



Georgia [Republic]: Recent Developments and U.S. Interests

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Summary

The small Black Sea-bordering country of Georgia gained its independence at the end of 1991 with the dissolution of the former Soviet Union. The United States had an early interest in its fate, since the well-known former Soviet foreign minister, Eduard Shevardnadze, soon became its leader. Democratic and economic reforms faltered during his rule, however. New prospects for the country emerged after Shevardnadze was ousted in 2003 and the U.S.-educated Mikheil Saakashvili was elected president. Then-U.S. President George W. Bush visited Georgia in 2005, and praised the democratic and economic aims of the Saakashvili government while calling on it to deepen reforms. The August 2008 Russia-Georgia conflict caused much damage to Georgia's economy and military, as well as contributing to hundreds of casualties and tens of thousands of displaced persons in Georgia. The United States quickly pledged \$1 billion in humanitarian and recovery assistance for Georgia. In early 2009, the United States and Georgia signed a Strategic Partnership Charter, which pledged U.S. support for democratization, economic development, and security reforms in Georgia. The Obama Administration has pledged continued U.S. support to uphold Georgia's sovereignty and territorial integrity.

The United States has been Georgia's largest bilateral aid donor, budgeting cumulative aid of \$2.7 billion in FY1992-FY2008 (all agencies and programs). Georgia has regularly ranked among the top world states in terms of per capita U.S. aid. U.S.-budgeted foreign assistance for Georgia in FY2008 was \$713.5 million and \$359 million in FY2009 (including annual foreign operations appropriations and tranches from the \$1 billion aid pledge). Estimated aid to Georgia in FY2010 was about \$171.6 million, and planned spending for FY2011 is about \$90 million (country totals for foreign assistance for FY2011 under the continuing resolution, H.R. 1473; P.L. 112-10, signed into law on April 15, 2011, are being finalized). The Administration has requested \$87.6 million for foreign assistance for Georgia for FY2012.

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Political Background

Georgia gained its independence at the end of 1991 with the dissolution of the former Soviet Union. Its elected president, Zviad Gamsakhurdia, faced insurrection and fled the country in January 1992. Coup leaders invited former Soviet Foreign Minister Eduard Shevardnadze to head a ruling State Council, and he was elected the speaker of the legislature in late 1992 and president under a new constitution in 1995. The country was roiled by secessionist conflict by South Ossetia and Abkhazia that resulted in cease-fires in 1992 and 1994, respectively. Shevardnadze was ousted in the wake of a suspect legislative election in late 2003, and coup co-leader Mikheil Saakashvili was elected president in January 2004. A November 2007 government crackdown on political oppositionists led Saakashvili to step down as president in the face of domestic and international criticism to seek a mandate on his continued rule. He was reelected president in January 2008 with 53% of the vote. Electoral observers hosted by the Organization for Security and Cooperation in Europe (OSCE) stated that the election broadly met its standards, but that irregularities needed to be addressed. He is constitutionally limited to two terms in office, and has stated that in accordance with the constitution, he will not run in a planned 2013 presidential election, although he does not plan to leave politics entirely.

In an address at the U.N. General Assembly on September 23, 2008, President Saakashvili announced new democratization initiatives as a means to strengthen Georgia's sovereignty and independence and thereby prevent Russia from subverting Georgia's statehood. After lengthy attempts, President Saakashvili met with a few opposition leaders in April-May 2009 to discuss setting up a constitutional commission to work out changes to the political system, and such a commission was established in June 2009. In his March 2010 and February 2011 state of the nation addresses, Saakashvili pledged further democratization efforts. In his 2011 speech, he called for the creation of a "modern" Georgia that will be "a democratic European nation with the fastest growing economy in Europe," where Georgian citizens will be more confident, "more educated" and "more competitive," and not subject to subjugation by Russia.¹

Local elections to 64 city councils, as well as the first popular election of Tbilisi's mayor, were held at the end of May 2010. The ruling NM won over 65% of the vote in the city council races, followed by the moderate opposition Christian Democratic Alliance party bloc with about 12% of the vote. In the Tbilisi mayoral race, the NM incumbent—Gigi Ugulava—was reelected with

Georgia: Basic Facts

Area and Population: 26,872 sq. mi., slightly larger than West Virginia. The population is 4.62 million (*The World Factbook*, mid-2010 est.). Administrative subdivisions include the Abkhazian and Ajarian Autonomous Republics.

GDP: \$20.23 billion in 2009; per capita income is about \$4,400 (*World Factbook* est., purchasing power parity).

Political Leaders: President: Mikheil Saakashvili; Prime Minister: Nika Gilauri; Speaker of the Parliament: Davit Bakradze; Defense Minister: Bacho Akhalaia; Foreign Minister: Grigol Vashadze.

Biography: Saakashvili, born in 1967, received his Master's at Columbia Univ. and his Ph.D. at George Washington Univ. He was elected to the legislature in 1995 and 1999, where he chaired the Constitutional Committee and headed the ruling party's faction. In 2000, he became minister of justice, but resigned in late 2001, accusing the government of corruption and forming the National Movement party bloc. In 2002-2003, he chaired the Tbilisi city council. He was elected president in 2004 and reelected in 2008.

¹ "Georgian President Delivers State-of-Nation Address to Parliament," *Open Source Center Feature*, February 16, 2011.

about 55% of the vote, followed by the moderate opposition Alliance for Georgia leader Irakli Alasania with about 19%. In the Tbilisi city council race, 39 of 50 seats were won by NM candidates, the Alliance for Georgia (a bloc consisting of Our Georgia-Free Democrats, the Republican Party, the New Rights Party, and Georgia's Way) won 5 seats, the Christian Democratic Alliance won 3 seats, the radical opposition National Council (a bloc consisting of the Conservative Party, the Party of People, and the Movement for Fair Georgia) won 2 seats, and the moderate opposition Industry Will Save Georgia Party won 1 seat.

The election was widely viewed as a rehearsal for the planned 2012 legislative election and 2013 presidential election, and as such appeared to be a mandate for the NM and a legitimization of the moderate opposition, according to some observers. Some observers suggest that Ugulava may be the likely candidate backed by NM in the 2013 presidential election. The boycott of the election by much of the radical opposition—including Nino Burjanadze's party Democratic Movement—United Georgia, Levan Gachechiladze's Defend Georgia, and Irakli Okruashvili's For a United Georgia—appeared to marginalize them in the public's eyes, according to some observers. The inability of the opposition to unite harmed their electoral chances, these observers argued. Perhaps illustrative of this problem, the Alliance for Georgia party bloc disbanded in June 2010.²

Monitors from the OSCE reported that the local elections “marked evident progress towards meeting OSCE and Council of Europe [democratization] commitments,” but that “significant shortcomings” remained, including apparent ballot-box stuffing and multiple voting, vote-counting and tabulation problems, the use of administrative resources for favored candidates, and deficiencies in the legal framework and its implementation. Assistant Secretary of State Philip Crowley repeated the findings of the OSCE that the local elections showed progress in democratization, but that “significant shortcomings need to be addressed.”³

In May 2010, the constitutional commission (mentioned above) agreed on amendments to slightly reduce the power of the president and increase the powers of the legislature and prime minister. In October 2010, the Georgian legislature approved the constitutional changes. Most of the changes will not come into effect until after the next presidential election, scheduled for early 2013. Under the changes, the party that has the largest number of seats in the legislature will nominate the candidate for prime minister. This nominee will select ministers and draft a program, and upon approval by the legislature, the president will appoint the prime minister. The changes also call for regional governors to be appointed by the prime minister rather than the president, as is currently the case. Some suggestions by the Venice Commission, an advisory body of the Council of Europe, were not enacted. The Commission had raised concerns that the proposed presidential powers were still substantial relative to those of the prime minister and legislature, and that clashes between the president and prime minister might emerge on foreign policy and other matters. The Venice Commission suggested that a more powerful legislature might appoint the prime minister, be able to remove the prime minister with a simple majority vote (rather than 60% of the vote), and approve changes to the cabinet. A citizen's group likewise complained that the legislature's powers remained weak and criticized the retention of gubernatorial appointments. Some opposition parties allege that the constitutional changes are designed to permit Saakashvili

² Christofer Berglund, “Georgia's Local Elections: Revitalizing the Rose Revolution?” *CACI Analyst*, June 9, 2010; *CEDR*, May 31, 2010, Doc. No. CEP-46023; *Open Source Feature*, May 19, 2010, Doc. No. FEA-5119; May 31, 2010, Doc. No. FEA-5598.

³ OSCE, Office for Democratic Institutions and Human Rights, *Georgia Municipal Elections, 30 May 2010: OSCE/ODIHR Election Observation Mission Report*, September 13, 2010. U.S. Department of State. *Daily Press Briefing*, June 2, 2010.

to serve as prime minister after his term as president ends, and have called for a new constitutional amendment to ban a former president from subsequently serving as prime minister.

The ruling National Movement Party and several opposition parties launched talks on reforming the electoral code in November 2010. Several opposition parties have called for a change to the current system—under which 75 legislative seats are filled by proportional (party list) voting and 75 are filled by majoritarian (first past the post) voting—to create larger multi-seat electoral districts where proportional voting might permit more opposition parties to get enough votes to gain seats. Discussions also include changing the size of the legislature. Some of these proposals had been raised by the opposition the previous year during consideration of constitutional changes. The ruling National Movement Party has counter-proposed that the number of seats filled through majoritarian voting should be increased by dividing some electoral districts with large populations. In the past, the National Movement Party has won most of the majoritarian seats. Talks reached an impasse in early March 2011. U.S. Ambassador to Georgia John Bass has urged that discussions on electoral reforms be continued.

The radical opposition, particularly those parties allied in the People's Assembly (led by former legislative speaker Nino Burjanadze and former border guards' chief Badri Bitsadze) and the Georgian Party (founded in October 2010 and led by former public defender Sozar Subari, exiled former defense minister Irakli Okruashvili, and 2008 presidential candidate and businessman Levan Gachechiladze) are planning new demonstrations to force the government to resign and to trigger new presidential and legislative elections. The Georgian Party held a rally outside the U.S. Embassy on May 16, 2011, to protest alleged U.S. support for the Saakashvili government.

In mid-May 2011, the legislature voted to form a public commission to discuss moving all legislative activities to a new complex being constructed in Kutaisi, Georgia's second largest city, about 124 miles west of Tbilisi. Under a constitutional change made in 2009, some legislative activities were to be moved to Kutaisi in 2012, but the new proposal calls for all activities to be conducted in Kutaisi.

Human Rights

According to the State Department's *Country Reports on Human Rights Practices for 2010*, significant human rights achievements included the implementation of a new Criminal Procedure Code with increased protections for the rights of the accused, the strengthening of the Public Defender's (Ombudsman's) Office, and the construction of new prisons meeting international standards. In contrast to the previous year, there were no reports that policemen planted drugs or weapons on persons to arrest or charge them in criminal cases. However, there continued to be reports of arbitrary arrests and detentions and the employment of torture and other excessive force with limited accountability. Many Georgians continued to view the judiciary as dependent on the executive branch and deferential to the prosecution, especially given the very low acquittal rate in criminal cases. Jury trials have not yet begun. There were allegations by some opposition parties that their members were subject to government surveillance and job loss. They also alleged that their members were selectively targeted for prosecution by law enforcement and that the courts tended to rule against them, and that the government continued to hold political prisoners and detainees.

Individuals were generally free to criticize the government without reprisal, although there were some reports of curbs on media freedom. Opposition figures and representatives of the government regularly appeared on the same television shows, thereby providing a plurality of

views. However, some NGOs and journalists accused political parties and government officials of seeking to influence media programming through their connections with media owners and by directing advertising. Although print media frequently criticized government officials, there were reports of direct physical attacks, harassment, and intimidation of journalists by government officials. Some NGOs reported that a climate of widespread impunity for attacks and harassment of human rights activists had a chilling effect on their ability to operate. Some NGOs reported that police continued to conduct searches and monitor telephone conversations without first obtaining court orders.⁴

Economic Conditions

Georgia's economy suffered in 2008-2009 from the after-effects of the world economic downturn and the Russia-Georgia conflict, but began to recover in 2010. The Economist Intelligence Unit (EIU) estimates that Georgia's gross domestic product (GDP) contracted 3.8% in 2009, but resumed growth in 2010 of 6.1%. The EIU projects that GDP will grow by 4.3% in 2011. The EIU estimates that inflation will increase slightly from 7.1% in 2010 (much of the rise was late in the year) to 8.4% in 2011. Consumers are facing rising food prices and farmers are confronting high seed and fuel prices.⁵

Economic activities include agriculture, mining, and a small industrial sector. Civil conflict and poverty have spurred the emigration of about one-fifth (1 million) of the population since 1991. A large percentage of the working population has migrated for work in Russia or elsewhere. After being reduced as a result of the world economic downturn, the contribution of migrant worker remittances abroad to GDP increased in 2010-2011, as economic growth returned to Russia and other host countries. Georgia is a member of the World Trade Organization. In 2010, Georgia exported \$1.58 billion in goods and imported \$5.1 billion. Turkey, Azerbaijan, and Ukraine were Georgia's main trade partners. Georgia's main exports during 2010 were ferrous metals, automobiles (through reselling rather than production), ferrous scrap, and gold and copper production. U.S. exports to Georgia were \$300 million during 2010 (slightly less than those of the previous year) and U.S. imports from Georgia were \$193 million (nearly three times those of the previous year).⁶ Georgia's State Statistics Department has reported that total foreign direct investment in Georgia was \$553 million in 2010, and that the largest investors were the Netherlands (\$143 million), the United States (\$108 million) and Russia (\$51 million). This level of foreign direct investment remains below that of the pre-2008 conflict period, and eventually could harm economic growth, according to the International Monetary Fund.

Georgia is a transit state for a pipeline completed in mid-2006 carrying 1 million barrels per day of Azerbaijani oil to the Turkish port of Ceyhan (the Baku-Tbilisi-Ceyhan or BTC pipeline). Another pipeline completed in early 2007 initially carries 2.2 billion cubic meters of Azerbaijani natural gas to Georgia and Turkey, lessening their dependence on Russia as a supplier. In addition, a pipeline transits Georgia to Armenia that carries Russian gas. Georgia receives some gas through this pipeline, including some gas in lieu of transit fees. The United States has backed

⁴ U.S. Department of State, *Country Reports on Human Rights Practices for 2010*, April 8, 2011.

⁵ *Georgia: Country Report*, Economist Intelligence Unit, March 2011; Molly Corso, "Georgia: Inflation Pushing Farmers into Debt Trap," *Eurasianet*, March 24, 2011.

⁶ U.S. Census Bureau, Foreign Trade Statistics, *Trade in Goods (Imports, Exports and Trade Balance) with Georgia*, at <http://www.census.gov/foreign-trade/balance/c4633.html#2010>.

Georgian ownership of this pipeline and MCC has provided funds for upgrading the pipeline. Every year since 2005, Russia's state-owned Gazprom gas firm has announced increases in the price of gas shipped to Georgia. Azerbaijan provides some gas supplies to Georgia, easing Tbilisi's dependence on Gazprom.

Talks are being held between Georgia and Russia on addressing Georgia's economic concerns as a condition for the country's agreement to support Russia's admission into the World Trade Organization (WTO). Reportedly, Georgia is pressing for government or international monitors as customs checkpoints between the breakaway regions and Russia.

In his February 2011 state of the nation address, President Saakashvili called for major economic progress over the next five years, including the doubling of agricultural production and exports, the halving of unemployment, and the boosting of salaries by 50%. He also called for boosting tourism and building seventeen new hydro-electric power plants. In May 2011, he again called for accelerating economic growth during an awards ceremony for Georgian businesses.

Foreign Policy and Defense

Among its neighbors, Georgia has developed close ties with Azerbaijan and maintains good relations with Armenia. Georgia has an ongoing interest in ties with about 1 million Georgians residing in Turkey and about 50,000 Georgians in Iran. Ties with Russia have sharply deteriorated during Saakashvili's presidency. After the August 2008 Russia-Georgia conflict, Georgia broke off diplomatic relations with Russia and withdrew as a member of the Russia-dominated Commonwealth of Independent States (CIS). Georgia is a member of the European Union's (EU's) Eastern Partnership program of enhanced economic ties, and hopes to negotiate a free-trade agreement with the EU. President Saakashvili has set a goal for Georgia to eventually become an EU member.

Georgia's military is the smallest among those of the South Caucasus states. Its ground forces, air force, and national guard numbered 20,655 at the beginning of 2011. There were also 5,400 border guards and 6,300 Interior (police) Ministry troops. Most of the ground forces and air force personnel are on contracts and a minority are conscripted. A small coast guard—largely decimated during the Russia-Georgia conflict—was incorporated into the border guards in 2009.⁷ According to the Georgian defense ministry, 160 military personnel were killed during the Russia-Georgia conflict.⁸ In March 2010, Defense Minister Akhalaia released a *Minister's Vision 2010*—a document providing guidance until a new national security concept, threat assessment, and strategic defense review are drawn up reflecting the lessons of the August 2008 conflict—that calls for enhancing defense capabilities for territorial defense, ensuring NATO interoperability of the armed forces, and increasing military management and military training. A draft national security concept that is being discussed by the legislature has warned that Georgia faces a high threat of renewed aggression from Russia, and that Russia's goals are “to derail Georgia's Euro-Atlantic aspirations and to forcibly return Georgia back to the Russian orbit.” The concept argues,

⁷ *The Military Balance*, International Institute of Strategic Studies, March 7, 2011.

⁸ *Central Eurasia: Daily Report* (hereafter *CEDR*), Open Source Center, September 2, 2008, Doc. No. CEP-950366.

however, that “international support expressed toward Georgia is a significant factor deterring this risk.”⁹

Marking the shift toward more security ties with the West, Georgia withdrew from the CIS Collective Security Treaty in 1999. Georgia assumed full control from Russia over guarding its sea and land borders in 1999. Georgia joined NATO’s Partnership for Peace in 1994 and has hosted PFP exercises annually since 2001. NATO signed an Individual Partnership Action Plan (IPAP) with Georgia in October 2004 to deepen cooperation and launched an “intensified dialogue” with Georgia in September 2006 on reforms necessary for possible NATO membership. A NATO Membership Action Plan (MAP) for Georgia was a matter of contention at the April 2008 NATO Summit. Although Georgia was not offered a MAP, the Alliance pledged that Georgia would eventually become a member of NATO. After the Russia-Georgia conflict, a NATO-Georgia Council was set up to further systematize NATO reform guidance. At the meeting of the NATO-Georgia Council in April 2011 in Berlin, the foreign ministers issued a joint statement that welcomed the opening of the NATO liaison office in Tbilisi in October 2010 and the steady progress Georgia has shown in implementing its annual national program of cooperation with NATO, but called for more progress in democratization, including electoral reforms.¹⁰

The August 2008 Russia-Georgia Conflict

Simmering tensions between Georgia and its breakaway regions of South Ossetia and Abkhazia erupted on the evening of August 7, 2008. Georgia claims that South Ossetian forces did not respond to a cease-fire appeal to end mutual shelling of villages but intensified their shelling, “forcing” Georgia to send troops into South Ossetia that soon controlled the regional capital of Tskhinvali. The Russian military soon pushed Georgian forces out of South Ossetia, repeated this action in Abkhazia, and launched air strikes throughout Georgia. On August 15, the Georgian government accepted a French-brokered 6-point cease-fire that left Russian forces in control of the two regions, and two weeks later, Russia recognized their independence. On August 26, Russia recognized the independence of South Ossetia and Abkhazia. In September 2008, Russia, Georgia, and the breakaway regions signed follow-on cease-fire accords that called for bolstering the number of international monitors of the cease-fire, setting up an international conference on ensuring security and stability in the region, resettling refugees and displaced persons, and working out a peace settlement. The European Union has deployed 320 cease-fire monitors. The international conference has held several meetings in Geneva, Switzerland, but so far has agreed only to some incident notification measures that have successfully reduced some tensions. Georgia, the United States, and others have argued that in violation of the cease-fire accords, Russia has maintained troops in some areas instead of pulling them out, has not reduced the number of its troops in the regions to pre-conflict levels, and has forced out OSCE and U.N. observers from the regions. Russia has established military bases in each of the regions and a naval base in Abkhazia and has deployed up to 1,800 troops and over 1,000 border troops in each of the regions.

⁹ “Draft of Georgia’s New National Security Concept,” *Civil Georgia*, March 3, 2011.

¹⁰ NATO, *Joint Statement at the Meeting of the NATO-Georgia Commission at the Level of Foreign Ministers in Berlin, Germany*, April 15, 2011.

The EU and World Bank convened a donors' conference in Brussels on October 22, 2008, to garner international funds for Georgia's rebuilding. Thirty-eight countries and fifteen international organizations pledged approximately \$4.5 billion in aid to Georgia for the 2008-2010 period. The amount pledged was higher than the basic needs outlined in a Joint Needs Assessment report presented to the conference, indicating the high level of international concern over Georgia's fate.¹¹ The pledges are addressed to meet urgent social needs related to internally displaced people, as well as damaged infrastructure; budgetary shortfalls; loans, equity, and guarantees to the banking sector; and core investments in transportation, energy, and municipal infrastructure that will boost economic growth and employment. The United States pledged the largest amount—\$1 billion—for these efforts.

On September 30, 2009, a special EU fact-finding mission led by Swiss diplomat Heidi Tagliavini released a report on the origins and outcome of the August 2008 Russia-Georgia conflict. On the one hand, the mission concluded that "open hostilities began with a large-scale Georgian military operation against the town of Tskhinvali [in South Ossetia] and the surrounding areas, launched in the night of 7 to 8 August 2008. Operations started with a massive Georgian artillery attack." The mission also argued that the artillery attack was not justifiable under international law. However, it also argued that the artillery attack "was only the culminating point of a long period of increasing tensions, provocations and incidents" by the parties to the conflict. On the other hand, the mission suggested that "much of the Russian military action went far beyond the reasonable limits of defense," and that such "action outside South Ossetia was essentially conducted in violation of international law." In Abkhazia, actions by Russian-supported militias in the upper Kodori Valley "constituted an illegal use of force ... not justified under international law." The mission likewise asserted that actions by South Ossetian militias "against ethnic Georgians inside and outside South Ossetia, must be considered as having violated International humanitarian law and in many cases also human rights law."¹² Commenting on the release of the report, a U.S. State Department spokesman stated that "we recognize that all sides made mistakes and miscalculations through the conflict last year. But our focus is on the future."¹³

The International Crisis Group (ICG), a non-governmental organization, estimated in June 2010 that there may be fewer than 30,000 people residing in South Ossetia, and that the population continues to decline (a 1989 census, taken before the beginning of conflict, reported a regional population of 98,500). The ICG suggests that the region is increasingly less able to govern or sustain itself economically, so it must rely on Russian aid and thousands of Russian construction and government workers, troops, and border guards that are deployed there.¹⁴

In July 2010, Georgia unveiled an "action plan" to peacefully encourage the breakaway regions to reintegrate with Georgia. The action plan was praised by the United States and others in the international community as illustrating Georgia's "strategic patience" in peacefully engaging with the breakaway regions. The action plan called for a humanitarian commission to be established in Tbilisi and the breakaway region, for status-neutral travel documents to be issued to individuals in the breakaway regions that would facilitate international travel, and an economic zone and other subsidies. The breakaway regions have rejected the plan, and critics have questioned

¹¹ The World Bank, *Georgia: Summary of Joint Needs Assessment Findings Prepared for the Donors' Conference of October 22, 2008 in Brussels*, n.d.

¹² *Report of the Independent International Fact-Finding Mission on the Conflict in Georgia*, Vol. 3.

¹³ U.S. Department of State, *Daily Press Briefing*, September 30, 2009.

¹⁴ *South Ossetia: The Burden of Recognition*, International Crisis Group, June 7, 2010.

whether Georgia's and international donors' assistance could outmatch Russia's subsidies to the regions.

In November 2010, President Saakashvili proclaimed in a speech to the European Parliament that Georgia would "never use force to restore its territorial integrity and sovereignty, and only resort to peaceful means in its quest for de-occupation and reunification." He subsequently sent written statements pledging the non-use of force to international organizations and Russia. Although Russia had long called for Georgia to reiterate such a pledge (the ceasefire agreements had contained such a pledge), Russia rejected making such a pledge to Georgia and has continued to call for Georgia to sign bilateral pledges with South Ossetia and Abkhazia.¹⁵

At the December 1-2, 2010, summit meeting of the OSCE, the United States and Russia clashed over the principle of Georgia's territorial integrity. The United States called for reestablishing an OSCE Mission in Georgia that would have a mandate that included the breakaway areas, but Russia refused. Language in the final declaration recognizing territorial integrity as a core principle of the OSCE was deleted.

In early March 2011, Assistant Secretary of State Philip Gordon reiterated the U.S. position that Georgia's territory is "occupied" by Russian troops. He explained that "we don't know what else to call it. We respect Georgia's sovereignty and territorial integrity. We believe that Russia used disproportionate force and remains present in what we consider to be sovereign Georgia. So it's not meant to be a particular provocation, it's just a description of what we think the situation is and we've very active in the Geneva talks and bilaterally with Russia to try to bring about an end to what we consider to be a military occupation."¹⁶ The day after Gordon's statement, the South Ossetian emissary to the Geneva conference denounced the use of the term "occupation" to describe Russia's role, and called for a discussion of the term by international lawyers at the next Geneva meeting scheduled for June 2011.

On March 15, 2011, OSCE Chairman-in-Office Audronius Azubalis called for Russia to respond to President Saakashvili's nonuse-of-force pledge by making a pledge to Georgia not to use force against it.

U.S. Relations

Signed in January 2009, the U.S.-Georgia Charter on Strategic Partnership reflects strong U.S. support for Georgia's continued sovereignty and independence. In the security realm, "the United States and Georgia intend to expand the scope of their ongoing defense and security cooperation programs to defeat [threats to global peace and stability] and to promote peace and stability." Such cooperation will "increase Georgian capabilities and ... strengthen Georgia's candidacy for NATO membership." In the economic realm, the two countries "intend to pursue an Enhanced Bilateral Investment Treaty, to expand Georgian access to the General System of Preferences, and to explore the possibility of a Free-Trade Agreement." Energy security goals include "increasing Georgia's energy production, enhanc[ing] energy efficiency, and increas[ing] the physical security of energy transit through Georgia to European markets." In the realm of democratization, the two countries "pledge cooperation to bolster independent media, freedom of expression, and access to

¹⁵ *Civil Georgia*, November 23, 2010.

¹⁶ U.S. Embassy, Bratislava, Slovakia, *Assistant Secretary of State for Europe Phil Gordon in Bratislava: The U.S. Relationship With Central Europe Under the Obama Administration*, March 3, 2011.

objective news and information,” and to further strengthen the rule of law. The United States pledged to train judges, prosecutors, defense lawyers, and police officers.¹⁷

The first meeting of the U.S.-Georgia Strategic Partnership Commission was held on June 22, 2009, in Washington, DC, led by Deputy Secretary of State James Steinberg and Georgian Foreign Minister Grigol Vashadze. The Security Working Group also met, co-headed on the U.S. side by Assistant Secretary of State Philip Gordon and Assistant Secretary of Defense Alexander Vershbow, and headed on the Georgian side by Deputy Foreign Minister Giga Bokeria. Other working groups on the economy, democracy, and people-to-people exchanges held initial meetings over the next few months.¹⁸

The second plenary meeting of the U.S.-Georgia Strategic Partnership Commission was held on October 6, 2010, in Washington, DC. Meeting with Prime Minister Nikoloz Gilauri, Secretary Clinton stated that “the United States will not waver in its support for Georgia’s sovereignty and territorial integrity. That support is a core principle of our Charter on Strategic Partnership, and it is fundamental to our bilateral relationship. The United States remains committed to Georgia’s aspirations for membership in NATO.... We continue to call on Russia to end its occupation of Georgian territory, withdraw its forces, and abide by its other commitments under the 2008 ceasefire agreements.... As part of our commitment to enhancing Georgia’s future as a prosperous and secure member of the Western family of nations, we will continue to work with you to strengthen Georgian democracy.”¹⁹ Prime Minister Gilauri indicated that Georgia was requesting more educational, security, and economic assistance, including to bolster energy infrastructure. In mid-March 2011, Deputy Assistant Secretaries of State Spencer Boyer and Alina Romanowski and Deputy Assistant USAID Administrator Jonathan Hale hosted the fourth meeting of the people-to-people working group to discuss educational, cultural, medical, and scientific cooperation and exchanges. In late April 2011, Deputy Assistant Secretaries of State Tina Kaidanow and Kathleen Fitzpatrick visited Georgia to participate in a meeting of the democracy working group, and met with opposition politicians and members of civil society. Kaidanow reportedly praised Georgia’s democratization efforts but stated that more remained to be done regarding judicial and electoral reforms, and called for the stalled talks on electoral reforms to resume with wider involvement by civil society.²⁰

The United States has been Georgia’s largest bilateral aid donor, budgeting cumulative aid of \$2.7 billion in FY1992-FY2008 (all agencies and programs). Georgia has regularly ranked among the top world states in terms of per capita U.S. aid. U.S.-budgeted foreign assistance for Georgia in FY2008 was \$713.5 million and in FY2009 was \$359 million (including annual foreign operations appropriations and tranches from the \$1,005.5 million aid pledge). Estimated spending for FY2010 was about \$171.6 million, and planned spending for FY2011 is about \$90 million (country totals for foreign assistance for FY2011 under the continuing resolution, H.R. 1473; P.L. 112-10, signed into law on April 15, 2011, are being finalized). The Administration has requested \$87.6 million for foreign assistance for Georgia for FY2012.²¹ The Millennium Challenge

¹⁷ U.S. Department of State, *U.S.-Georgia Charter on Strategic Partnership*, January 9, 2009.

¹⁸ U.S. Department of State, *Fact Sheet: U.S. - Georgia Charter on Strategic Partnership*, October 6, 2010.

¹⁹ U.S. Department of State, *Remarks at the U.S.-Georgia Charter on Strategic Partnership Omnibus Meeting*, October 6, 2010.

²⁰ *The Messenger*, April 28, 2011; *Civil Georgia*, April 28, 2011.

²¹ U.S. Department of State, *Congressional Budget Justification for Foreign Operations, Annex: Regional Perspectives, FY2012*, March 2011.

Corporation (MCC) is closing out a 2006-2011 \$395 million agreement (termed a “compact”) with Georgia that the MCC regards as highly successful in resurfacing roads, rehabilitating the north-south gas pipeline, rebuilding water supplies, and providing agricultural assistance (much of the MCC spending was in addition to above-mentioned aid). Georgia has been deemed eligible for a new MCC compact.

At a press conference after meeting with Russian President Dmitry Medvedev on July 6, 2009—part of the U.S. “reset” of relations with Russia—President Obama reported that he had “reiterated my firm belief that Georgia’s sovereignty and territorial integrity must be respected.”²² In Georgia, many officials and others viewed the meeting positively as lessening the chances of renewed Russia-Georgia conflict and as a reaffirmation of the U.S. commitment to Georgia. Perhaps to further reassure Georgians, Vice President Joseph Biden visited Georgia in late July 2009 to emphasize the continued U.S. commitment to its sovereignty and independence. President Obama reaffirmed the U.S. commitment to uphold Georgia’s sovereignty and territorial integrity when he met with President Saakashvili at the nuclear summit in Washington, DC, in April 2010 and on January 14, 2011 (with Vice President Biden), but President Obama reportedly did not meet with President Saakashvili during the latter’s week-long mid-March 2011 U.S. visit (President Saakashvili did meet with Members of Congress; see below).

Secretary of State Hillary Clinton paid a six-hour visit to Georgia on July 5, 2010, during her regional tour. She urged Georgians not to focus on the past, possibly referring to the Russia-Georgia conflict, but to be “focused on what you can do today and tomorrow to improve your lives and the lives of your family and the lives of your fellow citizens by building your democracy and opening your economy and providing more justice and social inclusion, that, to me, is the great mission of Georgia.” While stating that the United States continued to call for Russia to pull back its troops to their positions on August 6, 2008 (in line with the 6-point cease-fire agreement), she also “strongly urged” Georgia to “not be baited or provoked into any action that would give any excuse to the Russians to take any further aggressive movements.”²³ Vice President Biden revisited Georgia on July 23, 2010—as in 2009, just after a U.S.-Russia summit—to reassure Georgia of U.S. interest in its fate. He urged Georgia to continue to develop democratic institutions and free markets, including as the best means to attract the people of the breakaway areas to reintegrate with the rest of Georgia. He called for further democratization, including constitutional changes to create a balance of power between the legislative and executive branches of government.

Some observers have called for a reevaluation of some aspects of U.S. support for Georgia. These critics have argued that many U.S. policymakers have been captivated by Saakashvili’s charismatic personality and pledges to democratize and have tended to overlook his bellicosity. They have warned that U.S. acceptance of Georgian troops for coalition operations in Afghanistan must not lead to U.S. defense commitments to Georgia, and a few have suggested that the United States should not unquestionably back Georgia’s territorial integrity, but should rather encourage reconciliation and the consideration of options short of the near-term reintegration of the regions into Georgia. Other observers have called for a more robust U.S. and NATO effort to resupply Georgia with defensive weaponry so that it might deter or resist Russian

²² The White House, Office of the Press Secretary, *Press Conference by President Obama and President Medvedev of Russia*, July 6, 2009.

²³ U.S. Department of State, *Remarks by Secretary Clinton: Joint Press Availability With Georgian President Saakashvili*, July 5, 2010; *Remarks at a Town Hall With Georgian Women Leaders*; July 5, 2010.

aggression. At the same time, most observers advise against extending diplomatic recognition to breakaway regions without an international consensus.²⁴

Contributions to Counter-Terrorism Operations in Iraq and Afghanistan

The former president of Georgia, Eduard Shevardnadze, immediately condemned the attacks on the United States on September 11, 2001, and offered “airspace and territory” for U.S. coalition operations in Afghanistan. Georgia was among the countries in 2003 that openly pledged to support the U.S.-led Operation Iraqi Freedom. In August 2003, Georgia dispatched 69 troops to Iraq, boosted them to over 850 in March 2005, and increased them to 2,000 by September 2007, making it among the top contributors of troops. Georgian troops served under U.S. command. Many provided security in the “Green Zone” in Baghdad, the town of Baqubah northeast of Baghdad, and in Wasit Governorate, along the Iranian border. Most of the troops pulled out in August 2008 in connection with the Russia-Georgia conflict, and the rest pulled out by the end of November 2008.

Georgia contributed about 50 troops during Afghan elections in late 2004–early 2005. On November 16, 2009, Georgia sent 173 troops for training in Germany before their scheduled deployment at the end of March 2010 to support the International Security Assistance Force (ISAF) in Afghanistan. These troops have been boosted to 925 as of mid-2010. About 200 troops serve with French forces and the rest with U.S. Marines and Afghan troops in Helmand and Nimruz Provinces. In early 2011, the Georgian legislature approved sending artillery trainers for the Afghan military.

Among U.S. security programs in Georgia, a \$64 million Georgia Train and Equip Program (GTEP) began in 2002. U.S. troops provided training to 200 officers, some 2,000 soldiers, and a small number of Interior (police) Ministry troops and border guards. According to the U.S. Defense Department, the GTEP aimed to help Georgia “to resist pressure to allow the Russian military to pursue Chechen rebels” into Georgia, help it combat terrorists inside the country, and block those trying to infiltrate Georgia. Small arms, communications and medical gear, and uniforms were provided. The program ended in 2004 but a follow-on Sustainment and Stability Operations Program (SSOP) was launched in FY2006, funded at \$60 million. SSOP provided training for 2,000 troops, in part to support U.S.-led coalition operations, along with advisory assistance for defense reforms and maintenance for previously supplied helicopters. SSOP was continued in FY2007 at \$28 million and FY2008 at \$71 million. Prior to the August 2008 Russia-Georgia conflict, the Defense Department planned to budget approximately \$35 million for training for new troop deployments to Iraq (however, Georgia pulled its troops out of Iraq in the wake of the Russia-Georgia conflict).²⁵ Congress provided \$50 million in FY2008 and \$50 million in FY2009 under the (now expired) authority of Section 1207 of the National Defense

²⁴ Alexander Cooley and Lincoln Mitchell, “No Way to Treat Our Friends: Recasting Recent U.S.-Georgian Relations,” *The Washington Quarterly*, January 2009, pp. 27-41; Lincoln Mitchell, *Uncertain Democracy: U.S. Foreign Policy and Georgia’s Rose Revolution* (Philadelphia: University of Pennsylvania Press, 2009); “A Georgia-Russia War Discussion between Gordon Hahn and Johnson’s Russia List,” *Russia: Other Points of View*, October 17, 2008, at <http://www.russiaotherpointsofview.com>; Paul Saunders, “Help Has Strings Attached,” *Washington Times*, December 17, 2009.

²⁵ U.S. Senate, Committee on Armed Services, Hearing on the Georgia-Russia Crisis, *Testimony of Eric S. Edelman, Under Secretary of Defense for Policy*, September 9, 2008.

Authorization Act for FY2006 (P.L. 109-163) for reconstruction and stabilization activities in Georgia, of which only a small portion was defense-related (the restoration of Coast Guard infrastructure; none was weapons-related, see below). Under Section 1206 of the Act, Congress provided \$11.5 million to Georgia in FY2008 for special forces training and \$20.5 million in FY2010.²⁶ These latter funds were used by Marine Corps Forces Europe, under the Georgia Deployment Program, to train troops for deployment to Afghanistan. The Georgia Deployment Program has been involved in training four battalions (nearly 3,000 troops) for six-month rotations in Afghanistan.²⁷

Assistant Secretary Vershbow testified in August 2009 that the Obama Administration was “focusing on building defense institutions, assisting defense sector reform, and building the strategic and educational foundations that will facilitate necessary training, education, and rational force structure design and procurement. We are assisting Georgia to move along the path to having modern, western-oriented, NATO-interoperable armed forces capable of territorial defense and coalition contributions.” He stressed, however, that “the United States has not ‘rearmed’ Georgia as some have claimed. There has been no lethal military assistance to Georgia since the August [2008] conflict.”²⁸ Although President Saakashvili seemed to indicate during Secretary Clinton’s July 2010 visit that U.S. security cooperation with Georgia was adequate, he stated in September 2010 that “leaving Georgia defenseless doesn’t help the situation. Georgia cannot attack Russia, while a defenseless Georgia is a big temptation for Russia to change our government through military means.... As part of ongoing security cooperation, we hope that the U.S. will help us with defense-weapons capabilities.”²⁹

Some in Congress and elsewhere have criticized this dearth of lethal security assistance to bolster Georgia’s territorial defense capabilities.³⁰ Although President Saakashvili seemed to indicate during Secretary Clinton’s July 2010 visit that U.S. security cooperation with Georgia was adequate, he stated in September 2010 that “leaving Georgia defenseless doesn’t help the situation. Georgia cannot attack Russia, while a defenseless Georgia is a big temptation for Russia to change our government through military means.... As part of ongoing security cooperation, we hope that the U.S. will help us with defense-weapons capabilities.”³¹ On December 12, 2010, U.S. Senator John McCain called for the Obama Administration to resume some defensive arms transfers to Georgia, including early warning radars. Three days later, Giorgiy Baramidze, the Georgian deputy prime minister and state minister for Euro-Atlantic integration, also called for the United States to resume the transfer of defensive weapons to Georgia. During his March 10-17, 2011, visit to the United States, President Saakashvili

²⁶ CRS Report RS22871, *Department of Defense “Section 1207” Security and Stabilization Assistance: Background and Congressional Concerns, FY2006-FY2010*, by Nina M. Serafino, and CRS Report RS22855, *Security Assistance Reform: “Section 1206” Background and Issues for Congress*, by Nina M. Serafino.

²⁷ Dan Lamothe and John Bretschneider, “Corps Plans to Continue Georgian Training Mission,” *Marine Corps Times*, April 11, 2011; Sgt. Matt Lyman, “U.S. Marines Observe, Train Georgia’s 33rd Light Infantry Battalion During Georgia Deployment Program,” *States News Service*, February 25, 2011.

²⁸ U.S. Senate, Committee on Foreign Relations, Subcommittee on Europe, Hearing on Georgia: One Year After the August War. *Testimony of Alexander Vershbow, Assistant Secretary of Defense for International Security Affairs*, August 4, 2009.

²⁹ Jerry Guo, “Russia’s Occupation Won’t Last,” *Newsweek*, September 12, 2010.

³⁰ U.S. Senate, Committee on Foreign Relations, *Striking The Balance: U.S. Policy And Stability In Georgia, a Report to the Committee on Foreign Relations*, S. PRT. 111–37, December 22, 2009; Joshua Kucera, “Georgia: Senate Staff Report Stokes Unease in the Caucasus,” *Eurasia Insight*, January 5, 2010.

³¹ Jerry Guo, “Russia’s Occupation Won’t Last,” *Newsweek*, September 12, 2010.

reportedly requested U.S. transfers of defensive weapons. In late March 2011, he reportedly stated that while some U.S. small arms transfers were “in the pipeline,” Georgia needed anti-air and anti-tank weapons from the United States.³²

During a hearing of the Senate Armed Services Committee on March 29, 2011, Senator McCain asked whether the United States was providing defensive weapons to Georgia, and EUCOM Commander Stavridis stated that “at this moment we are not providing them [with] what I would term high-end military defensive weapons.” Senator McCain responded that “it is hard for me to understand, since the Russians still occupy territory that is clearly Georgian territory and continue to threaten Georgia, and yet we're not even giving them weapons with which to defend themselves. It is not comprehensible.”³³

Figure I. Map of Georgia



Source: CRS.

³² Josh Rogin, “Georgian President: Russia has to Compromise if it Wants into WTO,” *The Cable, Foreign Policy*, March 30, 2011, at http://thecable.foreignpolicy.com/posts/2011/03/30/georgian_president_russia_has_to_compromise_if_it_wants_into_wto.

³³ U.S. Congress, Senate, Committee on Armed Services, *Hearing on the U.S. European Command and U.S. Strategic Command Budget for Fiscal Year 2012*, March 29, 2011.

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