat from Russia. However, Georgia has been promised enhanced defence cooperation.

The halfway house in which the country finds itself is an improvement on where it was before Georgian Dream formed the government. However, there appears to be very little prospect of movement towards greater normalization of the relationship with Russia or towards membership of NATO and the EU.<sup>53</sup> The government also does not appear to have a clear strategy for further progress on these issues.

The qualified success of Georgian foreign policy over the last two years was largely the product of exogenous circumstances, particularly Russia's undermining of the EU's Eastern Partnership process and its increasing use of force to secure compliance in what it considers to be its neighbourhood. These Russian actions made the EU more receptive to closer association with Georgia, and the West more tolerant of the judicial pursuit of members of the former government.

If Georgia has had a good run for reasons that do not have a great deal to do with foreign policy acumen but much to do with processes outside its control, how sustainable is this success?

The first problem the government faces is that, although it was convenient, the justice agenda is perishable. Falling turnout in the 2014 local government elections suggests a renewed disengagement from politics in general and from Georgian Dream in particular. Public opinion polls show increasing ambivalence towards the coalition. The government's performance in addressing economic and social aspirations has fallen short of its promises. And, although still strong, public support for Georgia's Western orientation is diminishing.

A second problem is that the departure of the Our Georgia–Free Democrats party from the coalition as a result of the dismissal of Alasania suggests that the unity of the government is at risk.<sup>54</sup> Although greater pluralism in parliament may be desirable, it may also complicate the government's ability to make foreign policy.

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<sup>53</sup> Although Georgian policymakers unrealistically hyped the objective of EU visa liberalization in the leadup to the Riga EaP summit in May 2015, it was not delivered. However, the matter has become technical rather than political. The Commission has provided a set of criteria for agreement; Georgia has fulfilled some of these criteria, but falls short on others. The signals are that the EU would act reasonably quickly once the full set of criteria is fulfilled. On the other hand, visa liberalization has nothing obvious to do with accession. Commission spokespersons speak about "approximation", not membership, with respect to Eastern Partnership states.

<sup>54</sup> Andrew Roth, 'Political Feud Weakens Coalition in Georgia', *New York Times*, 5 November 2014, [http://www.nytimes.com/2014/11/06/world/europe/pro-west-party-quits-georgias-governing-coalition.html?\\_r=0](http://www.nytimes.com/2014/11/06/world/europe/pro-west-party-quits-georgias-governing-coalition.html?_r=0).

A third challenge is that Georgia is vulnerable to potential instability in its immediate region, a subject that has been largely ignored in the government's formulation of foreign policy. A renewal of the conflict between Armenia and Azerbaijan in Nagorno-Karabakh, for example, could have very serious consequences for Georgia. It could cause interruption in the flow of oil and gas through Georgia. It could also lead Russia to demand military transit across Georgia to Armenia.

Finally, the moderately benign policy of Russia towards Georgia over the past couple of years may also change. Borderization and the treaty processes with Abkhazia and South Ossetia suggest that this may already be happening. The Ukrainian crisis has given Georgia some strategic space because Russian attention has been focused elsewhere. In the event that the Ukraine crisis is resolved, or that Russia abandons its adventures there, the distraction would disappear. If relations between Russia and the West deteriorate further, Russia may have little to lose by completing its foreign policy agenda towards Georgia.

## Conclusion

The Georgian Dream government initially displayed a considerable degree of inexperience and lack of professionalism in foreign policy, but it also demonstrated an impressive capacity to learn from its mistakes. For the first year, foreign policy was also significantly hampered by *cohabitation* in the executive, in which the two sides had diametrically opposed views and were trying to destroy each other. The 2013 presidential election solved this problem.

The new government knew what it wanted in relation to Russia and had a clear sense of what compromises it could accept in order to get there. It put an effective process in place to reduce diplomatic tensions and restore trade without political concessions on the occupied territories.

The evolution of the relationship with the West has been more complex, given the tension between the integration agenda and the domestic political imperative of justice. Georgian Dream has shown remarkable consistency in its support of prosecution of figures from the former government. In so doing, it has steadily resisted Western efforts to make it abandon this policy. Although the public justification for this agenda has become more attuned to Western normative and rule-of-law frames, the government has made no compromise on substance. The dismissal of the defence minister and resignation of the foreign minister in November 2014 confirm Georgian Dream's belief in the primacy of domestic exigencies over external ones.

The costs that might have been expected from this devaluation of the concerns of important partners did not emerge because of developments in the region that favoured the maintenance or even deepening of the Western commitment to Georgia.

However, the evolving internal political situation in Georgia may weaken the government's capacity to monopolize foreign policy. Russia's foreign policy may be evolving in a more assertive direction in the South Caucasus. Russia is currently constrained by its intervention in Ukraine, but this may not last. Regional developments, such as an exacerbation of the Nagorno-Karabakh conflict, could also refocus Russian military policy on the Caucasus. At the same time, there is no evidence that Western partners would meaningfully support Georgia in the face of direct Russian pressure.

In short, Georgia has been an accidental beneficiary of events outside its control. Whether that will continue is an open question.

### **About the author**

S. Neil MacFarlane is Lester B. Pearson professor of international relations at Oxford University and an associate fellow of the Russia and Eurasia Programme at Chatham House. He is an expert on the international relations of the South Caucasus.

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