

Russia-Georgia relationships: recent developments and implications

Introduction

Russia invaded Ukraine and started a war on February 24, 2022. This unprecedented event dramatically changed the nature of international relations not only on an international or regional scale but also on a bilateral perspective. A tremendous example is the case of relations between Russia and Georgia. Georgia, a republic in the South Caucasus with a population of 3.7 million, used to be one of the Republic of the Soviet Union till its collapse in 1991. Relations between both countries worsened in the 2000s.

Following Georgia's independence in 1991, South Ossetia and Abkhazia, two Georgian autonomous regions on the border, also proclaimed their independence under the auspices of the Federation of Russia. Russian military bases are installed in the Georgian separatist regions of South Ossetia and Abkhazia which are part, with Crimea and Transnistria, of the Russian geostrategic glacis allowing Moscow to control, including militarily, its exclusive zone of influence; these entities also recognize each other. Moscow also offered Russian passports to the inhabitants of these two republics (Voll, F., & Mosedale, J. (2015): 94). As a result, relations between Russia and Georgia became tense and several wars have taken place between Russian, Abkhazian and Ossetian forces on the one hand, and Georgian forces on the other during the first war in North Ossetia. South (1991-1992) and the Russo-Georgian War of 2008.

On the other side and apart from this political context, despite the obvious danger involved in a rapprochement with Russia, Georgia continues to develop its economic relations with its large northern neighbor. The consequences of this choice are already being felt, beyond the economy, in the foreign policy of this small country.

Like the other Black Sea States, Georgia is striving to develop its defense capacities, especially since the Russian invasions of recent years mentioned above.

To ensure its long-term security and bring stability to the region, Tbilisi developed a two-fold strategy: on the one hand, multiplying collaborations with the Euro-Atlantic institutions and, on the other hand, reinforcing its bilateral relations with its immediate neighbors (particularly with those who are members of NATO, such as Turkey).

Background related to relations between Russia and Georgia

Georgia's pro-Western orientation was enshrined in the Article 78 of the Georgian Constitution following the 2008 war with Russia (Constitution of Georgia: 2023). However,

Georgian economic policy seems to be heading in a different direction, leading Tbilisi to reconnect with Russia. Georgian President Salome Zurbashvili reaffirmed her country's support for Ukraine after the invasion by Russia. However, international sanctions toward Russia are barely applied by Georgia, which is a sign of the solidity of the ties between the two countries (Lasserre 2022). There are no bilateral sanctions between Georgia and Russia. This union is even getting stronger, on the initiative of the *Georgian Dream – Democratic Georgia*, which defends a liberal policy that pays little attention to the political profile of its economic partners and whose leader, Bidzina Ivanishvili, A former Prime Minister of Georgia, is particularly well connected to Moscow (Carasso 2021: 180). Bidzina Ivanichvili made a lot to satisfy Moscow: support for the creation of pro-Russian political parties (such as the Alliance of Patriots founded in 2012), reintroduction of Russian economic interests (the giant Rosneft obtained the right to take shares in the oil terminal of Poti), development of propaganda echoing that of Moscow.

Concerning the social factor, Georgian society has an ambivalent position toward Russia. When it comes to Georgian liberals and most political elites, they do consider Russia as an enemy which, since the 2008 war, occupies some regions of their country. To face this threat, they seek to constantly strengthen the Euro-Atlantic anchoring of Georgia while keeping economic and appeased relations with Russia. This consensus is less true in the working classes and the countryside, where Russia remains a great cultural reference.

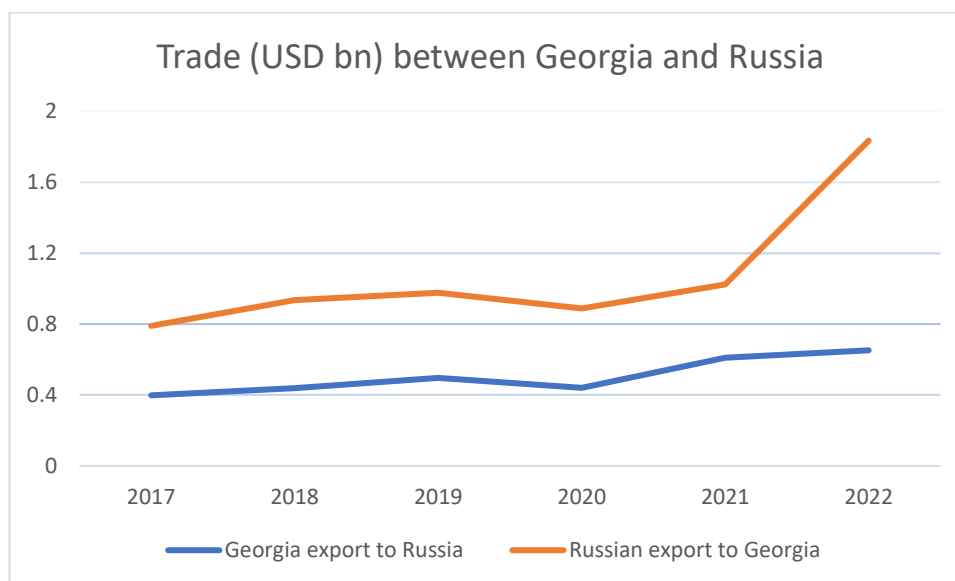
Since its independence in 1991, Georgia has been known for its strong and constant European aspiration. It was largely the desire to escape Russian domination and to get closer to the EU (European Union) which, almost twenty years ago, had been at the origin of the "Rose Revolution" which had brought to power the pro-Western Mikheil Saakashvili in November 2003 (Matsaberidze 2015: 80). Relations with Russia worsened till 2012, the year when the previously mentioned Bidzina Ivanishvili won the elections. His nomination as Prime Minister was followed by a relative relaxation with Russia. His discourse was somehow similar to Mikhail Saakashvili when it comes to occupied territories or the Euro-Atlantic integration.

After a period without any form of dialogue between the two countries, Russia offered to resume international relations with Georgia on March 2, 2012. However, the Georgians refused to restore bilateral relations if Moscow recognizes Abkhazia and South Ossetia.

Recent developments in the economic cooperation

In spite of no diplomatic relations (both countries are discussing through a Swiss intermediary, which is based in the former Georgian embassy in Moscow), economic relations remain strong. Russia remains a strategic partner of Georgia being the third partner of Georgia: 12% of the export of Georgia goes to Russia after Azerbaijan and China. Moreover Export

from Georgia to Russia in 2021 increased by 38% (ნათია კურდღელია 2022: 46). Russia is the second supplier (13% of of total imports) of Georgia after Turkey (18%). Furthermore, according to a recent report published in August 2022 by the NGO Transparency International Georgia, the share of the GDP of Georgia resulting from trade with Russia was multiplied by 2.5 between the first half of 2021 and the first half of 2022. This phenomenon is due to part of the arrival in Georgia of a large flow of Russian expatriates, some of whom were fleeing the mobilization regarding the invasion of Ukraine. These highly skilled Russian citizens transferred their capital to Georgian banks and registered businesses there.



Source: transparency.ge

Despite the 1994 Free Trade Agreement, which advocates the "development of equal and mutually beneficial economic, scientific and technical cooperation" (Article 7), trade between Russia and Georgia is evolving towards an unbalanced relationship. Although Georgian exports to Russia fell following the launch of the Russian offensive against Ukraine falling by 2.8% in the first half of 2022, we note on the other hand a sharp increase in imports (+51 % over the same period). Certain aspects of this pattern are of particular concern, particularly wheat imports, which have increased drastically over this period to end up accounting for 95% of the Georgian stock. Georgia has steadily increased its imports of Russian hydrocarbons in recent years. In fact, between 2018 and 2021, the share of Russian gas in Georgian imports increased from 2.8 to 23.1%. Similarly, oil imports increased fourfold in the first half of 2022, an increase of \$118 million. This type of dependence poses a security problem. Russian authorities do not hesitate to suddenly interrupt the supply of territories when these do not align with its political line. In 2006 in the middle of winter, the Kremlin interrupted the supply of gas and electricity to the country. This decision was immediately

interpreted as a response to the rapprochement between the government of Mikheil Saakashvili and the West (Lomia 2021:117).

It should be also noted that Georgian economic growth is primarily supported by the service sector, which represents 50% of GDP (Georgia's GDP Up by 10.1% in 2022: 2023). Many of these services, such as hotels and restaurants, for example, can be linked to tourism, for which many development projects have been launched with Russian support which is necessary for the completion of these projects and boosted by Russian tourists. In 2021, there were four times more tourists from Russia in comparison with 2020. It is then not a surprise to see that Tbilisi welcomed Russia's decision to lift the ban on direct flights with Georgia in May 2023, which had been in place for four years, and to remove visa requirements for Georgians traveling to Russia, which had been in place for years (Helena Bedwell: 2023). Visa requirements were initiated in 1999 when the former Georgian head-of-state Eduard Shevardnadze refused to let Russia settle some military basis in Georgia. Flights between both countries were also stopped after the anti-Russian demonstration which took place in Tbilisi during the summer of 2019.

Positive/negative factors for Georgia's likelihood of joining the EU

In terms of economic cooperation, The EU and Georgia signed an Association Agreement in June 2014, which entered into force in July 2016. This agreement reduces the customs duties that European companies face when exporting to Georgia. It increases the efficiency of customs procedures. It also facilitates trade by gradually approximating Georgian legislation, rules and procedures, including standards, to those of the EU (Gabrichidze 2016: 120). A few years later, at the end of 2023, the twenty-seven members of the EU must decide whether to grant the former Soviet republic the status of candidate country. This status was already refused in June 2022 by the European Council, which sanctioned the policy of breaking with the West that had been methodically implemented since 2021.

Giving this status would strengthen the wishes of the population and destabilize the political scene, which is balancing between the West and East. To refuse it would create a risk arousing popular anger with serious consequences like in Ukraine in November 2013, when demonstrations spread all over the country when the Ukrainian President Yanukovich's decided to not to sign a political association and free trade agreement with the EU. Therefore, a positive factor increasing the possibility of Georgia of joining the EU is the approach of the population of Georgia. Another factor which explains this willingness of being pro-western is the fact that more than seventy percent of the population want that their country join the NATO (NDI poll: 82% of Georgians support EU, 74%- NATO membership). Negative factors which decrease the possibility of Georgia of joining the EU are the relation between Tbilisi and

Moscow. Firstly, the EU is aware that Georgia's entry could fuel conflicts in the region, as on the eastern borders of the EU. Russian forces have seized South Ossetia and Abkhazia, to Georgia's detriment. This situation demonstrates Georgia's lack of control over its territory and sovereignty. Secondly Even though the Georgian people have taken a firm decision to follow the European path, the country's progress in implementing reforms is hampered by the violation of human rights. Thirdly the Georgian economic market is not sufficiently developed to meet the high standards and competitive production of the EU market.

Finding and implications

In recent months, Georgia has tried to find a balance between rapprochement with Russia and its desire to join the EU. However, Prime Minister Irakli Garibashvili's government has been accused of seeking to undermine Georgia's European integration and courting the Kremlin. In June 2022, European leaders decided not to grant Georgia candidate status, while they did for Ukraine and Moldova. On the other hand, they urged Tbilisi to reform its judicial and electoral system, improve press freedom and reduce the power of the oligarchs.

The willingness of rejoining the EU is a representation of the rejection of Russian geopolitical projects, from the Soviet Union to the "Russian world". This rejection was accentuated after Russia tore from the country, at the beginning of the 1990s, the secessionist regions of Abkhazia and South Ossetia, i.e. nearly 20% of the national territory, and that it did not attack it again during the war in the summer of 2008. This atmosphere has led Russia, especially since the coming to power of the "Georgian Dream" at the end of 2012, to deploy less "positive" soft power in the Caucasian republic than "negative", rejecting the Western world.

This disruptive strategy toward the EU culminated in early March 2023 with the ruling party's attempt to pass a "foreign agent registration" and "foreign influence transparency" law. The bill resembled in all respects the text adopted in 2012 in Russia and wanted to oblige the media and non-governmental organizations of the country to register on a "register of agents of foreign influence" when more than 20% of their income would come from a "foreign power". When it was adopted, the text aroused such rejection from whole sections of society, especially young people, that two days of demonstrations were enough for the government to withdraw its project.

At the end of 2023, the twenty-seven members of the European Union must decide whether to grant the former Soviet republic the status of a candidate country. A positive outcome may threaten the relations between Georgia and Russia. A negative result may jeopardize the stability of the country. The fact that Russian airlines may land on the ground of Georgia may threaten the position of Georgia in its negotiations with the EU as these airlines

are the object of EU sanctions. Finally Georgia authorities cannot apply a double pace policy, attempting to be closed to the EU and Russia. This will rather not function.

Bibliography

1. ნათია კურდღელია, & ნათელა ვაშაკიძე. (2022). უკრაინაში ომის ექო საქართველოს ეკონომიკაზე. ბიზნესი და კანონმდებლობა, 15(1), 43-49.
2. Bedwell Helena <https://www.bloomberg.com/news/articles/2023-05-19/first-russian-airline-lands-in-georgia-after-russia-s-putin-lifts-flight-ban#xj4y7vzkg>, "Bloomberg News Agency", (date of access: 16.06.2023).
3. Carasso, G. (2021). La Géorgie et son occupation. *Politique étrangère*, (3), 175-184.
4. Constitution of Georgia, <https://matsne.gov.ge/en/document/download/30346/36/en/pdf> (date of access: 17.06.2023).
5. Gabrichidze, G. (2016). Implementation challenges of the EU-Georgia association agreement. *Eurolimes*, (Supplem), 118-129.
6. Georgia's GDP Up by 10.1% in 2022, <https://civil.ge/archives/532918>, "Civil.ge" (date of access: 19.06.2023).
7. Lasserre, I. (2022). La Géorgie s'éloigne de l'Union européenne pour revenir dans l'orbite de Moscou. 26 May. <https://www.lefigaro.fr/international/la-georgie-s-eloigne-de-l-union-europeenne-pour-revenir-dans-l-orbite-de-moscou-20220526> (date of access: 15.06.2023).
8. Lomia, E. (2020). The Evaluation of Russia's foreign policy towards Georgia following the 'Rose Revolution'. *Journal of Liberty and International affairs*, 6(1), 112-128.
9. Matsaberidze, D. (2015). Russia vs. EU/US through Georgia and Ukraine. *Connections*, 14(2), 77-86.
10. *NDI poll: 82% of Georgians support EU, 74%- NATO membership* (date of access: 20.10.2023).
11. Voll, F., & Mosedale, J. (2015). Political-economic transition in Georgia and its implications for tourism in Svaneti. *TIMS. Acta*, 9(2), 91-103.
12. *Georgia's Economic Dependence on Russia: Impact of the Russia-Ukraine war*, <https://transparency.ge/en/post/georgias-economic-dependence-russia-impact-russia-ukraine-war-1> (date of access: 20.10.2023).