



Institute for Regional and International Studies

GEORGIA'S RUSSIAN HURDLES
Negotiating Russian Troops Withdrawal from Georgia

PLAMEN RALCHEV

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The accord recently reached between Georgia and Russia for the withdrawal of Russian troops and closing the two remaining Russian military bases in Georgia triggers some thoughts about the future of the Russian outreach in the Southern Caucasus. In other words, bearing in mind the geopolitical scope of Russia, this decision does not seem, at least at first, quite genuine. Therefore this paper tries to explore what this withdrawal might mean, how effective it will be, and whether Georgia would benefit from it. One of the main arguments, this paper is built on, questions the very fact of actual and terminal Russian withdrawal from Georgia. Such withdrawal seems unlikely if negotiated only between Russia and Georgia. Even if it happens, Russia is likely to compensate for it with other means and mechanisms, the most prominent of which is economic and energy dominance.

THE “HAPPY HOUR” – HARDLY NEGOTIATED WITHDRAWAL

Moscow and Tbilisi announced in May an agreement on the closure of Russia’s two remaining military bases in Georgia by the end of 2008. In theory at least, the deal puts an end to a dispute that started in December 1999, when the Organization for Security and Cooperation in Europe demanded that Moscow vacate all four former Soviet military bases it had been maintaining in Georgia.

By 2001, Russia had vacated two bases. The Vaziani airfield, near Tbilisi, was handed over to the Georgian Defense Ministry in 2001. The fate of the Gudauta military base, in Georgia’s separatist republic of Abkhazia, is less certain. Moscow maintains it has been vacated, but Tbilisi claims it is still manned by Russian troops and has demanded that international observers be allowed onto the base.

The fate of the two remaining facilities - in the Black Sea port of Batumi and in the predominantly Armenian region of Samtskhe-Javakheti - had remained in abeyance for nearly four years, triggering tensions between Moscow and Tbilisi.¹

The base issue has been a major factor in stoking rancor that has marked bilateral relations for most of the post-Soviet era. Eventually, on May 30, 2005 in Moscow, Ministers of Foreign Affairs Sergei Lavrov and Salome Zourabichvili signed a Joint Statement regarding the "cessation of functioning" of Russian military bases and other installations and withdrawal of Russian forces from Georgia. In this document, the Russian side renounces some major, long-held positions, accepts a timetable and benchmarks for troop withdrawal until 2008, and abandons its excessive demands for financial compensation that had been designed to postpone the withdrawal indefinitely.²

Thus, the document marks a decisive breakthrough in the negotiations and is a major success for Georgian policy and diplomacy. Nevertheless, the text opens some potential loopholes in follow-up agreements that Moscow can use down the road to obstruct the Joint Statement's implementation.

In terms of implementation of the agreement, Russia is to hand over its bases and installations to the Georgian side and evacuate its forces from Georgia according to the following schedule:

- Handover of the Tbilisi armor repair plant by June 15, 2005;

¹ RFE/RL Caucasus Report, 16 February 2005

²http://www.in.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/bf502c80081d8ac5c32570120056b2d2?OpenDocument

- Handover of the Zvezda and Kojori communications relay stations (in the environs of Tbilisi) and other, unnamed installations by September 1, 2005;
- Evacuation of at least 40 armored vehicles, including at least 20 tanks, also by September 1, 2005;
- Handover of further installations, according to a mutually agreed list, in two stages, by January 1, 2006 and October 1, 2007;
- Evacuation of heavy weaponry, including CFE Treaty-Limited Equipment, from the Akhalkalaki base by the end of 2006;
- Complete withdrawal of forces from Akhalkalaki and partial withdrawal from Batumi by October 1, 2007; extension possible until the end of 2007 if weather conditions are unfavorable (this is understood to refer to convoying of equipment from Batumi by sea to Russia); and
- Completion of the withdrawal from Batumi, along with closure of the Tbilisi headquarters of Russia's Group of Forces in the Transcaucasus, "in the course of 2008."

From the moment of the agreement's signing, Russia's bases in Batumi and Akhalkalaki shall "function in a withdrawal mode," curtailing military training and preparing for evacuation of equipment and personnel. Georgia shall allow Russia temporarily to send in additional military specialists to those bases with a view to facilitating the transport of equipment and personnel out of Georgia. The immovable property is to be handed over to Georgian authorities "in its existing condition" (i.e., not deliberately wrecked, as was done at the Vaziani base in 2001).

Under separate agreements to be concluded, Russia shall use the Zvezda station jointly with Georgia and continue using the Kojori station exclusively for an unspecified period of time. The Gonio training range, attached to the Batumi base, shall be handed over to Georgian jurisdiction on September 1, 2005, to be jointly used by the two sides under a separate agreement. Some personnel and some installations of the Batumi base are to be used for setting up a Georgian-Russian Anti-Terrorist Center, again under a separate agreement to be negotiated. No timeframe for such negotiations has been specified so far.

In recent months, the Russian side had sought to re-label the Batumi and Akhalkalaki bases as "anti-terrorist centers" and retain sizeable garrisons with heavy weaponry at both bases, as well as to create an "anti-terrorist center" in Tbilisi, and conclude agreements with Georgia on this matter prior to the start of troop withdrawal.

In terms of financing, the sides shall "jointly seek supplementary funding from external sources to cover transport expenditures in the course of withdrawal." With this, Russia renounces its earlier demand for hundreds of millions of dollars to finance the relocation and accommodation of its forces in Russia. The formulation in the document makes clear that any external financing would only relate to withdrawal of forces from Georgia's

territory, not their rebasing in Russia; and that the withdrawal is in no sense conditional on such assistance.

The Joint Statement vaguely says that a German-led inspection will help determine whether Russia has fulfilled its obligations regarding the Gudauta army and air force base. Under the 1999-adapted CFE Treaty and Istanbul Commitments, Russia was to have closed Gudauta in 2001. By the due date, Russia only reduced its force there, but retains the base and seeks to legalize this situation in order to claim compliance with this part of its 1999 obligations. Legalization would, in turn, remove a hurdle to international ratification of the adapted CFE Treaty, through which Moscow hopes to place constraints on forces stationed in the Baltic states.

Russia and Georgia shall in the course of 2005 reach an agreement on "transit in the interest of Russia's Ministry of Defense through Georgia's territory in compliance with international law." Such wording may refer to Russian weaponry to be relocated from Georgia to Armenia as a short-term arrangement, part of the evacuation of Russian forces from Georgia. But it would also apply to Russian troops and materiel moving between Russia and Armenia across Georgia as a long-term arrangement, for rotation and supply of Russian forces in Armenia or arms deliveries to Armenia. Russia clearly wants the latter type of arrangement.

The Joint Statement is not legally binding. However, it has the political value of committing Russia publicly to withdrawing its forces from Georgia by a certain date and even to observing intermediate deadlines and benchmarks. Moreover, the Joint Statement goes a long way toward predetermining in Georgia's favor the content of a legally binding Agreement, to be finalized "in the nearest future," on the timetable and modalities of the functioning and withdrawal of Russian forces from Georgia.³

REACTIONS

The announced agreement brought to front a variety of reactions on behalf of Russian and Georgian politicians and experts, as well as reflections from international observers and analysts.

President Putin stated that in security and strategic terms these bases do not present any particular interest and Russia's insistence on maintaining troops in Georgia would

³ Corso M., Some in Georgia worry that the Russian base withdrawal deal comes with a catch, Eurasia Insight, June 1, 2005 (<http://www.eurasianet.org/departments/insight/articles/eav060105.shtml>)

eventually backfire. At the same time, however, he acknowledged that the upcoming withdrawal would further diminish Moscow's influence in the former Soviet Union.

In the meanwhile, US President George W. Bush who was in Tbilisi in May, urged his Georgian allies not to antagonize the Kremlin and continue to negotiate the Russian withdrawal.

Bush's admonition followed Georgian President Mikhail Saakashvili's refusal to attend the Moscow ceremonies that marked the 60th anniversary of the end of World War II. Saakashvili had cited the collapse of an earlier round of talks, during which Georgia had insisted that the two Russian bases be vacated by 1 January 2008, to justify his decision.

Anton Surikov, a political expert at the Institute of Globalization Studies in Moscow, told RFE/RL he views the deal as equally beneficial to both sides. *"I do believe this is a sensible compromise that one could equally describe as a victory for Russia and a personal victory for the Georgian president. On the one hand, it was obvious that one day or another we would have to vacate those bases to meet our international obligations,"* Surikov said. *"But to do that Russia insisted on an acceptable timeframe. I think the four years or so we are now given to vacate the bases are enough. On the other hand, the Georgian president had made the withdrawal of the Russian bases one of his main hobbyhorses. He can now get the credit for the decision."*⁴

Russia initially maintained it would need at least 10 years to vacate the two bases. But it progressively yielded ground to the Georgian demands, saying the withdrawal could be completed in just four years.

Some observers, however, point out one drawback for Russia. The agreement for the troops withdrawal does not refer to Georgia's earlier oral pledges not to authorize the deployment of foreign troops after the Russian withdrawal.

Moscow had previously insisted that the Georgian parliament must vote a law banning the stationing of troops from a third country on Georgian soil. But Tbilisi had dismissed such a possibility. In the absence of such guarantees, the eventual deployment of foreign troops in NATO-hopeful Georgia is almost predetermined.

Being aware this will happen, Anton Surikov further expands his comment to highlight that the only problem the eventual third-party troops deployment in Georgia may cause is *"the psychological impact it will have on Russian citizens. For a very large number of them, this will be something unpleasant."*⁵

⁴ RFE/RL Caucasus Reports, May – June 2005

⁵ Ibid.

The reactions in Georgia to the announced withdrawal were not all enthusiastic though. Some Georgian leaders have hailed the deal on the withdrawal of Russian troops from two military bases in Georgia as a “historic event” that clears the way for the normalization of bilateral relations. Some political analysts and opposition politicians in Tbilisi, however, are concerned that President Mikhail Saakashvili’s administration has paid too high a price to secure Moscow’s commitment to take its troops out of Georgia.

ANTI-TERRORISM CENTER – THE NEW NAME OF RUSSIA’S RESIDUAL PRESENCE IN GEORGIA

While Russian troops withdrawal clearly meets Georgia's interests, the procedures associated with the planned Agreement and its legal implications pose some risks. Thus, the Joint Statement envisages that the Agreement will legalize Russia's military presence in Georgia, even ensuring troop rotations from Russia, pending the withdrawal; and that the Agreement will be packaged together with an agreement to set up the "anti-terrorist center(s)."

Some observers and politicians in Georgia feel uneasy about the creation of the joint anti-terrorism center. Tina Gogueliani, a political analyst with the International Center for Conflict and Negotiations, said that some people worried that the accord contained loopholes potentially enabling Russia to maintain a military presence in Georgia.⁶

The text of the agreement states that an “*agreed upon portion of [Russian] military personnel and material-technical facilities and infrastructure from [the Batumi base] would be used in the interest*” of the joint anti-terrorism center. Tiko Mzhavanadze, a press secretary for the New Right opposition group, voiced concern that the status quo could end up being preserved. “*If the [anti-terrorism] center will be Russian, we have traded the old bases for new [military] equipment,*” she said in an interview with EurasiaNet. She continued that to ensure Russia does not wield undue influence in the planned anti-terrorism center, participation should be expanded. “*If there is going to be an anti-terrorism center in Georgia, [it] should be three-, or four-sided; not just Georgian and Russian [members], but also American and possibly European.*”

Irakli Menagarishvili, a former foreign minister who now is Director of the Strategic Research Center, cautioned that it is too soon to jump to any conclusions. “*It is hard to say anything concrete at this time,*” he said. “*There is nothing decided, or we don’t know anything yet, about the center except for the title.*” He added that the center could assume

⁶ Jean-Christophe Peuch, Georgia/Russia: Base Deal Seen As Mutually Acceptable Compromise, 31 May 2005 (RFE/RL Caucasus Report Series)

a variety of forms, ranging from an analytical-research think tank to an armed unit. *“Those are two different things, and actually any number of variations could exist between them,”* he said. *“If it is the first version, it could be acceptable for Georgia. But the second is completely unacceptable. That is like exchanging the bases for the same thing with a different name.”*

One of the most vociferous opponents is Georgia’s parliamentary opposition leader Davit Gamkrelidze. He opposed the creation of any joint antiterrorist center, which he likened to an attempt at “legitimizing” Russia’s military presence in the country.⁷

Georgian Foreign Minister Zourabichvili seeking to dispel fears that the deal would allow Russian to retain a significant military presence in Georgia, said at a press conference on May 31, *“The anti-terrorist center will not represent a new base. It will be a joint center, which will accept all decisions jointly, with the participation of the Georgian side,”* Zourabichvili said, adding that *“the existence of this anti-terrorism center is in Georgia’s interests as well.”*

Alexander Rondeli, President of the Georgian Foundation for Strategic and International Studies, expressed concern about the deal’s chances, saying that in prior negotiations with Georgia, Russian diplomats often attempted to insert "traps" into treaties. *"I think that there will be some conditions that do not look dangerous in the beginning, but then will be hard to interpret."* Vague wording could create openings for Russia to stretch out the withdrawal period.⁸

The Georgian side would only agree to creating one such center, under Georgian sovereignty, without troops and weaponry, and authorizing it to perform analytical functions only. Once the withdrawal of Russian forces begins in earnest - as Georgia successfully insisted - ahead of negotiations on the "anti-terrorist center," Russia will lose its leverage to pressure Georgia on this issue.

Georgia’s desire for NATO membership is another factor influencing Tbilisi’s withdrawal position. Some Georgian experts believe that Georgia’s membership in NATO will not be seriously contemplated in Brussels until Russian troops leave the country.

Some Russian military experts, like Aleksandr Goltz, explain that Russian bases in Georgia serve the purpose of safeguarding weapons and military equipment. Goltz stresses that the main problem related to the withdrawal of the bases is not logistical but a political one. The Kremlin is simply not sufficiently interested in removing its military

⁷ Ibid.

⁸ Corso, M., Georgia, Russia renew base-withdrawal dispute, Eurasia Insight, 6 May 2005

presence in Georgia. *"The main thing here is Russia's desire to show its military might, a wish to show that it is ready and able to act - especially in such a complicated place as the Caucasus".*⁹

For Russia, the ethnically mixed and restive Caucasus region is a headache. Moscow clearly wants to avoid armed conflict in the Caucasus. A war in Chechnya, which borders Georgia, has contributed significantly to Moscow's concerns in the region.

Russia maintains military bases in Armenia as well, but because of Armenia's conflict with neighboring Azerbaijan, the country welcomes the Russian military presence. Preliminary withdrawal plans call for Moscow to re-locate a portion of its forces now stationed in Georgia to neighboring Armenia, Russia's strongest ally in the South Caucasus. The planned troop transfer has caught the attention of Azerbaijan, as Azeri officials fear that such troop realignment could provide Armenia with a boost in the ongoing search for a Nagorno-Karabakh peace settlement. On May 23, the Azerbaijani Foreign Ministry passed a diplomatic note to Russian officials stating that the planned reinforcement of Russian forces in Armenia *"does not serve the interests of peace and security in the region."*

TRADE-OFFS

The bases issue has an ethnic minority aspect as well. The Russian base in Akhalkalaki is a major employer for residents of the surrounding area, many of whom are ethnic Armenians. Local residents are concerned that once the Russian forces leave, economic opportunities will evaporate. Georgian government officials have tried to reassure the ethnic Armenian population, pledging to provide additional support for the maintenance of the existing socio-economic infrastructure. However, such pledges do not assuage Akhalkalaki's ethnic Armenian community leaders, who note that government efforts to improve local economic conditions, undertaken since Saakashvili became president in January 2004, have produced few noticeable results to date.

The base in Akhalkalaki employs about 15 percent of the local population and is the only major employer in town. In addition, local Armenians say the Russian troop presence makes them feel more secure, providing their only defense against Turkey, a longtime Armenian foe.

⁹ Georgia: Russia Calls Parliamentary Resolution on Bases 'Counterproductive', Eurasia Insight, 11 March 2005

The situation in Akhalkalaki illustrates the extent to which the base debate with Moscow goes beyond foreign policy. Related economic and interethnic issues play a considerable role as well.¹⁰

Other concerns lurk in the possibility envisaged in the Joint Statement of Foreign Ministers of Russia and Georgia. The Statement stipulates that Russian military personnel may opt for leaving the service to stay permanently in Georgia as civilian residents, along with their family dependents. In such cases, Georgia shall guarantee their title to the dwellings they currently inhabit. Such provisions may cause further difficulties.

Furthermore, trade-off between Georgia and Russia will be additionally complicated because it is to be expected that Moscow would propose restrictions on Georgia's freedom to decide on foreign policy and security arrangements. Russia would want language barring Georgia from participating in security arrangements or other activities "unfriendly" to Russia, by the latter's definition. Tbilisi may be able to resist such demands, as some other countries successfully negotiated in their treaties with Russia. But those countries were not exposed to the blackmail of having Russian troops and Russian-backed secessionists within their territories. In Georgia's case, at a minimum, amalgamating negotiations on bases with those concerning "mutual security" would complicate and prolong the process considerably.

Besides, there is a clear confusion within Georgian political establishment on the issue of third-country troops deployment. Once Tbilisi has said it has no intention of allowing in any non-Georgian troops after the Russian pullout. However Georgian Parliament refuses to meet Moscow's request that its legislation be amended accordingly. It says decisions about foreign military bases in Georgia are not Russia's concern.

In an address to the Georgian legislature, President Saakashvili on 10 February assured Russia that no foreign military bases would be set up once its troops depart. On 11 February Parliamentary speaker Nino Burdjanadze ruled out the possibility that NATO-hopeful Georgia would ever sign a treaty that "*would forbid it to seek military cooperation with third countries.*"

This contradiction has been multiplied by Georgian Defense Minister Irakly Okruashvili who was reported by Interfax on 31 May, saying that no foreign military bases will be deployed in Georgia after Russian troops leave the country. A point is to be made here that speaking with so different voices and sending so diverse messages contributes little to Georgian strategic objectives.

¹⁰ Georgia, Russia Inch Closer to Troop Withdrawal Accord, Eurasia Insight, 24 May 2005

Changing Russian-Georgian relations are further complicated being closely entwined with the fate of the Chechen refugees as well as the Pankisi gorge problem, which just 18 months ago was a rear base for Chechen rebel groups. To improve these volatile relations, Georgian President Mikhail Saakashvili's government is likely to give Russian forces more access to the Pankisi. At the Russian-Georgian summit in February, Saakashvili publicly stated that his government would assist Russia in bringing stability to the North Caucasus. He stated that one of the measures for achieving this aim might be joint anti-guerrilla operations at the Georgian-Russian border. The entry of the Russian task force and special services into Pankisi for search and detection operations was one of the main topics of negotiations between Saakashvili and Russian Secretary of the Security Council Igor Ivanov during his recent visit in Tbilisi.

RESIDUAL RUSSIAN INTERESTS

Moscow's economic role in Georgia presents a considerable leverage even as it seems to officially 'retreat' in the face of mounting popular pressure for reform and democratization.

Even if the withdrawal of Russian troops from Georgia occurs, there are still mechanisms for Russia to keep control. It was bluntly expressed by Konstantin Zatulin, chairman of the Russian State Duma's CIS Affairs Committee, who played tough saying that Russia would respond by pressing Georgia to pay higher prices for energy supplies and *"toughening its position regarding the Georgian-Ossetian and Georgian-Abkhaz conflicts,"* where the Georgian government is facing local pressure for independence or autonomy.¹¹

Georgia is still dependent on Russian markets, capital and energy supplies. Georgian authorities welcome Russian investments but vowed that no strategic facilities will be sold to any foreign investors.

Energy, transport, banking system, tourism and agriculture are the spheres of interest for Russian investors representing energy giants like Unified Energy Systems (UES), LUKOIL, TransGazOil, Rosnefteeksport and many other companies. Several companies have already initiated talks over purchasing shares in Georgian firms. Russia's airline company, Aeroflot Air, seeks controlling shares of Georgia's Airzena airline.

¹¹ Georgia: Russia Calls Parliamentary Resolution on Bases 'Counterproductive', Eurasia Insight, 11 March 2005

One of Russia's leading banks, VneshtorgBank, has reached an agreement with United Bank of Georgia in regards to the purchase of the latter's controlling shares.

Georgia's energy sector is of particular interest to Russia. Russia's largest energy company, United Energy Systems (UES), purchased a 75% share in the Telasi electricity distribution company in the Georgian capital of Tbilisi. Telasi was formerly owned by the U.S. company AES.

Entering of the Russian electricity monopoly into the Georgian market triggered a protest by some politicians in fear of Russia's "economic expansion." But Georgia's new authorities say they want to implement joint projects with UES.

UES will also be involved in the project to rehabilitate the Enguri hydro power plant, which lies at the administrative border between breakaway Abkhazia and the rest of Georgia. The Enguri hydroelectric station is the largest in the country and produces 700 megawatt of electricity per day.

Talks are underway over the construction of a power transmission line, which will connect Russia with Turkey, via Georgia. Through the new line, Turkey will receive 5 billion kW/h of electricity annually.

The Russian giant LUKOIL, one of the expanding Russian companies in Georgia, is set to contribute USD 10 million to investment projects in Georgia, according to Vagit Alekperov, head of LUKOIL, who made the announcement after a meeting with Georgian President Mikhail Saakashvili.

Following the meeting, the Russian businessman told journalists that Saakashvili had approved the company's plans in Georgia. He said that, in particular, they concern the enlargement of the retail market in the republic for the company's production.¹²

In President Saakashvili's words to Russian businessmen, "*Georgia and Russia have launched a new phase of cooperation*". Georgian President further maintains that Russian capital is more available and flexible and working with Russians is easier.

But Saakashvili has repeated several times that "*investments have no nationality*," hinting that Georgia is open for western business as well.

12 <http://www.russiajournal.com/news/cnewswire.shtml?dmy=12-3-2004>

These ambiguous messages of the President as well as those about possible third-country bases in Georgia shoot the prospects of development of the country in different trajectories. The idea of implementing a democratisation and modernization project relying on Russian capitals does not seem quite promising.

Strengthening Georgia's sovereignty requires certain firm strategic decisions and they should not lean towards Russia. Though willing to reformulate and redefine its relations with Russia, Georgian political establishment should carefully balance its strategic priorities, especially those necessitating partnerships with the West.

In this regard, the opening of Baku – Tbilisi – Ceyhan pipeline represents a strategic diversification of Georgia's policy options and it is believed the pipeline would have crucial importance for the stability and development of Southern Caucasus and Georgia in particular.

The Baku-Tbilisi-Ceyhan (BTC) pipeline, opened on 25 May 2005 connects the rich oilfields of the Caspian Sea with a terminal located on Turkey's Mediterranean coast.

Put in very simple terms, the opening of the pipeline is yet one more step in a much larger geo-strategic plan through which the US is gaining an ever-stronger foothold in the countries which once formed part of the Soviet Union until its break-up in 1991. This strategy appears to have three main objectives: to ensure access to the energy reserves of the Caspian region and Central Asia, to limit Russian influence over the former Soviet republics in the area and, thirdly, to promote democracy in these countries. The area in question extends from Georgia in the west to Kyrgyzstan in the east.

The opening of the BTC pipeline is expected to have a direct financial impact on the region. Some economists believe it will see Azerbaijan and Georgia finally become financially independent of Moscow.¹³

The BTC pipeline route was designed to bypass Russia. Therefore, Moscow did not support the idea of the pipeline but did not interfere with it either, though it had said it would not provide oil to it.

LUKOIL, one of Russia's big oil companies, was an investor in the project but sold its stake to Itochu of Japan two years ago. Oil industry analysts said it was significant that

¹³ <http://www2.rnw.nl/rnw/en/currentaffairs/region/centralasia/cas050525?view=Standard>

Moscow did not try to block the pipeline, although it often voiced doubts that the project would be completed.¹⁴

The competition of oil companies for transportation routes, which is always tough, has never been so politically loaded as in the case of the BTC, described as the main geopolitical project of the United States in the former Soviet states.¹⁵

BTC pipeline is regarded as the most important element of "the East-West energy corridor" and is considered as an important project that was achieved by Azerbaijan, Georgia and Turkey based on geostrategic partnership. Mikhail Saakashvili and İlham Aliyev said in a speech in the opening ceremony that the pipeline constitutes the good example for the regional economic cooperation and the project is a geopolitical victory of the countries that acted within cooperation".¹⁶

Lord Browne, chief executive of oil major BP, the biggest shareholder and investor in the BTC pipeline with a 30.1 per cent stake, said in an interview that the project was "an important piece of the jigsaw of the world energy market".¹⁷

Many analysts agree on the point that the pipeline will make a great contribution to preserve stability and to the economic growth of regional countries, particularly Azerbaijan and Georgia. On the other hand, the projects such as the construction of Kars-Ahalkelek (Georgia)- Baku railways, the natural gas pipeline of Baku-Tbilisi-Erzurum (BTE) constitute another foot of the regional cooperation projects.¹⁸

PROSPECTIVE GEORGIA

It is crucial for Georgia to normalize its relations with Russia. Georgian President Mikhail Saakashvili in the beginning of his term in office declared his intentions to negotiate with Russia a kind of a rational pact accommodating both Georgian strive for Westernization and active Russian business presence in Georgia.

Russia however cannot accept the EU and NATO being active in the South Caucasus. Therefore, Saakashvili will need to reconsider bargaining with Russia.

¹⁴ http://iicas.org/libr_en/all/26_05_05_all_libr.htm

¹⁵ <http://washtimes.com/upi-breaking/20050607-122143-4552r.htm>

¹⁶ http://www.diplomaticobserver.com/news_read.asp?id=1205

¹⁷ http://iicas.org/libr_en/all/26_05_05_all_libr.htm

¹⁸ http://www.diplomaticobserver.com/news_read.asp?id=1205

As many analysts have highlighted, it is hard for Georgia to negotiate with Russia on equal grounds. Since Russian political elite is prone to exerting pressure on minor partners in the Near Abroad, it is vital for countries like Georgia to receive special attention and guardianship from the West. It is vital for the West itself, if it seeks to curb undue Russian influence in the South Caucasus and Central Asia. Nurturing and assisting a pro-Western developmental strategy is instrumental for Georgia for negotiating on better terms with Russia.

A very subtle framework for such negotiations need to be elaborated to accommodate the two major contradictory objectives – Russia’s determination to remain an influential player in the Caucasus, on one hand, and, on the other - the claim that the concept of the Caucasus lying within the "post-Soviet space" was outdated and the region ought to be identified simply as part of Europe, which is believed to eventually weaken Russia’s traditional high-profile role in the region.¹⁹

Wrapping up the arguments presented in this paper, the closing lines draw on Janusz Bugajski’s detailed survey of post-Soviet Russian foreign policy in Eastern Europe in his book *Cold Peace*, where he vividly exposes Russian coherent long-term strategy for regaining influence over former satellites and limiting Western penetration in key parts of this region. Bugajski’s assumption may well be re-staged in the Caucasus. Moscow is intent on steadily rebuilding Russia as a major power on the Eurasian stage. As Bugajski observes, a modification of what can be described as a neo-containment policy on the part of the West towards Russia may well suit the democratization and developmental strategies of countries in Russia’s proximity like Georgia.

¹⁹ These two opposing concepts were elicited respectively by Vyacheslav Nikonov, a pro-Putin political scientist and president of the Politika Foundation in Moscow, and Stephen Sestanovich, a former top US diplomat during the Clinton administration who is currently a senior fellow at the Council on Foreign Relations, at a conference organized by the Georgian Foundation for Strategic and International Studies.

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