

# Between Hesitation and Commitment: The EU and Georgia after the 2008 War

Lili Di Puppò

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## Preface

One major repercussion of the Russian-Georgian war of August 2008 was a significant increase in the EU's presence in Georgia. With the launch of the Eastern Partnership in May 2009, the deployment of an EU monitoring mission in Georgia and the EU's participation in the Geneva talks, EU-Georgian relations appear to have entered a new stage. The war has also affected Georgia's foreign policy priorities with the EU acquiring a new significance at the same time as the prospect of NATO integration has become more uncertain. This paper reviews the evolution of EU-Georgian relations since Georgia's independence and asks whether the post-war context has brought a change in the nature of these relations. First, it analyzes the relations before the Rose Revolution and the nature of the EU's engagement in Georgia. Second, it examines the changes after the revolution, focusing in particular on the diverging expectations of the EU and Georgia. Finally, it asks whether the post-war context has brought more convergence between the two actors.

## Executive Summary

EU-Georgia relations have evolved over different stages starting from the building of the first ties in the early 1990s to a gradual increase in the EU's security engagement that culminated in its role in brokering a cease-fire during the Russian-Georgian war of August 2008. The EU's engagement in Georgia is driven by a number of interests that include energy security and the fight against new security threats such as organized crime, especially the trafficking of drugs and humans, and terrorism. Hence, the EU has an inherent interest in the stability and prosperity of the Caucasus region to avoid instability there, whether in the form of re-ignition of unresolved conflicts or non-traditional security threats. On the other side, Georgia's European aspirations have been strong since the country's independence, with the Rose Revolution of November 2003 providing an important stimulus for accelerating the process of European integration. However, in spite of the high hopes raised by the revolution, a real convergence between Georgia and the EU failed to materialize following the Rose Revolution. Indeed, leading Georgian officials did not deem the process of European integration as providing a promising path for Georgia to exit the post-Soviet status quo.

Hence, expectations on both sides diverged on two main aspects: security and timing. Georgia expected from the EU a stronger engagement in security issues, in particular in the area of conflict resolution, while the EU's neighborhood policies that are set in a long-term perspective of gradual convergence to the EU's standards did not answer Georgia's search for rapid solutions to exit from a problematic post-Soviet status quo. After the revolution, Georgia was desperate to achieve quick results by engaging in a rapid modernization strategy through a dramatic overhaul of state institutions in order to change irrevocably its image as a failed and corrupt state and it was also eager to gain security guarantees to support its pro-Western course. Yet the EU's engagement in Georgia was characterized by a low profile in political and security matters with the EU preferring to concentrate its assistance on long-term



institutional reforms. As a result, the focus on NATO membership and the strategic relationship with the United States gradually took precedence over a Europeanization agenda in Tbilisi's foreign policy priorities. Furthermore, Georgia sought to transform itself into an attractive investment destination and boost its profile as an economic reformer by adopting libertarian-leaning policies that often failed to conform to the EU's regulatory model.

Since the August 2008 war, the EU significantly upgraded its engagement through the deployment of a monitoring mission and the launch of the Eastern Partnership initiative in March 2009. On the other side, the war has rendered Georgia more vulnerable and prompted it to view its relations with the EU in a more pragmatic light by acknowledging the Union's enhanced security role and accommodating its policies with the EU's demands. Further, the prospect of NATO membership became increasingly uncertain, while the strategic relationship with the United States lost momentum with the coming to power of the new administration under President Barack Obama. While a window of opportunity for a renewed rapprochement has opened for the EU and Georgia, it is still unclear how far both actors will be prepared to go to ensure more convergence between their visions. The EU's policies in the region are still characterized by a certain ambiguity, as it remains unclear how much political weight the Union is ready to put behind its new instruments. Georgia has difficulties engaging on a path of reforms without having a clear view of the rewards on offer. As a result, the post-war context still offers an unclear picture with the rapprochement between the EU and Georgia proceeding in slow motion.

## **EU-Georgia Relations before the War**

Two phases can be distinguished in the EU-Georgian relations before the war: one before and one after the revolution. These two phases reflect a gradual evolution towards an increased EU engagement in Georgia.

### **EU-Georgia Relations before the Rose Revolution**

Before the revolution, the cooperation between the EU and Georgia was mainly Commission-driven with a focus on technical and economic areas. The Partnership and Cooperation Agreement (PCA) signed in 1996 and which entered into force in 1999 provides the legal basis for EU-Georgian relations and a framework for cooperation in the areas of political dialogue, trade and economic development. These issues are discussed during regular meetings between EU and Georgian officials: annually and at a ministerial level during a Cooperation Council, more regularly and at a senior officials' level during a Cooperation Committee, and annually during a Parliamentary Cooperation Committee with the European Parliament. Georgia was included in the TACIS (Technical Assistance for the Commonwealth of Independent States) programme from 1991 and received a substantial amount of aid and technical assistance to support its reforms. In the period between 1991 and 2005, the EU provided a total of 505 million Euros in assistance through its various instruments that include TACIS, the Food Security Programme (FSP), EC Humanitarian Office (ECHO), the European Initiative for Democracy and Human Rights (EDIHR) and the Rehabilitation and Macro-financial Assistance (MFA).<sup>1</sup> The Commission has focused its assistance to Georgia on four main areas: governance and the rule of the law with support for institution-building, support for economic market reforms, addressing the social consequences of transition, and conflict resolution. Other EU initia-

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<sup>1</sup> See European Commission, European Neighborhood and Partnership Instrument, Georgia: Country Strategy paper 2007-2013, p. 16, [http://ec.europa.eu/world/enp/pdf/country/enpi\\_csp\\_georgia\\_en.pdf](http://ec.europa.eu/world/enp/pdf/country/enpi_csp_georgia_en.pdf) (accessed June 2010).

tives in the 1990s included the launch of the TRACECA (Transport Corridor Europe-Caucasus-Asia) and INOGATE (Interstate Oil and Gas Transport to Europe) programmes.

This first phase in the EU-Georgian relations before the revolution was characterized by the EU's low profile in security and political matters, and the absence of a clear strategic vision. With the coming into force of the PCA, the Commission stressed the need to formulate clear strategic objectives to guide the EU's policies in the South Caucasus region.<sup>2</sup> In particular, unresolved conflicts were identified as a major impediment to the region's political and economic progress in a Communication on EU relations with the South Caucasus of June 1999.<sup>3</sup> The Commission identified conflict resolution and the development of regional cooperation as necessary preconditions for effective EU's assistance to the region. The importance of conflict settlement and the need for regional cooperation was also stressed during the Caucasian summit of June 1999 organized by the EU in Luxembourg. As a response to the Commission's demand, the General Affairs Council (GAC) recognized the accuracy of its analysis, but considered that the PCA was an appropriate tool to support the South Caucasus countries in their transformation.<sup>4</sup> The GAC's hesitance to take steps to formulate a strategy for the EU's engagement in Georgia that would increase its profile was symptomatic of the EU's preference for keeping a low visibility throughout the 1990s. The EU's engagement in conflict resolution was limited to providing financial assistance for rehabilitation and confidence-building measures in the breakaway regions of Abkhazia and South Ossetia, making the EU the largest foreign donor in both territories. The EU refrained from adopting a political profile in the settlement of Georgia's conflicts, preferring to support the efforts of the OSCE and UN. It limited its engagement to promoting long-term stability in Georgia by favoring soft areas of engagement such as support for institutional reforms.

Several factors may explain why the EU did not seek a more active role before the 2001-2003 period, when more active steps revealed that a change of

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<sup>2</sup> See Dov Lynch, "Why Georgia matters?," *Chaillot Paper* 86 (2006), p. 60.

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.*

perceptions of the South Caucasus was under way in Brussels. First, the South Caucasus region was regarded as distant in spite of its strategic location as a transit area for energy routes from Asia to Europe. Instability in the region in the form of unresolved conflicts was a concern for the EU, but the potential spill-over of this instability was not deemed as vital to the EU's interests as in the Balkans, in Europe's more immediate vicinity. Second, the South Caucasus was long seen as a sphere of Russia's privileged interests and several member states were reluctant to irritate Russia through too visible an EU presence. Disagreements between member states over the nature and level of the EU's engagement in Georgia resulted in a policy of avoidance, especially as there was no large country with a particular interest in the South Caucasus. Finally, the EU lacked the necessary instruments to play a more active foreign policy role.

With the development of the Common Foreign and Security Policy (CFSP) and the European Security and Defense Policy (ESDP), the EU gradually acquired policies and instruments to upgrade its profile as a foreign policy actor and increase its capacity to react to crisis situations in its neighborhood. Despite these constraints placed on a more active EU role, certain initiatives in the years 2001-2003 signaled a change in the EU's policies towards Georgia. The Swedish presidency in the first half of 2001 gave the impulse for a reconsideration of the EU's approach by identifying the South Caucasus as one of its priorities. The visit of a ministerial troika, including the Swedish Foreign Minister Anna Lindh, the Commissioner for External Relations Chris Patten and the High Representative for Foreign and Security Policy Javier Solana, to the South Caucasian capitals in February 2001 was a first sign of the willingness to put the region higher on the EU's agenda. Lindh and Patten wrote in a *Financial Times* article that "the EU cannot afford to neglect the South Caucasus".<sup>5</sup> Another important signal that the EU was in the process of reconsidering its approach to Georgia was the revision of the Country Strategy Paper for Georgia in 2002 and the setting up of new priorities for the period 2003-2006.

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<sup>5</sup> Anna Lindh/Chris Patten, "Resolving a frozen conflict – neither Russia nor the West should try to impose a settlement on the Southern Caucasus," *Financial Times*, February 20, 2001.

In view of the lack of progress in reforms under the Shevardnadze's government and the deterioration of the political and economic situation, the effectiveness of the EU's assistance to Georgia was increasingly called into question.<sup>6</sup> The kidnapping of an EU expert in 2002 also played a role in the decision to review the Strategy Paper. The paper mentioned conflict resolution: "The resolution of internal conflicts also appears as a major condition for sustainable economic and social development."<sup>7</sup> With the Commission calling for an increased political role of the EU, the Political and Security Committee (PSC) discussed the possibility of appointing an EU Special Representative (EUSR) to the South Caucasus in 2002 and 2003.<sup>8</sup> A major step in increasing the EU's political and security involvement in the region was the designation of Finnish diplomat Heikki Talvitie as EUSR for the South Caucasus in July 2003. The EU Special Representative (EUSR) mandate was defined as developing contacts with governments, parliaments, judiciary and civil society and assisting in conflict resolution in the region. At the same time as these steps were taken, the EU's perception of the South Caucasus region was also changing. The Commission's Communication on Wider Europe of March 2003 shows how the South Caucasus was still perceived as a geographically distant region in early 2003.<sup>9</sup> The Communication did not recognize the three South Caucasus countries as the EU's neighbors and they appeared only in a footnote that said: "Given their location, the Southern Caucasus therefore also fall outside the geographical scope of this initiative for the time being."<sup>10</sup> The South Caucasus finally entered the "EU's radar" as a region of security concern for the EU in the European Security Strategy

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<sup>6</sup> The paper mentions the lack of results in the EU's assistance: "more than ten years of significant levels of EU assistance to Georgia have not yet led to the expected results." In European Commission, *Country Strategy Paper 2003-2006*, Tacis national indicative programme 2002-2004, September 23, 2003, p. 21. It further notes the lack of commitment of the government: "more than anything else, the review confirmed that for assistance to be effective, its recipients must be committed to change. There is evidence that influential forces in Georgia, in and outside the government, do not adequately support reform", *ibid.*, p. 4.

<sup>7</sup> *Ibid.*, p. 4.

<sup>8</sup> See Lynch (2006), p. 62.

<sup>9</sup> See European Commission, *Wider Europe - Neighborhood: A new framework for relations with our Eastern and Southern Neighbors*, Commission Communication COM (2003), 104 final, Brussels, March 11, 2003.

<sup>10</sup> *Ibid.*, p. 4.

(EUSS) of December 2003.<sup>11</sup> The EUSS notes that “we should take a stronger interest in the problems of the Southern Caucasus, which in due course will also be a neighboring region.”<sup>12</sup> The EUSS’s reference to the South Caucasus shows how the EU increasingly looked at the region through a security lens, as an area harboring several of the new threats identified by the Strategy such as illegal migration, transnational crime, terrorism and energy security. But it was Georgia’s Rose Revolution of November 2003 that eventually proved instrumental in changing the EU’s thinking on the region. The EU Council finally decided in June 2004 to include the three states in the European Neighborhood Policy (ENP). At the same time, the EU was gradually equipping itself with a capacity to play a more prominent role in security issues with the development of instruments under the European Security and Defense Policy. Georgia was the first country to see the deployment of an EU rule of law mission in 2004.

The two phases in EU-Georgian relations before the Rose Revolution shows the evolution towards an upgrade in the EU’s political and security profile in Georgia. However, the EU acted more as a donor organization than a foreign policy actor that could credibly push for a modernization agenda in Georgia throughout this period.<sup>13</sup> As a result, EU-Georgian relations rather resembled a typical donor-recipient relationship with little strategic vision and few tangible results.<sup>14</sup> The Rose Revolution of November 2003 represents a turning point in the relations between the EU and Georgia, with the change of government raising hopes of a more effective EU engagement and of more convergence between both sides.

### **The EU and Georgia after the Revolution: High Expectations and Diverging Visions**

In the climax of new hopes generated by the Rose Revolution of November 2003, the relations between the EU and Georgia were characterized by re-

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<sup>11</sup> See *A secure Europe in a better world - European Security Strategy*, Brussels, December 12, 2003, <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf> (accessed July 2010)

<sup>12</sup> *Ibid.*, p. 8.

<sup>13</sup> See Archil Gegeshidze, *Georgia in the Wider Europe context: bridging divergent interpretations*, Center for Policy Studies (2006), p. 12.

<sup>14</sup> *Ibid.*, p. 19.

newed commitment on both sides. Both Georgia and the EU sensed that a window of opportunity had opened that could allow to push more effectively for a Europeanization agenda in Georgia. However, different developments in the aftermath of the revolution dampened these hopes and revealed that the EU's and Georgia's visions did not necessarily converge.

#### *Georgia's Priorities and Image Change after the Revolution*

The Rose Revolution of November 2003 that followed rigged parliamentary relations gave way to many promises, one of which was that Georgia would become a democratic European state and move closer to the EU. Georgia's revolution represented an unexpected democratic breakthrough in the post-Soviet world and the new authorities appeared willing to set a model of democratic transition for other countries in the region. They further sought to break with the negative trends that had earned Georgia the label of a corrupt and failing state under the previous government of Eduard Shevardnadze. The new administration engaged in several wide-ranging reforms that were aimed at rapidly reversing these trends, while proving wrong the negative labels attached to the country. The new leadership had inherited a dysfunctional state that combined all indicators of failure in the form of inefficient tax collection and extremely low levels of public revenues, a large shadow economy, cross-border smuggling, lack of territorial control over the breakaway regions of Abkhazia and South Ossetia, and the presence of illegal paramilitary groups in the conflict zones. Among early successes of the post-revolutionary period, the anti-corruption campaign starting in 2004 resulted most notably in the reform of the traffic police and of the education sector. Improved tax collection and a sharp increase in public revenues were further important signals that Georgia was on its way to becoming a functional state. The demise of the local strongman Aslan Abashidze in Adjara, a Georgian province that previously defied central government authority, also figured among the achievements of the new government.

The new leadership was convinced that Georgia needed to move quickly and could not afford losing time in its attempt to "catch up" with other developed economies. It needed to undergo a dramatic image change from a weak and corrupt state to a success story in the post-Soviet world. This process required quick successes and an immediate recognition of them as a boost for

further reforms. The new elite thus emphasized Georgia's unique potential as a democratic and economic reformer in the post-Soviet space in an attempt to attract international support. First, Georgia sought to profile itself as a prospective successful case for Western democracy promotion efforts by building on the democratic credentials of the Rose Revolution. Georgia's revolution was seen as auguring a broader trend of democratization in the post-Soviet space and even in places further afield such as Lebanon. Together with the Orange Revolution in Ukraine, it raised hopes that post-Soviet countries were able to break free from a vicious circle of semi-authoritarianism, corruption and dysfunctional statehood to enter a new cycle of democratization and stabilization. Georgia's revolution was presented as a further step in a continuum of velvet revolutions in the Central European states that had proved decisive in bringing these countries into Europe.<sup>15</sup>

Georgia was hoping to engage on the same path of a successful democratization and European integration. For example, the National Security Concept of 2005 emphasized democratic and European values as a fundament of Georgia's foreign policy orientation.<sup>16</sup> The document further declared integration into NATO and the EU as Georgia's foreign policy priority.<sup>17</sup> Two multilateral groups comprising new EU member states and Georgia and Ukraine were established to help the two former Soviet republics achieve their goal of integration into European and Euro-Atlantic structures. The newly elected presidents of Georgia and Ukraine, Mikheil Saakashvili and Viktor Yush-

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<sup>15</sup> For example, Georgian President Mikheil Saakashvili referred to a "third wave of liberation" in Georgia and Ukraine following the velvet revolutions in Central Europe in an article in the *Financial Times*. See Mikheil Saakashvili, "Europe's third wave of liberation," *Financial Times*, December 20, 2004 [http://www.president.gov.ge/index.php?lang\\_id=ENG&sec\\_id=226&info\\_id=4100](http://www.president.gov.ge/index.php?lang_id=ENG&sec_id=226&info_id=4100) (accessed June 2010)

<sup>16</sup> The National Security Concept of Georgia (2005) states: "The Rose Revolution of November 2003 once again demonstrated that democracy and liberty are part of the Georgian traditional values that are of vital necessity to the people of Georgia. Georgia, as an integral part of the European political, economic and cultural area, whose fundamental national values are rooted in European values and traditions, aspires to achieve full-fledged integration into Europe's political, economic and security systems. Georgia aspires to return to its European tradition and remain an integral part of Europe."

<sup>17</sup> The National Security Concept of Georgia states that Georgia has the goal of achieving membership in the EU "after achieving tangible progress in socio-economic, institutional, legal and political spheres, Georgia intends to develop a format ensuring a higher level of integration with the EU until full membership becomes possible."



chenko, created the Community of Democratic Choice in December 2005 to foster a regional alliance of democratic countries from the Baltic Sea to the Black Sea, down to the Caspian region.<sup>18</sup> In addition, the New Group of Friends of Georgia (Bulgaria, Estonia, Lithuania, Latvia, Poland, and Romania) was established in February 2005 along other initiatives such as the 3 + 3 format (Baltic countries + South Caucasus countries) and the 3 + 1 format (Baltic countries + Georgia).<sup>19</sup> In particular, the Baltic States and Poland tried to profile themselves as key players in the EU's eastern policy by supporting the European ambitions of their neighbors. However, these initiatives lacked momentum, while the Community of Democratic Choice was negatively perceived in Brussels as a geopolitical alliance with too strong an anti-Russian orientation. Georgia's democratization agenda and its support by new EU member states failed to secure the country a more tangible prospect of eventual integration into the EU.<sup>20</sup> Georgia's democratization efforts received a more immediate support from the United States, as they fitted well with the Freedom Agenda of the Bush administration and its ambition to promote democracy worldwide. U.S. President George W. Bush visited Georgia in 2005 to demonstrate the U.S. support for the Rose Revolution, naming Georgia a "beacon of democracy."<sup>21</sup>

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<sup>18</sup> The Community of Democratic Choice counts nine founding member states: Estonia, Georgia, Lithuania, Latvia, Macedonia, Moldova, Romania, Slovenia and Ukraine.

<sup>19</sup> The New Group of Friends of Georgia came to include more countries, including the Czech Republic and Sweden, with Slovakia as an observer.

<sup>20</sup> According to Tangiashvili and Kobaladze: "despite the fundamental transformation of Georgia from a semi-failed state with rampant corruption and clan-based political system into a pro-democracy and pro-European country with increasingly strong institutions and rule of law, the EU has failed to pay Georgia proper attention and provide political support." In Nodar Tangiashvili and Mikheil Kobaladze, *EU-Georgian neighborhood relations*, Center for EU enlargement studies/Central European University (2006), p. 49. From the Georgian perspective, the EU did not sufficiently take note of Georgia's progress and failed to provide tangible incentives to Georgia to pursue a Europeanization course.

<sup>21</sup> President Bush said on this occasion: "In recent months, the world has marveled at the hopeful changes taking place from Baghdad to Beirut to Bishkek. But before there was a Purple Revolution in Iraq or an Orange Revolution in Ukraine, or a Cedar Revolution in Lebanon, there was the Rose Revolution in Georgia." In Robert Parsons, "Georgia: Bush Hails Tbilisi's Role In Spread Of Democracy," *Radio Free Europe/Radio Liberty*, May 10, 2005, <http://www.rferl.org/content/article/1058800.html> (accessed June 2010).

Georgia's democratic promises raised considerable hopes and later proved to be a mixed blessing for the government. In effect, Georgia's progress in democratic reforms in the years after the revolution continued to be measured against the high standards that the new authorities had set for themselves, high ambitions that were actively encouraged by Western observers, by aspiring to see Georgia acting as a model for other countries. Furthermore, the government's reforms after the revolution were in effect primarily targeted at strengthening Georgia's statehood and overcoming the weak state syndrome that had characterized the previous government. The building of democratic institutions appeared to come second after state-building in the order of priorities of the new authorities.<sup>22</sup> The government's state-building project had different dimensions: regaining the state monopoly on violence by fighting crime, restoring Georgia's territorial integrity and improving taxation and customs to increase public revenues. The new elites sought to enhance the state legitimacy by dramatically increasing its capacity to deliver security and critical public goods such as infrastructure. They further argued that a concentration of power in the hands of a small team of like-minded reformers was needed to move forward with fast reforms and make these advances irreversible. This concentration of power in the executive would allow pushing through a potentially unpopular reform agenda that involved the firing of thousands of civil servants.

Against the background of these government priorities, another trend started to emerge in post-revolutionary Georgia: a growing libertarian agenda. While the libertarian agenda and its vision of a minimal state appeared at first glance to contradict Georgia's state-building project, it actually fitted well with the government's priorities. First, the drastic liberalization of the economy was seen as an opportunity to achieve progress in a short period of time and as such, it answered the government's need for quick results and an immediate recognition of its progress. In effect, Georgia rose quickly in the World Bank's Ease of Doing Business Index as a result of its liberal reforms, earning the former Soviet republic the label of the 'world's top reformer' in

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<sup>22</sup> On state-building and democracy in Georgia, see Ghia Nodia, "The dynamics and sustainability of the Rose Revolution," in Michael Emerson, ed., *Democratization in the European Neighborhood*, Center for European Policy Studies, Brussels, 2005.

2007.<sup>23</sup> Second, the libertarian agenda was in tune with the anti-corruption drive of the new government, as it sought to dismantle the inefficient and corrupt bureaucracy inherited from the Soviet times and former President Eduard Shevardnadze's rule. Former business tycoon Kakha Bendukidze led the way as State Minister for Reforms Coordination and launched a series of radical reforms aimed at helping Georgia overcome its legacy as a poor post-Soviet country by stimulating rapid growth.<sup>24</sup>

Libertarian reforms provided a radical answer to the problem of corruption in public institutions by abolishing some regulatory agencies that were viewed as being entirely inefficient at delivering public goods and services. For example, the Antimonopoly Service and the Food Quality and Control Service were abolished. Further, the number of licenses and permits was drastically reduced. The belief was that state intervention in Georgia had to be restricted to a minimum, as it would rather create more opportunities for corruption than it would deliver public goods. The tax and labor legislations were reformed to create a favorable investment climate and boost business activities, while major sectors of the economy were privatized, including the railways.<sup>25</sup> One major objective of the reforms was to transform Georgia into an attractive place for foreign investors with the hope that investments would bring in well-needed capital inflows, knowledge transfer, and result in job creation and the building of new infrastructure. Georgia's rapid progress in the Doing Business Index ranking was used as a key tool in an investment promotion campaign that aimed at improving Georgia's reputation as an investment destination in international financial and business circles. Indeed, Georgia succeeded in tripling its volume of Foreign Direct Investment (FDI) inflows

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<sup>23</sup> Georgia quickly rose in the Doing Business Index from a score of 112th in 2005 to a recent score of 11th in 2010.

<sup>24</sup> For an overview on the rise of a libertarian agenda in Georgia, see European Stability Initiative, "Reinventing Georgia: the story of a libertarian revolution," April 2010, [http://www.esiweb.org/index.php?lang=en&id=322&debate\\_ID=3](http://www.esiweb.org/index.php?lang=en&id=322&debate_ID=3) (accessed October 2010).

<sup>25</sup> Kakha Bendukidze famously said that Georgia can sell everything that can be sold except its conscience.

between 2004 and 2007. By 2007, Georgia attracted US\$1.6 billion, with FDI exceeding foreign aid as a source of external finance.<sup>26</sup>

However, one major problem of Georgia's libertarian agenda is that it conflicted with the country's European aspirations, as a model of economic development based on drastic deregulation that was rather at the antipodes of the European regulatory model. The libertarian trend first appeared to draw inspiration from Estonia, another former Soviet republic and EU member state which had engaged in liberal reforms in the 1990s.<sup>27</sup> However, the Georgian leadership increasingly referred to Asian economies such as Taiwan and Singapore as models to emulate instead of the new EU member states of Central Europe.<sup>28</sup> The libertarian agenda also fitted with Georgia's strategic relationship with the United States, as it drew inspiration from ultra-liberal thinkers and it was promoted mainly by elites a considerable portion of which had received their education in U.S. universities. While it did not contradict Georgia's pro-Western security orientation, the libertarian agenda even exhibited a security dimension of its own. President Saakashvili has referred to Singapore's confrontation with China, noting that Singapore owed its survival to its success in developing as a leading economy in the world and that this experience could serve as a model for Georgia.<sup>29</sup> Libertarian reforms in Georgia can be seen as an attempt to turn its problematic geographical location at the crossroads between Europe and Asia to its advantage by attracting investments from all continents and transforming Georgia into a regional investment and financial hub with the hope that money might ultimately turn into more security.

The way the new government embraced the libertarian agenda after the revolution further revealed the Euro-skepticism of certain government officials in

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<sup>26</sup> See UNCTAD *Country Fact Sheet Georgia* (2008), [http://www.unctad.org/sections/dite\\_dir/docs/wiro8\\_fs\\_ge\\_en.pdf](http://www.unctad.org/sections/dite_dir/docs/wiro8_fs_ge_en.pdf) (accessed July 2010). With the war and the global financial crisis of 2008, FDI dropped, while the country has again become more dependent on external aid.

<sup>27</sup> Former Estonian Prime Minister Mart Laar served as adviser to Georgian President Mikheil Saakashvili after the Rose Revolution.

<sup>28</sup> Georgian President Mikheil Saakashvili also recently referred to Dubai, announcing that Georgia could reach the level of Dubai in five or seven years. See "Saakashvili: Georgia will be like Dubai in 5-7 years," *Civil Georgia*, Civil.ge, June 22, 2010.

<sup>29</sup> See Civil Georgia, "Saakashvili on ruling party's vision," *Civil.ge*, June 15, 2010.

Georgia. The Georgian political elite can be broadly divided into two groups in its attitude towards the EU: ultraliberals that are skeptical of Georgia's EU membership prospects and pro-Europeans that favor a European course for the country through a consistent adoption of the EU standards and norms. Since the revolution, the libertarian trend has gained strength among the Georgian elite after the revolution at the detriment of the pro-Europeans.<sup>30</sup> This enthusiasm for libertarian ideas is symptomatic of a certain skepticism towards the prospect of EU membership for Georgia and the potential of Europeanization as a modernization strategy and a tool to transform Georgia into a success story.

#### *The EU's Engagement after Georgia's Revolution*

The EU welcomed the reform drive of the new authorities by including Georgia in the European Neighborhood Policy and offering to send a civilian ESDP mission as a sign of its immediate support to democratic reforms. With the coming to power of a new government in Georgia, the EU hoped that its assistance would benefit from a genuine local commitment, thus becoming more effective and delivering results. The EU saw an opportunity for a more pro-active and effective engagement in Georgia, including in the security field. The EU released its objectives in an Action Plan under the Neighborhood Policy that was adopted in 2006. It further supported the reform of state institutions in Georgia under its Rapid Reaction Mechanism (RRM) by providing assistance to the reform of the Ministry of Justice and the penitentiary reform. It has also provided advice to the demilitarization of the Ministry of Internal Affairs and its transformation into a civilian institution. As a tangible sign of its support for the government's reforms, the EU further sent a rule of law mission, EUJUST Themis, that operated from June 2004 to July 2005 with the task of assisting the Georgian government in its criminal justice reform. The mission could be placed under the first pillar in its content (institution-building), but it had a security and more political dimension since it took place under the ESDP framework. The mission was a signal of political support to the democratic aspirations of the new leadership, while it was also seen as a contribution to Georgia's stability in a transition

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<sup>30</sup> A number of government officials in the current team in power have previously been members of the NGO Liberty Institute, an organization that promotes liberal ideas.

phase. The mission's objectives were to provide guidance to the Georgian government in implementing the new criminal justice reform strategy; to support the overall coordinating role of the relevant Georgian authorities in the field of judicial reform and anti-corruption; to aid in the planning of new legislation as necessary; and, as an additional point, to assist in the development of international as well as regional cooperation in the area of criminal justice.<sup>31</sup> Nine legal experts were co-located in Georgian institutions and supervised by a head of mission and they collaborated with eight local experts. The mission's assistance resulted in the adoption of a national strategy for criminal justice reform in 2005.

Another signal of the EU's readiness to step up its engagement was the reinforcement of the mandate of the EU Special Representative for the South Caucasus that provided for a stronger role in the settlement of conflicts, coinciding with the appointment of Swedish diplomat Peter Semneby to succeed Talvitie. Hence, the EUSR's mandate was upgraded from "assisting" to "contributing" to the resolution of conflicts. The issue of conflict resolution also figured more prominently in the ENP Action Plan as a priority area, indicating that the EU would increase its involvement in conflict resolution efforts in Georgia's conflict zones. Other initiatives included the opening up of a EUSR team in 2005 with two objectives: hosting the remaining experts from the EUJUST Themis mission and assisting in the reform of the Georgian border guards.

Despite these signs of support to the new government and of a willingness to step up its engagement, the EU did not appear to have fundamentally changed its approach to Georgia after the revolution. In particular, one episode shows that it remained cautious of not making its engagement in Georgia too visible. When the OSCE border monitoring mission at the Russo-Georgian border was closed in 2005, the Georgian government asked the EU to take over the mission. Different scenarios were put on the table: a large scale ESDP mission, a medium-sized or small scale mission or a small mission under the EUSR. The EU finally chose the modest option of sending a small team of three border support advisers under the EUSR with the task of

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<sup>31</sup> European Council, Council Joint Action 2004/523/CFSP of 28 June 2004 on the European Union Rule of Law Mission in Georgia, EUJUST THEMIS (2004).

contributing to strengthening Georgia's border management system. This decision was in line with the EU's preference for taking small steps and retaining a low profile in the region in order not to antagonize Russia. With the personnel of the EUSR Border Support Team gradually increasing over time, the mission grew comparable in size to other ESDP missions with the difference that it was virtually an "invisible mission" lacking a distinguishable "brand."<sup>32</sup> The EU's refusal to send a border monitoring mission had a negative resonance in Georgia, as it created disappointment about the EU's willingness to meet Georgia's security needs and was further interpreted as a concession to Russia. Furthermore, the EUJUST Themis was terminated in 2005 with only two experts remaining under the EUSR to supervise the implementation of the criminal justice strategy. As a result of the mission's short one-year mandate, the strategy lacked genuine ownership and its implementation was delayed.

Finally, the EU remained hesitant regarding its role in conflict resolution in Georgia. It increased its engagement only in the first half of 2008 against the background of mounting tension in Abkhazia and the anticipated negative Russian reaction to the Western backing of Kosovo's declaration of independence. EU High Representative for the Common Foreign and Security Policy Javier Solana visited Tbilisi and Sukhumi in June 2008 and stressed that the EU wanted to play a greater role in settling the Georgian-Abkhazian conflict. Later in July 2008, German Foreign Minister Frank-Walter Steinmeier put forward a peace proposal aimed at solving the conflict. However, these efforts came too late, as tensions continued to grow between all parties and culminated in the Russian-Georgian war of August 2008.

### *Diverging Visions*

The post-revolutionary period has brought to light the divergences between the EU's vision of its role in the Eastern neighborhood and Georgia's expectations of the EU. The EU's neighborhood policies are driven by a rejection of a logic of competition and influence and an attempt to make use of its power of attraction to foster stability and prosperity in the Eastern neighbor-

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<sup>32</sup> See Nicu Popescu, *Europe's unrecognized neighbors: the EU in Abkhazia and South Ossetia*, CEPS Working Document, No. 260, Center for European Policy Studies, March 2007, p. 12.

hood. However, the EU's policies are more defensive and aimed at creating reliable partners in the neighborhood than they are transformative by projecting influence and actively shaping developments in the region. Thus, this vision has conflicted with Georgia's expectation of an increased EU security role and a rapid sequencing of Georgia's integration into the EU. In view of its pressing security challenges, Georgia has had difficulties adhering to the EU's vision of long-term institutional development as a privileged means of achieving stability.

#### a) The EU's Vision of its Engagement in Georgia

The EU has shown a reluctance to play a more pronounced role as a traditional foreign policy actor in Georgia. The EU's engagement in Georgia is characterized by an emphasis on long-term assistance to democratic and economic reforms as a means of achieving stability. The EU has sought to avoid a more visible and direct involvement in security issues. Two factors can be seen as influencing the form of the EU's engagement in Georgia. First, the EU's neighborhood policies such as the European Neighborhood Policy are tailored on the enlargement model. This model relies on the EU's power of attraction or its assumed capacity to stimulate neighbor countries to engage in reforms by projecting an attractive model of peace and prosperity. The enlargement and neighborhood policies imply the use of soft power and a preference for cooperation and integration over competition and influence. This logic informs the European Neighborhood Policy in its attempt to build "a ring of well-governed neighbors" by fostering democracy and stability in the EU's immediate environment. The EU has been characterized as a unique foreign policy actor to the extent that it shows a preference for the use of economic and non-military instruments. However, the EU has also sought to develop more traditional foreign policy tools in recent years and it has shown more readiness to engage in security issues.

The two dimensions of the EU's role as a foreign policy and security actor can be defined as the provision of security "by being" and "by doing."<sup>33</sup> The first form of security provision refers to the EU's peculiar power of attrac-

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<sup>33</sup> Møller distinguishes between these two forms of security provision by the EU. See Bjørn Møller, *The EU as a security actor: 'Security by being' and 'security by doing,'* DIIS report 2005:12, Danish Institute for International Studies (2005).



tion, while the second form corresponds to a more traditional foreign policy role and the capacity to react in crisis situations. In Georgia, the EU has shown a preference for creating conditions for stability through long-term assistance to institutional reforms. For example, this logic is visible in the conflict resolution area, where the EU has preferred to concentrate its activities on supporting Tbilisi's reforms rather than directly engaging in diplomatic and political efforts to solve the conflicts.<sup>34</sup> The EU's engagement has been led by the idea that a prosperous, attractive and democratic Georgia could entice the breakaway regions to engage in constructive ways of settling the conflicts or even consider reintegration. The rule of law mission is also representative of the EU's soft power approach. The mission was supposed to bridge the gap between urgent security measures and a support to institutional reforms with its stabilization impact set in a long-term perspective.<sup>35</sup>

A second factor that can explain the EU's low visibility in Georgia is related to the constraints that the EU faces in its attempt to become a more credible foreign policy actor. The Eastern neighborhood is the area where the limits of the EU's attempt to raise its foreign policy profile have been the most visible. Hence, disagreements between member states over the form of the EU's engagement in the Eastern neighborhood and Georgia have prevented the definition of a common policy towards the region. Member states set different geographical priorities and the Southern states tend to give a preference to the Mediterranean region over the Eastern neighborhood as an area of particular strategic importance for the EU. Second, the EU's policies towards the Eastern neighborhood are strongly interwoven with EU-Russian relations. The way the member states see the EU's engagement in Georgia is affected by their perception of Russia's role in the region. While certain member states favor a more active and open promotion of the EU's interests, other states prefer a cautious attitude as they are wary of possible tensions with Russia. Russia is either viewed as a major regional power and a strategic partner for the EU that must be integrated into the EU's policies or as a threat to the EU's interests whose influence in the neighborhood must be re-

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<sup>34</sup> See Popescu (2007), p. 8.

<sup>35</sup> See Damien Helly, "EUJUST Themis in Georgia: An ambitious bet on rule of law," in Agnieszka Nowak, ed., *Civilian crisis management: The EU way*, Chaillot Paper 90, EU Institute for Security Studies, June 2006, p. 92.

duced. This absence of consensus between member states has prevented the definition of a coherent strategy that would guide the EU's engagement in Georgia.

As a result, the EU's policies have rather been led by events on the ground than the EU defining a strategy of its own that would allow it to impact on political and security developments in Georgia. The logic pursued by the neighborhood policies also reflects the EU's attempt to contain threats of destabilization coming from neighboring countries rather than projecting influence and actively shaping developments. With its ambition to build a "ring of well-governed countries" on the EU's borders, the ENP appears more intent on protecting the EU from instability than actively transforming the neighborhood. This logic further conditions the form of the EU's relations with neighbor countries. Hence, the EU's attitude towards these countries is characterized by a certain ambiguity to the extent that they are included in the EU's threat definition as potential exporters of instability. It is not clear whether neighboring countries such as Georgia are perceived as "trouble-makers" or real partners within a mutually beneficial relationship and whether the EU applies a logic of securitization or of partnership in the neighborhood. With the European Neighborhood Policy, the EU aims at promoting a process of modernization and Europeanization in Georgia that will allow it to develop functioning state institutions and act as an effective partner in combating common threats such as international terrorism, drugs trafficking and illegal migration.<sup>36</sup> However, the EU's objective is set in a long-term perspective of a gradual approximation of Georgia to the EU's norms and standards. Furthermore, the EU considers Georgia's contribution to the European security and applies a soft security vision focused on new threats, while it does not appear to consider its role in meeting Georgia's immediate security needs. Furthermore, the transformative dimension of the EU's policies appears limited in the case of Georgia. In conclusion, the EU's policies appear more focused on creating reliable partners in the neighbor-

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<sup>36</sup> See Gegeshidze (2006), p. 14. Tangiashvili and Kobaladze also note: "The EU would like to see Georgia, being in its neighborhood, as a relatively modernized country with which it will forge a more active cooperation in order to create a common buffer through which threats emanating from the East will be filtered." Tangiashvili and Kobaladze (2006), p. 48.

hood than they seek to actively promote the EU's interests in the region and stimulate a genuine process of Europeanization in concert with neighboring countries.

b) Divergence between Georgia's expectations and priorities and the EU's vision

The EU's vision of its engagement in Georgia that shows a preference for soft security measures and is set in a long-term perspective did not fit well with Georgia's priorities and Tbilisi's expectation that the EU would play a more visible security role after the revolution. In particular, two factors can explain why Europeanization has not become an effective anchor for Georgia's reforms: *security* and *timing*. First, Georgia's reading of the EU's security role in the region differs from the EU's vision. Georgia's expectations from the EU are primarily centered on its potential to provide for its security in the form of the protection of its sovereignty and territorial integrity. Georgia has difficulties adhering to what can be qualified as a *post-modern* European vision of security threats as transcending borders and requiring cooperation, as it tends to read the regional security environment in the South Caucasus in geopolitical terms. This vision that emphasizes notions of sovereignty, territorial defense and spheres of influence differs from the EU's post-Westphalian vision of the international system. Georgia's reading of its security situation affects the way it perceives the EU's role. Hence, it sees the EU primarily as a counterbalance to Russia that can help reduce the level of Russian influence in the region, while containing the threat it poses to Georgia. Georgia sees its integration into European and Euro-Atlantic structures primarily as a means to provide a solution to its immediate and fundamental security needs, in particular in its attempt to limit Russian influence in the region. It welcomes an active EU engagement in security issues and sees its involvement in conflict resolution as a major priority. Georgia has sought to present the support to its modernization and pro-Western orientation as an issue of strategic importance for the EU and a foreign policy course that Russia actively seeks to undermine. Georgia does not see its pro-Western orientation and state-building and democratization efforts as being truly compatible with good neighborly relations with Russia, as it assumes that Russia is concerned with protecting its privileged sphere of interests against NATO

and EU expansion – and that it seeks to undermine pro-Western and democratic governments in its neighborhood. After an initial show of pragmatism after the revolution, Georgian-Russian relations have deteriorated at the same pace as Georgia has made advances towards integration into European and Euro-Atlantic structures. However, as much as Georgia had difficulties adhering to the EU's post-modern reading of the international system, the EU has also exhibited difficulties adhering to the role that Georgia wants to see it fulfill, as it sought to avoid being pulled into a zero-sum game with Russia. Hence, the rapid deterioration of Georgian-Russian relations after the revolution had the effect of somewhat cooling down the EU's support for Georgia, while reinforcing the EU's cautious attitude towards a more visible security engagement.

Georgia's geopolitical reading of its security situation found more resonance in U.S. foreign policy vision under the Bush administration. The United States provided military assistance to Georgia to support its participation in the U.S.-led coalition in Iraq. Georgia thus focused its efforts to become a member of NATO as the privileged way of anchoring Georgia in the West and protecting its sovereignty from potential Russian interference. After the revolution, the agendas of NATO and EU integration were complementary, as Georgia intended to follow the same path as Central European states which integrated both organizations in a short interval of time. However, Georgia's NATO membership and its strategic relationship with the United States gradually appear to have taken precedence over the prospect of EU integration which remained rather uncertain. In particular, EU enlargement fatigue contributed to Georgia's choice of focusing on NATO membership after the revolution. In its attempt to integrate into the Alliance, Georgia has sought to transform itself into a security provider by sending Georgian battalions as a support to the U.S. deployment in Iraq, and following the 2008 war, to the NATO deployment in Afghanistan.

Another major divergence between Georgia's expectations towards the EU and what the EU is ready and able to deliver concerns the timing and speed of the development of ties. As already noted, Georgia since the revolution sought active support and recognition of its progress that would allow it to mark a definitive rupture with the negative spiral of corruption, weak state-

hood and poverty typical of the post-Soviet space. The way Georgia embraced the libertarian agenda can be seen as being motivated by this quest for ways to achieve and demonstrate rapid progress.<sup>37</sup> However, the EU sees the process of integration of neighboring countries into a European space in a much longer-term perspective and it cannot offer the quick stamp of approval and image change that Georgia demands. Not only can the EU not offer a short timeframe for Georgia's integration or a tangible incentive for its reforms, but it does not give any timeline at all. As a result, Georgia and the EU have appeared to evolve in different timeframes.

The negotiations on the European Neighborhood Action Plan revealed these differences of expectations. Georgia's expectations from the ENP were high, as it hoped that the ENP framework would provide an opportunity for rapid integration into the EU as well as a boost to its reforms. After the revolution, the ruling elite tried to use the prospect of EU accession as a way to gain domestic legitimacy for its reform agenda. As an indication of Georgia's high hopes, President Mikheil Saakashvili announced in 2004 that Georgia would become an EU member during the tenure of the next Georgian president to be elected in 2009.<sup>38</sup> EU flags flying from governmental buildings in Tbilisi illustrated the enthusiastic pro-European rhetoric after the revolution. During the ENP negotiations, Georgia hoped to receive the same preferential treatment and incentives that were offered to Ukraine and Moldova and it asked for the principle of differentiation to be applied, as it was confident in its capacity to make rapid advances in reforms.<sup>39</sup> Georgia wanted to be included in a group of fast-advancing neighbors such as Ukraine and Moldova and fulfill its commitments in a timeframe of three years instead of negotiating an Action Plan for a period of five years like Azerbaijan and Armenia.

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<sup>37</sup> Georgia's ranking in the Doing Business Index is often mentioned by Georgian government officials as a proof of the country's achievements since the revolution.

<sup>38</sup> See Gegeshidze (2006), p. 5. As Gegeshidze notes, Georgia expected from the start more from the ENP than the EU intended to deliver: "Georgia's inclusion in the ENP is falsely viewed in Tbilisi as an indirect signal of its eligibility for eventual EU membership." In Gegeshidze (2006), p. 2.

<sup>39</sup> Gegeshidze notes on Georgia's ambitions towards the ENP: "Georgia, as a post-revolutionary country, expects to receive a special, if preferential, treatment in the ENP process. Sure of its capacity to advance reforms quicker than the neighbors in the region, Georgia insists on fair application of the ENP principle of differentiation." In Gegeshidze (2006), p. 15.

After the revolution, Georgia was eager to promote itself as a Black Sea state along other post-revolutionary countries such as Ukraine, instead of being included in the South Caucasus along countries with less pronounced European ambitions such as Azerbaijan and Armenia. The Community of Democratic Choice illustrated Georgia's attempt to challenge Western perceptions of a coherent South Caucasus region. Georgia sought to be ahead of its neighbors, fearing that the two other South Caucasus countries might slow down the process of European integration. In particular, the Nagorno-Karabakh conflict was seen as a major obstacle for a quick advance in the integration process.<sup>40</sup> Georgia asked for a three year ENP Action Plan with the hope of being able to start negotiations on an Association Agreement after this period.<sup>41</sup> However, the EU preferred applying its traditional regional approach to the South Caucasus by grouping the three countries together and negotiating with them five year Action Plans.

As a result, not only Baku, but also Tbilisi and Yerevan were affected by a delay in negotiations over the Action Plans due to a dispute over airline flights from Azerbaijan to Northern Cyprus in the summer of 2005. All three Action Plans were finally adopted in November 2006. The EU's long-term perspective thus conflicted with Georgia's ambitions of rapid advances in reforms and towards EU integration. It further conflicted with Georgia's expectations in the security area. Hence, the EU's soft security vision that is based on institutional reforms as a means of achieving stability contradicts Georgia's perception of its national security priorities as requiring immediate action.<sup>42</sup> For example, Georgia saw the status quo in the conflict resolution process as dangerous and actively sought to promote its internationalization. Georgia sees a longer-term institutional development agenda as being inevitably compromised by the volatile security situation in the conflict zones and what it perceives as Russia's conscious attempt to undermine Georgia's sovereignty by using Abkhazia and South Ossetia as a leverage. Therefore, a solu-

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<sup>40</sup> See Tangiashvili/Kobaladze (2006), p. 52.

<sup>41</sup> *Ibid.*, p. 53.

<sup>42</sup> As Popescu remarks on Georgia's security challenges after the revolution: "In a constantly degenerating security environment around Abkhazia and South Ossetia and increasing tensions between Russia and Georgia, the long-term focus of the ENP has been increasingly out of touch with the pressing realities on the ground." In Popescu (2007), p. 20.

tion to the conflicts was seen by Tbilisi as being necessary to create favorable conditions for Georgia's democratic and economic development – and not the opposite. Hence, the EU and Georgia set different priorities and different timeframes to meet their objectives. The question of the EU missions in Georgia further illustrates these divergences. Georgia was expecting that the EU would take over the OSCE border monitoring mission. Instead, it sent a small team of experts, while it gave preference to the deployment of a rule of law mission. The EUJUST Themis mission that was set in a long-term perspective of support to institutional reforms was not perceived by Tbilisi as an adequate answer to its security expectations.

While Georgia gradually gave priority to other policies over a Europeanization agenda, the priorities of the EU and Georgia further clashed in the economic sphere. Georgia's liberal reforms have notably conflicted with the EU's demands in different areas, in particular sanitary and phyto-sanitary issues, labor regulation, and competition policy. The ENP negotiations further brought to light conflicting expectations regarding the joint ownership of the Action Plan. Since the revolution, the Georgian government has sought to readjust its relations with international and donor organizations and has shown more reluctance to accept their advice and recommendations.

The government's more selective attitude is presented as a proof of its genuine commitment to reforms that contrasts with the Shevardnadze's government's indiscriminate acceptance of donor advices combined with a poor record of implementation. The Georgian government was thus willing to set the agenda during the ENP negotiations or negotiate with the EU on an "equal footing" by stressing its priorities and making good for time lost in what it saw as ineffective EU assistance.<sup>43</sup> However, the negotiations on the Action Plan revealed that the EU was intent on setting the terms and conditions of its relations with neighbor countries, while deciding on the benchmarks that would be used to assess Georgia's progress. Finally, the November 2007 crackdown on protests in Tbilisi also generated skepticism regarding Georgia's democratic credentials, and were a further turning point in Georgia's relations with Western countries. The use of tear gas and water cannon by the Georgian police to disperse demonstrators camping in front of the

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<sup>43</sup> See Gegeshidze (2006), p. 7.

Georgian Parliament, and the closure of the opposition-controlled Imedi TV station were met with strong criticism from European countries. These incidents were also interpreted by Western observers as a sign of a possible drift away from the path of democratization.<sup>44</sup> However, the Georgian government advanced the thesis of an attempted coup bearing a Russian imprint to justify the strong police intervention. In the government's perspective, police intervention was seen as a necessary step in the context of Georgia's attempt to break with its weak statehood syndrome and put a halt to a cycle of power changes prompted by "street politics" and not through regular elections.<sup>45</sup>

*Lack of convergence between the EU and Georgia*

Despite the high hopes raised by the Rose Revolution in Georgia, the post-revolutionary period revealed some important differences of vision between the EU and Georgia. Georgia's policy choices after the revolution can be seen as being motivated by a fear of seeing the country reverse to a negative spiral of weak statehood, virtual sovereignty or a state of stagnation and status quo typical of the post-Soviet space. The ruling elite has sought to consolidate the gains achieved after the revolution in the form of strong statehood and liberalization, while trying to firmly anchor Georgia in the West. In the Georgian perspective, the EU did not offer the quick exit road from post-Soviet negative patterns that Georgia was aspiring to. First, Georgia's pro-European orientation is primarily security-motivated and the EU's security engagement was deemed as too feeble by the Georgian authorities. Second, the EU did not offer incentives strong enough that would have provided a boost for Georgia's reforms by putting it on the same level with prospective EU candidates. In the Georgian perspective, the Europeanization agenda was deemed as too long-term with no clear end in sight and it would not provide Georgia with a visible stamp of approval on its reforms. The libertarian trend thus illustrated the search for alternatives to a slow-moving EU in the form of

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<sup>44</sup> See for example International Crisis Group, *Georgia: Sliding towards Authoritarianism*, Europe Report, No. 189, December 19, 2007.

<sup>45</sup> See Svante E. Cornell, Johanna Popjanovski, and Niklas Nilsson, *Learning from Georgia's Crisis: Implications and Recommendations*, Policy Paper, Central Asia-Caucasus Institute & Silk Road Studies Program, December 2007.



external sources of investment and a rapid image change.<sup>46</sup> Georgia preferred the label of “the world’s top reformer” to the status of long-standing candidate in the EU’s waiting room or of a “buffer state” between Europe and an unstable post-Soviet space. NATO membership and the strategic partnership with the United States also took precedence over the goal of EU integration as a solution to Georgia’s security needs. However, Georgia’s expectations towards the EU which centered on security also contributed to the perception in Brussels that Tbilisi was not committed enough to the process of European integration, while it was trying to instrumentalize the EU in its relations with Russia.

Brussels saw initiatives such as the Community of Democratic Choice with suspicion as a geopolitical alliance with a too strong anti-Russian orientation and a signal intended for Washington more than Brussels. Georgia’s attempt to “escape” a sphere of Russian influence through anchorage in the West was not perceived by Brussels as signifying that it was truly embracing the prospect of European integration and adhering to the EU values and standards. On the contrary, the worsening of relations between Georgia and Russia posed problems for the EU, as the EU did not want to be drawn into a geopolitical quagmire. While Georgia felt that the EU was not providing enough to meet its security needs, the EU perceived Georgia as not being entirely committed to a European model, in particular its social and economic model and democratic values. Disillusionment and frustration on both sides thus characterized the post-revolutionary period.

A further factor that can explain the divergence between the EU and Georgia is the inherent ambiguity of the EU’s policies in the South Caucasus region and Georgia’s difficulty in embracing a “soft power” logic. Hence, Georgia remained distrustful of the EU’s soft power that might work like “water on stone” in the Eastern neighborhood by possibly taking effect in the next decades, but is not to Georgia’s advantage as the country remains stuck in a twi-

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<sup>46</sup> Gegeshidze notes how the Georgian elites decided to push the agenda of radical economic liberalisation in the absence of any EU membership prospects. He says on the mindset of the Georgian elite: “Since the prospect of EU accession is not looming at all, we can’t wait with fast economic reforms. When the people are fed, we will take care of the environment and consumer protection issues. Compliance with the EU acquis is not a priority now.” In Gegeshidze (2006), p. 10.

light zone between a post-modern Europe and what it sees as a Russia displaying neo-imperialist ambitions.<sup>47</sup> Not only is the EU's long-term perspective not perceived by Georgia as being adequate to its needs, but Tbilisi also questions the veracity of the EU's post-modern vision with its preference for cooperation over competition. Hence, the EU's soft power vision is not acknowledged as such. The policies of certain member states are interpreted not as following a logic of cooperation, but as the expression of power politics in the form of concessions to Russia and a tacit acceptance of its sphere of influence. For example, the policy of avoidance that has characterized the EU's engagement in Georgia and its reluctance to upgrade its security role are interpreted not as resulting from the EU's soft power approach that rejects zero-sum games, but as synonymous with power politics and a deference to Russia's interests. The support of other less Russia-friendly member states is thus seen as necessary to correct this trend.

Russia is showing the same suspicion towards the concept of the EU's soft power, as initial reactions to the EU's Eastern Partnership (EaP) in 2009 and its interpretation of the EaP as a covert EU attempt to expand its zone of influence have revealed. The soft power dimension of the EU's policies is thus in question. Uncertainties about the logic that the EU follows in its actions, especially towards Russia, and about the prospect of EU membership and of a tangible EU security involvement contribute to a fear in Georgia of "being let down." Hence, the policies of certain member states add to a lack of clarity in the EU's intentions and the logic that informs its actions, and create mistrust in Tbilisi.<sup>48</sup> Where the EU is supposed to lead by example by exerting its power of attraction, ambiguities as to the nature of its intentions creates a legitimacy deficit in its external policies. Tbilisi thus perceives certain limits to the EU's transformative power. First, it sees the EU as not having consistently made use of its soft power approach in conflict resolution, as it has been reluctant to play an active mediator role.<sup>49</sup> Second, the neighborhood policies are not perceived as pursuing a clear objective of transforma-

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<sup>47</sup> Ian Manners uses the "water on stone" analogy to describe the concept of EU's normative power. See Ian Manners, *The concept of normative power in world politics*, Danish Institute for International Studies Brief, May 2009, p. 2.

<sup>48</sup> For example, France's sale of a Mistral warship to Russia provoked security fears in Tbilisi.

<sup>49</sup> Author's interview with Georgian analyst, Tbilisi, May 2010.

tion, but rather the more modest objective of creating reliable partners to contain threats to the EU's security. Georgia is being kept at arm's length rather than being embraced as a prospective integral member of the European club. In the absence of a clear and common strategy, the EU is sending mixed signals to the region.

As a result, Georgia has little incentive to better align its domestic priorities with the EU's demands.<sup>50</sup> The neighborhood policies work on the premise that the neighboring countries must convince the EU of the benefits of integrating them through tangible reform achievements. However, the EU's power of attraction appears limited in the neighborhood context, as countries such as Georgia demand a clear political support from the EU rather than a conditional support to implement long-term institutional reforms.

While the August 2008 war further illustrated the lack of convergence between both visions, it also opened a new phase in EU-Georgian relations. With the war, the EU has been prompted to act more decisively by increasing its security presence, while Georgia's reliance on the EU has deepened.

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<sup>50</sup> See Gegeshidze (2006), p. 19.

## **EU-Georgia Relations after the War: A New Context**

The August war of 2008 brought to light the various contradictions and mismatch in the EU's and Georgia's visions. In particular, it showed the limits of the experiments pursued on both sides – Georgia's attempt to resist Russian pressure by gaining protection from the West, and the EU's ambiguous neighborhood approach. The war showed the dangers and difficulties of engaging in a zero-sum game in the Eastern neighborhood, but it has also illustrated the inadequacy of a timid and reluctant EU engagement that rejects the concept of spheres of influence yet fails to provide a tangible alternative. At the same time as it has demonstrated the gaps between both visions, the war has also had the inverse effect of bringing the EU and Georgia closer. Indeed, the EU has been prompted to endorse a more visible security role and upgrade its policies towards the Eastern neighborhood with the launch of the Eastern Partnership. On the other side, Georgia has realized that it needs the EU and must show more readiness to embrace the process of European integration. The post-war context has thus opened a new window of opportunity for rapprochement between both actors. The question is whether the EU's enhanced engagement and the realization on both sides of the necessity of such a rapprochement are sufficient to bring more convergence.

### **Contradictions in Georgia's Policy Choices after the War**

After the revolution, Georgia sought to escape the post-Soviet status quo by challenging its position as a failed and corrupt post-Soviet state. For the new leadership, modernizing Georgia and transforming it into a viable and eventually prosperous state necessitated a dramatic exit from the Russian sphere of influence and a stagnating post-Soviet space. The Georgian government thus sought to anchor the country in the West, while pursuing an energetic policy of attracting investments and changing Georgia's image. Since Georgia was not able to follow the path of Central European states that eventually entered the European space as integral EU members, the Georgian elites

gradually put less emphasis on the prospect of European integration for Georgia. As a result, Georgia gradually drifted away from a European path of reforms in the years after the revolution, even if the post-revolutionary government has relentlessly sought stronger EU engagement in security issues. In particular, an economic libertarian agenda and the focus on NATO membership took precedence over convergence with the EU norms and standards. However, the post-war context vividly brought to the fore the contradictions and incoherence in Georgia's policy choices. Hence, the Georgian government was faced with an important contradiction between two different paths: European integration and the libertarian agenda. The EU acquired a new significance for Georgia in the post-war context that obliges the government to define a more coherent policy course: it can no longer ignore the contradictions between its policy choices in the political/security vs. economic spheres. Policy directions in both spheres were not contradictory up until the war as long as Georgia was relying on NATO more than the EU to anchor the country in the West and gain security guarantees. However, the war as well as important changes in the international context in 2008 have had the effect of somewhat restricting Georgia's foreign policy options. First, Georgia failed to obtain a Membership Action Plan during the Bucharest NATO Summit of April 2008, being instead promised that it would become a member of the Alliance at some point in the future. The prospect of NATO integration has become even more uncertain following the August war with the chances having dramatically receded of Georgia being able to solve its territorial conflicts in the near to medium term. Second, the coming to power of a new administration under President Barack Obama in the United States also restricted the range of foreign policy options for Georgia, as the country appears to have lost some of its strategic weight for the United States. Hence, the new Obama administration is concentrating its efforts on Afghanistan and Iran and is counting on Russia's support to move forward on these fronts. The reset policy with Russia met with some nervousness in Georgia and other Central and East European states, even if Georgia is starting to see some benefits in improved U.S.-Russian relations if they result in a more effective leverage being exerted on Russia. Furthermore, the visit of U.S. Secretary of State Hillary Clinton to the South Caucasus in July 2010 also contributed to reassure the countries in the region as a sign of a conti-

nuous support of the United States. Secretary Clinton's use of the term "occupation" in reference to the Russian military presence in Abkhazia and South Ossetia was crucial in this regard. Despite these signs of reassurance, the strategic relationship with the United States has lost momentum after the war at the same time as the EU has acquired more weight as a security actor with its role as a peace broker during the war and the deployment of a monitoring mission.

While it has restricted Tbilisi's range of policy alternatives, the war has also shown the limits of the Georgian experiment of trying to forcefully challenge its position in the post-Soviet space by escaping a Russian sphere of influence and achieving the restoration of its territorial integrity as well as deep institutional reforms in a record tempo. In particular, the war and the global financial crisis of 2008 rendered Georgia more vulnerable and dependent on an external support, while the conflict's immediate effect was to isolate Georgia on the diplomatic scene. In what was perceived as a misguided attempt to pull the West into a confrontation with Russia, Georgia's credibility as a reliable partner for the West was damaged following the August war. Georgia's relative diplomatic isolation was visible in the declining number of invitations for Georgian officials to visit Western capitals. However, in 2010 this trend seemed to dissipate somewhat as Georgian officials were again active on the diplomatic circuit.

Georgia's position has also become more uncomfortable as new alliances emerging in the Black Sea region indicate a certain rapprochement of states such as Turkey, Ukraine and Azerbaijan with Russia. This new context thus appears to prompt Georgia to seek more proximity to the EU as the most natural way of overcoming its potential isolation. Furthermore, Georgia could be prompted to tone down its zero-sum approach by embracing the EU's stronger engagement in security issues after the war and adapting to the EU's soft power approach rather than trying to transform it into the power actor it is not.

However, recent developments show that a certain distrust towards the EU and what it is capable to deliver persist in Tbilisi, rendering difficult the definition of a coherent policy course. The Georgian leadership appears to be still hesitating between different courses, a convergence with EU standards

and norms or the preserve of its libertarian agenda, while waiting to see what tangible offers the EU can make. The political/security sphere and the economic sphere are closely interlinked in Georgia's assessment of the EU's role in the post-war context: it is the EU's readiness to increase its security and political profile that will ultimately decide how far Tbilisi will be ready to make concessions in its economic policies. Georgia's difficulty in adopting a coherent policy course is linked to the somewhat blurred image that the EU offers. While the EU is acknowledged as a significant actor after it has shown resolve in brokering a ceasefire agreement between Russia and Georgia, a certain disillusionment also exists in view of the EU's subsequent lack of determination in pushing for the effective implementation of the ceasefire agreement and opposing the consolidation of a Russian military presence in Abkhazia and South Ossetia.<sup>51</sup> In particular, the EU's reluctance in pressuring Russia to abide by its commitments in the six-point cease-fire agreement have damaged its regional reputation. As a result, Georgia's policies remain fraught for the time being with a certain incoherence that also mirrors longstanding divisions within the team in power between the pro-Europeans and those in favor of a libertarian agenda, and the continuation of a zero-sum game approach. Indeed, the major test for Tbilisi's real commitment to realign its policies with the goal of European integration lies in the economic sphere. There are some indications that the proponents of a libertarian approach are under pressure to make some concessions in their policies by adapting more closely to the EU's demands.<sup>52</sup> While they appeared to have free hands until the war, they now had to align themselves with Georgia's new foreign policy course and give appropriate consideration to the EU's new political and security relevance.<sup>53</sup> Recent developments in the economic

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<sup>51</sup> Gogolashvili highlights the more positive assessment of the EU in Georgia. He says, "The EU is now perceived more as a power that is able to and interested in guaranteeing democratic freedoms, the sovereign rights of countries, peace and stability.", In Kakha Gogolashvili, "The EU and Georgia: the choice is in the context," in Tigran Mkrtchyan, Tabib Huseynov and Kakha Gogolashvili, *The European Union and South Caucasus*, Europe in Dialogue 2009/01, Bertelsmann Foundation, Gütersloh (2009), p. 104.

<sup>52</sup> Author's interviews with Georgian analyst, Tbilisi, May 2010.

<sup>53</sup> Prime Minister Nika Gilauri's team still appears to be in favor of a libertarian approach, but some pressure is reported to come from Georgian President Mikheil Saakashvili and the National Security Council to put more efforts in converging with the

sphere at the same time reveal Georgia's enhanced readiness to accommodate the EU's requests, but also hesitation as to the concessions these changes imply.

Hence, Georgia has been able to move quickly on the political aspects of the Eastern Partnership, but the trade aspects present some challenges, as Tbilisi has been asked to make substantial changes to its policies and it is yet unclear how far it is ready to go. The Eastern Partnership consists of three different offers: an association agreement, a deep comprehensive and free trade agreement (DCFTA) and visa liberalization. In visa matters, Georgia has already signed a visa facilitation agreement with the EU in June 2010 together with a readmission agreement.<sup>54</sup> While the negotiations on an association agreement were officially launched in July 2010, the opening of negotiations on a DFCTA is submitted to certain conditions. Hence, Georgia needs to show progress in some key areas as a pre-condition for starting the negotiations. The EU has sent a fact-finding mission to examine the compatibility of Georgia's legislation with the EU standards and has issued recommendations on four priority areas in 2009: technical barriers to trade, competition policy, intellectual property rights and food safety. Georgia has already drafted strategic plans in the areas of food safety, competition policy and technical barriers to trade. While rapid advances have been made in these sectors, certain signs indicate that Tbilisi is still not quite ready to abandon its libertarian policies or might be showing an over-confidence in its capacity to conciliate different policy courses.

The most obvious sign of Tbilisi's determination to continue on the libertarian track is the "Act on Economic Freedom" that was presented in the form of a package of proposals to the Georgian Parliament in October 2009. The Freedom Act would constitutionally guarantee Georgia's commitment to lib-

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EU standards. However, the Euro-skeptic trend remains important within the government. For example, long-standing Interior Ministry Vano Merabishvili was quoted as saying to the Russian newspaper *Kommersant* that it was almost never worth listening to the EU's recommendations, although he later claimed that his remarks had been taken out of context. See Civil Georgia, "Merabishvili on Elections, Opposition, Russia, Ukraine," April 7, 2010, <http://www.civil.ge/eng/article.php?id=22157> (accessed September 2010).

<sup>54</sup> The agreement allows for the issuing of multiple-entry visas for certain categories of applicants, while it reduces visa fees.



eral principles including a referendum on tax increase and a ban on setting new regulatory agencies. Further, a law on food safety and quality was passed in Parliament in December 2005, but its implementation has been repeatedly delayed. Following the EU's recommendations, Georgia drafted a food safety strategy and decided to implement the legislation in different stages from 2010 until 2018, but the implementation of certain provisions were again suspended until 2011.<sup>55</sup>

Other developments after the war further reveal both Tbilisi's realization of the EU's new significance, but also a persistent mistrust as to the EU's capacity to deliver. First, Tbilisi appears to be increasingly courting the support of old member states such as France instead of relying exclusively on Central European states to advance its interests in Brussels. In effect, the divide between old and new member states on the nature of the EU's engagement in Georgia that mirrored existing divisions on EU-Russian relations did not necessarily play in Georgia's favor, as it had the potential of alienating the support of old member states such as France, Germany and Italy. As a sign of Georgia's ambition to build closer ties with France, Georgian President Mikheil Saakashvili met with French President Nicolas Sarkozy on an official visit to Paris in June 2010.<sup>56</sup> However, Tbilisi's realization that it needs to capitalize on bilateral relations with member states that have a say in EU foreign policy matters and also a certain leverage on Russia and the potential to keep Georgia on the EU's agenda can also be interpreted as revealing a persistent distrust as to what the EU's foreign policy can achieve. It may be seen as the sign of a certain disillusionment with the EU's foreign policy machinery and the recognition that it is ultimately influenced by the power politics of big member states.

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<sup>55</sup> See European Commission, Commission staff working document accompanying the communication from the Commission to the European Parliament and the Council, taking stock of the European Neighborhood Policy (ENP), implementation of the European Neighborhood Policy in 2009, Progress Report Georgia, SEC (2010) 518, Brussels, May 15, 2010, p. 12.

<sup>56</sup> France appears interested in retaining some influence on developments in Georgia after French President Nicolas Sarkozy has assumed the role of broker between Georgia and Russia during the war and under the French Presidency of the EU. For example, French diplomat Pierre Morel was nominated as the EU Special Representative for the Crisis in Georgia. Tbilisi itself appears interested in deepening its relations with France which is also a member of the United Nations Security Council.

A more tangible sign of Tbilisi's new readiness to align itself with the EU's policies and embrace its soft power logic is the new strategy of engagement towards Abkhazia and South Ossetia of January 2010 and its Action Plan for implementation of July 2010. One of the main objectives of the strategy is to create a common economic space between Georgia proper and the breakaway territories that would facilitate a cross-border exchange of goods and services. The document thus contains soft power elements, as it is set in a long-term perspective of creating an attractive environment and offering economic incentives as a stimulus to open a way for a possible settlement of the conflicts. This approach thus reflects the concept of "strategic patience" that Georgia was advised by U.S. and EU officials to follow in its policies towards Abkhazia and South Ossetia. Tbilisi also sought to ensure a certain degree of EU ownership of the process by consulting with Brussels and other EU member states during the drafting of the strategy. However, the strategy does not rhyme well with the "law on occupied territories" adopted after the war in October 2008, which has a more restrictive approach. The Georgian government "solved" this problem by amending the law to give itself the right to make exceptions to the law, yet this does show that different views persist within the team in power on the policies to adopt towards the territories of Abkhazia and South Ossetia.<sup>57</sup>

Finally, regional cooperation is also an area where Georgia's steps reveal different tendencies. Georgian President Mikheil Saakashvili has taken steps to improve bilateral relations with other post-Soviet states by holding informal talks with Belarus President Alexander Lukashenko in Yalta in July 2010 and with Ukrainian President Viktor Yanukovich, emphasizing how these countries could use the Eastern Partnership to move closer to the EU. During a meeting with Azerbaijani President Ilham Aliyev in Batumi, Saakashvili also stressed the importance of relations with Georgia's South Caucasus neighbors to stimulate the region's potential as a transport and energy corridor be-

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<sup>57</sup> Head of the EU Monitoring Mission in Georgia (EUMM) Hansjörg Haber stressed the need for the Georgian authorities to preserve a coherent approach and resolve possible incoherences between the Law on the one side, and the Strategy and the Action Plan on the other, in favor of the latter. See "Still Some Work to Do - EUMM for Almost Two Years on the Ground," *Civil Georgia*, Civil.ge, August 6, 2010. <http://mail.civil.ge/eng/article.php?id=22575> (accessed September 2010).

tween Europe and Asia amid growing competition over transit routes.<sup>58</sup> While Georgia appears to align itself with the EU's policies and its promotion of regional cooperation through the Eastern Partnership framework, the attempt to build new alliances in the region, in particular the rapprochement with Belarus, is also indicative of its main concern to overcome a potential isolation and limit the Russian influence in the region. In this regard, Georgia has also taken steps to improve its relations with Iran as it appears interested in seeing the emergence of new regional players in the region such as Turkey and Iran as a counterweight to Russia. While it does not pursue a multi-vector foreign policy like other post-Soviet states that balance their relations with the West and Russia, Georgia does also appear interested in looking for alternatives to an over-reliance on the West. Hence, new alliances in the region such as the rapprochement of Turkey and Azerbaijan with Russia and Georgia-Iran relations can all be read as being symptomatic of the failure of the EU and U.S. to exert an effective force of attraction in the region.

In conclusion, Georgia appears to be in a state of expectation towards the EU, still weighing alternatives, and hesitating as to the policy course it will take in the future. While there are contradictory signs in the policies that are adopted after the war that reflect tensions within the team in power, Georgia also appears to be still weighing the EU's capacity to really answer its security concerns and provide an effective way of overcoming a potential isolation and limiting the Russian influence in the region. While the path of European integration seems like the most natural option for Georgia after the war, it still appears uncertain as to the kind of EU it is facing and is waiting for signals to assess the new EU's policies in the region.

### **Persistent Ambiguity in the EU's Neighborhood Approach after the War**

The August war has put under a sharp spotlight not only the incoherence in Georgia's policy choices, but also the inherent ambiguity in the EU's neighborhood approach with the EU being also put to the task of finding a more coherent fit between its various policies. In effect, the war has revealed the

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<sup>58</sup> See "Azerbaijani, Georgian leaders meet in Batumi," *Civil Georgia*, Civil.ge, July 18, 2010. <http://www.civil.ge/eng/article.php?id=22524> (accessed July 2010).

limits of the EU's policy avoidance that was not matched by a consequential use of its transformative power. Concomitant with the wake-up call sent by the Russian-Georgian war in August 2008 that has prompted the EU to endorse the role of broker, the Union has also engaged in a more profound debate on its future foreign policy role with the coming into force of the Lisbon treaty. In this regard, the Eastern neighborhood represents a particularly challenging terrain for the bloc's new foreign policy ambitions. Hence, the EU has not yet found an appropriate formula to effectively conciliate different policies and instruments in the Eastern neighborhood: the pursuit of its legitimate interests in the region with its strategic partnership with Russia and policies that rely on its power of attraction with a more traditional engagement in security issues. More often than not, these different policies have been undermining each other and creating incoherence rather than being mutually reinforcing. Transformative policies have been deployed as a "compensation" for a limited security role that was motivated by a fear of irritating Russia rather than acting as a complement for an effective security engagement, thereby being transplanted on an unfavorable environment where their benefits have been weak.

An effective rapprochement with the Eastern neighbors has been consistently slowed down by a fear of worsening EU-Russia relations. Wary of being pulled into a zero-sum game with Russia, the EU has minimized its foreign policy role and reacting to rather than actively shaping developments on the ground. As it did not want to make its intentions too clear, the EU has also resorted to a form of "creative ambiguity." It is up to debate whether this ambiguity coupled with a lack of visibility has allowed the EU to make consistent advances through small but effective steps or whether it was used as a means to mask the inconsistencies in its mix of policies. In conclusion, the EU's policies in Georgia have been characterized by a weak strategic vision and lack of coordination between different instruments.

The August war of 2008 has prompted a certain change in the EU's policies in the Eastern neighborhood in forcing the Union to face up more effectively to its foreign policy role by assuming responsibility for the security of its immediate neighborhood. Hence, the EU under the French Presidency has reacted decisively to the outbreak of the August conflict between Russia and

Georgia by assuming the role of peace broker and reaching an agreement between both sides. The peace agreement has succeeded in ending the hostilities and achieving a partial pull-out of the Russian troops from Georgian territory. Second, the decision was taken to send a monitoring mission during a foreign ministers' meeting on September 15. After the closure of the UN-OMIG (United Nations Observer Mission in Georgia) mission in Abkhazia and the OSCE (Organization for Security and Cooperation in Europe) mission in South Ossetia in June 2009, the EU remains the only international actor in Georgia with a mission of more than 200 monitors on the ground. Further, the EU Special Representative for Central Asia Pierre Morel was tasked with overseeing the Geneva international talks between the parties to the conflict and a donors' conference was organized in Brussels in October 2008 that resulted in a pledge of more than US\$4.5 billion in aid for Georgia's post-war reconstruction. With the coming into force of the Lisbon treaty and the creation of an External Action Service, the EU is also given the means to forge a more consistent and coherent policy towards the Eastern Neighborhood.

However, the image of a more assertive, strategic and coherent EU in the post-war context of Georgia was shattered by some consistent problematic features in the EU's policies. First, the August war, for all the shock it has caused and the talk of new global realities, did not lead to a fundamental reappraisal of the EU's policies in the region. The EU's united response to the war and the realization that it misread the security environment in Georgia has not led to a consistent redefinition of the EU's approach. On the contrary, the war rather reinforced long-standing divides between EU member states on the nature of the EU's engagement in the Eastern neighborhood. The major factor that prevented the EU from defining a coherent strategic vision for Georgia was the fact that the EU member states use different lenses to assess its importance for the EU. No common narrative developed within the Union on the conflict's implications for the EU despite the release in September 2009 of the report of the international fact-finding mission into the August war established by a Council decision in December 2008, which provided a deep analysis of the war. Certain member states such as Poland and the Baltic states have interpreted the August war as a Russian attempt to redraw boundaries by force and reclaim its sphere of influence to which the

EU must respond with firmness. Other member states have underlined Georgia's responsibility in initiating the conflict and seen it as a warning sign against misdirected Western attempts to play a more active role in the region. Member states thus continue to be split between those advocating a firmer stance towards Russia and those wary of antagonizing it. These divisions continue to prevent the definition of a common strategy towards Georgia and a more pro-active engagement of the EU. At the same time, the war has led to a more realistic assessment of Russia's intentions within the EU and there is a growing consensus on the fact that Russia should not be granted a veto right on the EU's policies in the Eastern neighborhood region.<sup>59</sup>

While the post-war context saw a significant upgrade in the EU's engagement and the deployment of new instruments, some questions persist as to the reach and effectiveness of these new tools. First, 2009 saw the launch of the Eastern Partnership initiative aimed at boosting ties between the EU and six post-Soviet countries (Belarus, Ukraine, Moldova, Armenia, Azerbaijan, Georgia) that was accelerated by the August 2008 war. While it is presented as an upgrade on the European Neighborhood Policy and more strategic in its consistent focus on the Eastern neighborhood, the Eastern Partnership is not a fundamental departure from the previous neighborhood policies. Consisting of a bilateral and multilateral track, the major innovation of the Eastern Partnership compared to the neighborhood policy is that it offers legally binding agreements and an enhanced monitoring and evaluation of their implementation.<sup>60</sup> The bilateral track aims at achieving a political association and economic integration of the Eastern Partnership countries with the EU through association agreements (AA), deep and comprehensive free trade agreements (DCFTA) and visa liberalization. The multilateral dimension consists of four policy platforms: democracy, good governance and stability; economic integration and convergence with EU policies (including coopera-

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<sup>59</sup> See Janis A. Emmanouilidis and Pawel Swieboda, "The EU's Eastern neighbourhood policy after Lisbon", in *Implications of the Georgian-Russian War in 2008 – Strategic Reshaping of the European Sphere?*, Heinrich Böll Foundation South Caucasus, August 2010, p. 2, [http://georgien.boell-net.de/downloads/Emmanouilidis\\_Swieboda.pdf](http://georgien.boell-net.de/downloads/Emmanouilidis_Swieboda.pdf) (accessed October 2010)

<sup>60</sup> See Jos Boonstra and Natalia Shapovalova, *The EU's Eastern Partnership: One year backwards*, FRIDE working paper, May 2010, p. 3.

tion on transport and environment), energy security and people-to-people contacts. In addition, the EU foresees “flagship initiatives” that provides further areas of cooperation between Eastern neighbors: a border management programme, the integration of electricity markets, energy efficiency and renewable policies, SME facility and a common response to disasters. Similarly to the ENP, the Eastern Partnership is modeled on enlargement policies and relies on the EU’s power of attraction, while not providing a clear accession perspective. As such, it suffers from the same weaknesses as the ENP, as it is still perceived as offering too little incentives for the deep reforms that are required from the participating countries. One Georgian official remarked that the reforms demanded from the Eastern Partnership countries are virtually the same as for accession countries, while the membership perspective is absent: “the carrots are smaller, but the sticks are the same.”<sup>61</sup> Hence, the Eastern Partnership remains modest with a total of 600 million Euros being allocated for the period 2010-2013, while the absence of a number of key leaders was noticeable during the Prague summit of May 2009 that marked the launch of the initiative. Thus, there is ambiguity as to the nature of the Eastern Partnership offer, in particular in the question whether there is enough political support behind the initiative to make it run the long course and make its promises become tangible and attractive offers. Russia’s reactions to the new initiative, which have varied from an initial warning against the EU’s attempt to expand its sphere of influence to a more recent indifference, show that the Eastern Partnership remains fraught with a certain ambiguity.

The same uncertainty concerns the EU engagement in security issues and the question of whether the Union is ready to take on a more important foreign policy role in Georgia and the broader Eastern neighborhood. The instruments deployed by the EU to guarantee the implementation of the ceasefire agreement in the form of the EU monitoring mission (EUMM) and the EU’s participation in the international Geneva talks appear to be limited in their reach and effectiveness. In the immediate aftermath of the outbreak of war, the French EU presidency showed resolve by brokering a ceasefire agreement between Russia and Georgia, while the EU as a whole adopted a unified stance to condemn Russia’s recognition of the breakaway regions of Abkha-

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<sup>61</sup> Interview with Georgian official, Tbilisi, May 2010.

zia and South Ossetia and suspended, though temporarily, the talks on a new Partnership and Cooperation Agreement (PCA) with Russia pending the withdrawal of Russian troops to pre-war positions. As a result of the unity displayed after the war, the EU was able to take on an active role in shaping developments on the ground, in particular by sending a monitoring mission in a record time of two weeks. However, this momentum did not endure, as shown in the decision to resume talks with Russia in November 2008 although Moscow showed no intention to meet the obligations of the cease-fire agreement. The lack of consensus that persists between member states on the nature of the EU's engagement in Georgia and the interpretation to give to the August conflict has resulted in the EU pursuing its soft power approach and refraining to show political muscle.

As the result of this lack of resolve in pushing for the implementation of the six-point ceasefire agreement, there are stark limits to the effective fulfillment of the EUMM's mandate. The major obstacle for the monitoring mission is the limits placed on its geographical mandate with its practical inability to monitor the breakaway regions of Abkhazia and South Ossetia, as Russia and the two regions have refused the mission access to these territories. This contradicts the EU's view that the mission's mandate is Georgia-wide and thus includes Abkhazia and South Ossetia. The mission was deployed on October 1, 2008 with two main objectives: "to contribute to stability throughout Georgia and the surrounding region" and "in the short term, to contribute to the stabilization of the situation, in accordance with the six-point Agreement and the subsequent implementing measures."<sup>62</sup> Its main tasks are stabilization, normalization, confidence building, and information. However, the EUMM's engagement in long-term confidence-building measures is hindered in the practice by the reluctance of the Abkhazian, South Ossetian and Russian sides to interact with the mission on the ground. The mission depends on the cooperation of all parties and has little means of ensuring that its mandate remains Georgia-wide.<sup>63</sup> Thus, it is made to accept a problematic

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<sup>62</sup> Council Joint Action 2008/736/CFSP of 15 September 2008 on the European Union Monitoring Mission in Georgia, EUMM, Georgia, Official Journal of the European Union, September 17, 2008, L 248/27.

<sup>63</sup> Referring to this lack of leverage of the mission, an EU mission spokesperson indicated in October 2008 that "EUMM is an unarmed, civilian mission and has no coer-



status quo, while its practical focus is restricted on avoiding a renewal of hostilities in a logic of “refreezing the conflicts” rather than effectively promoting confidence-building between the parties. These restrictions are problematic, as the mission’s presence can be perceived as indirectly validating a disputed status quo instead of creating conditions for a peaceful resolution of conflicts. Similarly, the international Geneva talks have achieved few results so far. The EU co-chairs the talks with the OSCE and the United Nations that consist of a series of plenary sessions attended by representatives of Russia, Georgia, the United States as well as from the breakaway regions of Abkhazia and South Ossetia with the stated aim of reducing tensions and improving humanitarian conditions in the conflict zones. While the existence of a framework where all parties can sit at a same table can be seen as an achievement in itself and sends the political signal that the conflict is not over, no concrete progress has been registered. The unresolved question of the status of Abkhazia and South Ossetia has hindered progress on humanitarian and security issues where the cooperation of all parties is needed. The issue of a legal agreement on the non-use of force is a further point of contention, with the Georgian side accepting to sign such an agreement only with Russia, while Moscow demands that Tbilisi sign such an agreement with the *de facto* governments of Abkhazia and South Ossetia. The Geneva talks thus appear to be used as a platform to voice and legitimize different claims rather than engage on a constructive dialogue. The limited progress in the Geneva talks and the limits placed to the EUMM’s mandate thus illustrate how the EU fails to keep the upper hand on developments in the post-war context of Georgia.

These limits show how the EU evolved from being a determined actor able to shape the realities on the ground during the war and its immediate aftermath to a more indecisive one whose leverage is reduced. The EU thus displays a certain hesitance that is reflected in its difficulties to assume consistently the role of a security guarantor in Georgia. The EU’s security provision succeeds more “by default” than as the result of a well-reflected engagement. The EU

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cive powers. Therefore, we depend on the cooperation of all relevant parties”. See Lili Di Poppo, “As Russians withdraw, Georgia banks on European observers,” *Eurasia Insight*, October 9, 2008, <http://www.eurasianet.org/departments/insight/articles/eav100908.shtml> (accessed September 2010).

is showing the same hesitance in taking a more active role in the Nagorno Karabakh conflict, staying on the sidelines while tensions grew to a worrying level during 2010.

In conclusion, the EU's vision of its role in the Eastern neighborhood and the way it can affect the future of the region is still elusive. The EU persists to resort to a form of "creative ambiguity" not least shown in its different "hats" in Georgia that might affect the coherence of its policies, but also allows it to diffuse responsibility and continuing not showing its intentions too clearly. Hence, the EU counts no less than four representatives in Georgia including the EU delegation chief, the EUMM head of mission, the EU Special Representative for the South Caucasus and the EU Special Representative for the Crisis in Georgia. Further, the limitations posed to the deployment of its instruments in post-war Georgia are revelatory of the EU's difficulty to assert its soft security vision. Hence, the soft security dimension of the monitoring mission is hindered in practice which in turn affects the EU's security approach.

As a result, the EU continues to send mixed signals in the region and Tbilisi is uncertain as to the kind of EU it is facing up to. Georgia's perception of the EU thus oscillates between an acknowledgement of the EU's enhanced security role and a disillusionment as to the EU's intention to effectively fulfill this role and achieve an implementation of the ceasefire agreement, while opposing the consolidation of Russia's military presence in the two breakaway regions. This uncertainty has implications for the EU-Georgia relations, as Tbilisi has difficulties tying itself to an EU when it is still uncertain as to the real "nature of the beast" or the foreign policy actor it is facing up to and not knowing if there is enough "political steam" in the EU's offers of rapprochement. The EU's capacity to effectively play a meaningful security role and offer certain security guarantees even if limited weigh particularly strongly on Georgia's eventual decision to embrace a rapprochement. In effect, the security/political and economic spheres are closely tied down in Georgia's assessment of the EU's role in the post-war context. Tbilisi hesitates to move forward in the economic sphere without clear signals that the EU will put a consequential political weight behind its offers.

### **The Economic Sphere: The Costs of Convergence with the EU**

The EU's persistent ambiguity regarding the foreign policy steps it is ready to take puts Tbilisi in a dilemma as to the length it should go to satisfy the EU's demands. This indecision is particularly visible in the economic sphere, where both sides appear to be in a state of expectation as to the other's intentions and trying with difficulty to decipher the signals sent.

Tbilisi's readiness to make changes to its economic policies is closely interlinked with the EU's readiness to offer a tangible political support and act as a security guarantor. Thus, Tbilisi for the time being appears to continue hesitating between two economic paths: a convergence with the EU standards or the pursuit of the libertarian policies it has adopted so far. In effect, the adaptation costs to the EU standards are high, while the economic benefits that Georgia could derive from introducing these changes are not so clear. The signing of a Deep Free and Comprehensive Trade Agreement (DFCTA) with the EU has primarily a political value for Georgia, as the conclusion of legally binding agreements is an indication of a good state of relations and might even induce cautiousness from the part of Russia, though not constituting any tangible security guarantee.<sup>64</sup> More concrete economic advantages are not so straightforward or will only be felt in a long-time perspective. However, the costs implied in the signing of a DFCTA are already high for Georgia. A single free trade agreement only entails the liberalization of tariffs and the elimination of quantitative restrictions on products. A DFCTA is a broader framework, as it addresses obstacles to trade 'beyond the border' by removing barriers not only in tariffs but also in the national economic legislation in place. It implies changes in the domestic policy and business environment affecting trade and investment in Georgia. For example, competition policy must be harmonized with the EU standards in order to remove barriers for foreign enterprises by rendering the business environment more attractive and open to external competition. The signing of a DFCTA thus implies an important commitment from the part of the country concerned. On the other side, the economic and trade benefits that Georgia could derive from a DFCTA with the EU are difficult to assess. The feasibility studies conducted by the European Commission on Georgia and Armenia in 2008

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<sup>64</sup> Author's interview with Georgian analyst, Tbilisi, May 2010.

concluded that deep and free comprehensive FTAs could bring significant economic benefits to the countries. However, they noted that “neither of the two countries is yet able to negotiate such a far-reaching trade liberalization and even less to implement and sustain the commitments that it would require.”<sup>65</sup>

From the EU’s perspective, Georgia can benefit from access to a larger market, while competition will create incentives for local companies to invest in the production of higher-quality products. While it can provide an alternative to the lost Russian market, it is still not clear how Georgian companies would compete on the EU market and meet high adaptation costs for complying with EU standards.<sup>66</sup> The lack of competitiveness of Georgian companies rather than the lack of market access poses problems to the export of Georgian products to the EU.<sup>67</sup> The feasibility study carried out by the European Commission in 2008 suggests that a deep free trade agreement could boost FDI flows to Georgia that could increase up to five-fold in 2020.<sup>68</sup> However, this optimistic scenario is feasible under the condition that Georgia moves towards the level of Bulgaria with the study noting that Bulgaria has been boosted by the incentive of EU accession that is not available for Georgia.<sup>69</sup> In Georgia’s perspective, the clearest benefit of a DFCTA is that it would help re-brand the country as a favorable and safe investment destination.<sup>70</sup> Georgia’s investment strategy until now rested on attracting indiscriminate investments through its liberal policies with the major bulk of new

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<sup>65</sup> European Commission, “Trade: South Caucasus (bilateral relations)”. <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/regions/south-caucasus/> (accessed July 2010)

<sup>66</sup> For example, a Transparency International report suggests that local small companies in Georgia might have difficulties surviving the introduction of food safety regulation. See *Food safety in Georgia*, Transparency International Georgia, 2009, pp. 3-4, <http://transparency.ge/sites/default/files/FOOD%20SAFETY%20ENG.pdf> (accessed July 2010)

<sup>67</sup> *Ibid.*, p. 8. The TI report also notes that Georgian agricultural products already enjoy near tariff free and full quota free access to Europe under GSP+.

<sup>68</sup> See Maryla Maliszewska, ed., *Economic feasibility, general economic impact and implications of a free trade agreement between the European Union and Georgia*, CASE Network Reports No. 79 (2008), p. 143.

<sup>69</sup> *Ibid.*, p. 183.

<sup>70</sup> The introduction of food safety regulations is also understood as being necessary to help Georgia market itself as an attractive tourism destination. Author’s interview with Georgian official, Tbilisi, May 2010.

investors since the revolution coming from the United Arab Emirates, Kazakhstan and Turkey. It is not clear whether Georgia really seeks and is able to attract large European investments, even if this logic would clearly be more sustainable for the country in a long-term perspective. Tbilisi thus faces the choice between two different forms of investment promotion: the long-term creation of a safe investment environment through an approximation to EU standards or the short-term perspective of scoring on the Doing Business Index through liberal policies as a way of attracting rapid investments from heterogeneous sources.

Aside from the difficulty of assessing the real economic benefits of a DFCTA, the major dilemma for Tbilisi is in the timing of the reforms to be implemented. While Tbilisi would like to wait and be able to read more clearly in the EU's long-term intentions, the EU is actually leading the dance. Hence, Tbilisi has to make some concrete progress in a number of areas before negotiations on a DFCTA can be opened. The EU wants to see tangible results in the harmonization of the legislation and the setting up of agencies to implement the new regulations. However, the EU's demands pose problems for Tbilisi, as it would prefer to take a gradual and selective approach to introducing changes, while engaging in profound reforms only after the opening of negotiations instead of fast-tracking reforms.<sup>71</sup> This preference for taking small steps is motivated by the hope that Georgia could find some fit between its policies and the EU standards and not renounce en bloc its libertarian principles. In effect, the EU's demands are in contradiction with Georgia's vision of its economic development and might compromise the reforms implemented so far in Tbilisi's perspective. Georgia's libertarian reforms were motivated by two main objectives: attracting foreign investments and simplifying regulation to remove opportunities for corruption. While this vision is based on the idea that regulation creates more opportunities for corruption and state intervention in the economic and social sphere must be limited to a minimum, most of the EU's requirements precisely ask

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<sup>71</sup> Author's interview with Georgian analyst, Tbilisi, May 2010. Obviously, Georgia would also prefer a pick-and-choose approach where it can take from the EU acquis what it sees as beneficial for its own development.

for more regulation.<sup>72</sup> The libertarian trend can be understood as symptomatic of a certain skepticism towards regulations that were not implemented in Shevardnadze's Georgia or served as a tool for corruption.<sup>73</sup> As a result, the government has chosen to dismantle regulatory agencies rather than reforming them, but without having created new functional institutions. This explains its hesitance to rush into meeting the EU's demands by creating new institutions from scratch without having a clear vision of the timing of the opening of negotiations and the rewards on offer. The EU and Georgia thus diverge in their assessment of the length of the steps Georgia must take in its convergence with the EU. Georgia hopes to be able to accommodate two different economic courses and not having to renounce its libertarian principles. It is hoping to meet the EU midway rather than going all the way in adopting the EU's standards.<sup>74</sup> However, the EU has a rather different view of where to meet with Georgia and clearly sees Georgia's libertarian principles as being at odds with the EU's vision. The progress report on the implementation of the ENP Action Plan released by the European Commission in 2008 in fact notes that "the implementation of the Action Plan has revealed the difficulties in reconciling the government's drive for a radical reduction of the role of government in the economy and the EU regulatory approach reflected in the Action Plan."<sup>75</sup> This was clearly stated by EU commissioner for

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<sup>72</sup> The feasibility study carried by the European Commission in 2008 on a free trade agreement between the EU and Georgia notes on Georgia's perspective on EU regulation: "Heavy regulations are seen as excessive and burdensome under the current underdeveloped state of the economy, and fragile and immature institutional structure." In Maliszewska (2008), p. 96.

<sup>73</sup> Compatibility of legislation with the EU is not seen as a guarantee that the functioning of institutions will be improved. As one Georgian official remarks, "for good regulation, you need good institutions and the government cannot create these institutions from scratch." Interview with Georgian official, Tbilisi, May 2010.

<sup>74</sup> For example, Georgian President Mikheil Saakashvili recently expressed its confidence that Europe is increasingly moving towards a free economy and Georgia would be able to negotiate with the EU in a manner that would not be detrimental to its free market principles. See "Saakashvili: Act of Economic Liberty Planned in Autumn," *Civil Georgia*, September 21, 2010 <http://www.civil.ge/eng/article.php?id=22686> (accessed September 2010).

<sup>75</sup> European Commission, Commission staff working document accompanying the communication from the Commission to the Council and the European Parliament 'Implementation of the European Neighbourhood Policy in 2007', Progress Report Georgia, Brussels, April 3, 2008, SEC(2008) 393, p. 2, [http://ec.europa.eu/world/enp/pdf/progress2008/seco8\\_393\\_en.pdf](http://ec.europa.eu/world/enp/pdf/progress2008/seco8_393_en.pdf) (accessed June 2010).

enlargement and European neighborhood policy Štefan Füle in May 2010 who indicated that the full engagement required from Georgia under the two pillars of the new EU-Georgia partnership, association agreement and DFCTA, might not be compatible with Georgia's vision of an ultra-liberal environment.<sup>76</sup> Meanwhile, Tbilisi needs to make these advances without any clear guarantees in sight, as the EU retains the say as to the length of negotiations and the way it will judge the progress already made.<sup>77</sup>

### **A Still Hesitant Rapprochement**

The August war has prompted the EU and Georgia to come closer. The EU realizes the need to take responsibility for the security of its immediate neighborhood and the impossibility of simply standing back if it wants to measure up to its ambitions of becoming a credible foreign policy actor. On the other side, Georgia realizes that it needs the EU as a way of working against potential isolation and limiting the Russian influence in the region. Both sides see a rapprochement as "inevitable." However, both the EU and Georgia continue to be hesitant as to the length they are prepared to go to ensure this rapprochement. The question is where the EU and Georgia can meet considering their diverging expectations and visions of the challenges affecting the Eastern neighborhood. Being in a state of expectation as to the capacity of the EU to deliver on its ambitions, Georgia continues to hesitate between different policy courses in the economic sphere: a convergence with the EU standards or the pursuit of its libertarian policies, while displaying over-confidence in its ability to accommodate both courses. On the other side, the EU persists in sending ambiguous signals, not yet having devised an appropriate formula that would give coherence to its mix of policies. Its persisting reluctance to put the necessary political weight behind its objectives hinders an effective security engagement in Georgia and renders the Eastern Partnership offers still unclear. As a result, Georgia has difficulties engaging on a path of reforms that contradict its previous policy choices, while not

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<sup>76</sup> See Civil Georgia, "Commissioner Says Georgia Committed to EU Partnership," *Civil.ge*, May 13, 2010, <http://www.civil.ge/eng/article.php?id=22296> (accessed September 2010).

<sup>77</sup> One Georgian official remarks that the absence of bilaterally agreed timelines renders difficult the reaching of certain targets. Author's interview with Georgian official, Tbilisi, May 2010.

knowing what kind of EU it is facing up to and not having a clear vision of the rewards on offer. The EU is still not perceived as providing a safe anchor for Georgia to which it can effectively attach itself. Georgia's primary concerns after the war remain of a security nature. While the EU's enhanced readiness to endorse a security role is welcomed, disillusionment also exists as to the length the EU is prepared to go to fulfill this role effectively. While the war opened a window of opportunity by stimulating a renewed rapprochement between Georgia and the EU, this rapprochement proceeded in slow motion with each actor eyeing the other's moves to weigh the length of the steps it is prepared to take.



## Concluding Remarks

Despite the high hopes raised by the Rose Revolution in Georgia of November 2003, the post-revolutionary period failed to put Georgia on a firm path towards EU integration, in the sense of a convergence with the EU norms and standards. Diverging expectations related to the aspects of security and timing explain this lack of convergence. Georgia did not see in a course of EU integration a promising path to exit the post-Soviet status quo. In Georgia's perspective, the EU did not satisfactorily answer its security needs, while the prospect of EU integration appeared too uncertain and set in a long-term perspective to become an effective anchor for and pulling force behind Georgia's reform agenda. As a result, NATO integration, the strategic relationship with the United States and the libertarian agenda took precedence over an EU integration agenda in Georgia's foreign and domestic policy priorities. Furthermore, Georgia saw its state-building efforts and Western course as being incompatible with good neighborly relations with Russia, as it considered that Russia would inevitably try to undermine a process that it perceived as a threat to its sphere of influence.

However, while Georgia's policy options conflicted with the EU's vision, the 2008 war showed the limits of its geopolitical vision of its security situation, as the EU refused being pulled into a confrontation with Russia. While the war has thrown in a distinctive light the realities of Russia's vision of its sphere of interests with the EU having to face up to this reality, it has also left Georgia more vulnerable and in need of an external support. As a result, Georgia has sought to diversify its alliances by enhancing ties with neighbors and favoring a renewed rapprochement with the EU.<sup>78</sup> While showing the

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<sup>78</sup> Georgian President Mikheil Saakashvili recently remarked about the prospect of Georgia becoming a NATO member: "Of course we did not change our mind [in respect of NATO aspiration], but on the other hand, we are developing relations with all the other countries in the region. We are developing relations with the countries to the south, with other former Soviet countries – countries like Ukraine; in Central Asia, Caspian [region]; Turkey and the European Union; we started Association Agreement

limits of a zero-sum approach in the Eastern neighborhood and of the Georgian experiment of escaping Russia's sphere of influence by seeking protection from the West, the war also put into the spotlight the fragility of the EU's soft power approach that translated into a reactive stance rather than in a determination to infuse a new logic of cooperation in the region.

In the absence of a clear willingness of the Union to make a consequent and strategic use of its transformative power, Georgia has remained distrustful of the implications of adhering to the EU's soft power logic. Further, the norms and standards promoted by the EU in its relations with neighboring countries have been sometimes perceived more as unattainable benchmarks set to keep these countries indefinitely at arm's length than effective tools in a transformation project. The democratization agenda has lost momentum in Georgia amid the realization that it would not provide the country with a clear prospect of EU membership, while the EU did not display the same level of ambition of transforming the Eastern neighborhood through profound reforms as it had succeeded in doing in Central Europe. Thus, the EU has so far failed to act as an effective pole of attraction in the Eastern neighborhood region that could stimulate reforms. Indeed, most countries in the region have not become more democratic since the launch of the European Neighborhood Policy.

With the war, a window of opportunity opened for a renewed rapprochement between the EU and Georgia. The August war prompted the EU to endorse with more assurance a security role and has accelerated the launch of the Eastern Partnership that provides a more tangible offer of integration. On the other side, it has left Georgia more vulnerable and prompted more pragmatism, with Tbilisi realizing that there is no real alternative to the EU and showing more commitment to engage in a European path of reforms. However, the post-war situation continues to be characterized by a certain hesitance on both sides and persisting contradictions in the mix of policies that are deployed. While there is more readiness for convergence, the question is where the EU and Georgia can meet and what length they are prepared to go

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talks with the European Union... We signed strategic relations treaty with the United States." See "Saakashvili: Georgia 'Not Fixated Only' on NATO," *Civil Georgia*, September 26, 2010, <http://www.civil.ge/eng/article.php?id=22703> (accessed September 2010).

to ensure more coherence between their visions. In particular, the persisting ambiguity regarding the real nature of the EU's offers contribute to an uncertainty in Tbilisi and hesitance as to the policy courses it will eventually choose. Thus, the EU's readiness to put the necessary political weight behind its offers and take on a meaningful foreign policy and security role will weigh strongly on Tbilisi's eventual decision to embrace a European path of reforms.

The Eastern neighborhood and the post-war context in Georgia offer a complex picture. The war has not marked a return to Cold War confrontation or a profound reversal of global realities, but it has rather signified the end of grand strategic narratives centered on NATO enlargement or energy politics in the Caucasus region. With this comes a certain void of visions in the region with an inclination of all actors to take a more pragmatic and sober look at the future of the region. However, it remains to be seen what this new pragmatism signifies. The war has had the effect of "redistributing the cards on the table" by opening a space of opportunity for alliance reconfiguration as seen in the tentative rapprochement between Turkey and Armenia, enhanced ties between Azerbaijan and Turkey and Russia and improved relations between Georgia and Iran. These alliances are driven by pragmatism, away from the ideological ties that had characterized the pre-war context.

This new movement can be interpreted in different ways. It can signify that a beneficial terrain for regional cooperation is opening to further the EU's efforts at region-building and stability promotion, but it could more immediately be interpreted as a drift away from the West and a symptom of the failure of the EU to exert a meaningful power of attraction in the region. Further, pragmatism from the West in the form of the U.S. reset policy with Russia and the search for ways to accommodate policies towards Russia and the Eastern neighborhood caught in the formula of Secretary of State Hillary Clinton that "the U.S. can walk and chew gum at the same time" can also lead to different results. Hence, the aftermath of the war in Georgia has shown how decision-makers in Brussels and other European capitals are all too ready to return to "business as usual" and leave aside uneasy questions regarding the effectiveness of the role played by the EU and the necessity of achieving coherence in its mix of policies. Thus, pragmatism could also sig-

nify a return to short-sighted power politics, a trend that can be observed more generally in the world in the aftermath of the global financial crisis, with the talk of the EU's soft power acting more as a smokescreen for the pursuit of national interests than being used as an effective transformative tool in a project of shaping the future of the region.

The recent moves in Brussels toward abolishing the post of EU Special Representative for the South Caucasus with the entry into force of the new External Action Service in early 2011 have done little to dispel the fears that countries like Georgia might have as to the EU's intentions, as it is not clear whether this decision will result in greater EU effectiveness; the fear is that it will contribute to the EU's disengagement from the region. Moreover, the recent increase in tensions in Nagorno Karabakh suggests that a potential disengagement on the part of the West is a rather dangerous prospect.

The end of grand strategic narratives in the region and the zero-sum logic that has accompanied them does not mean that the current reversal to pragmatism will automatically convey more stability and cooperation. In particular, Russia's attempt to increase its military presence in the region suggests a persistence of zero-sum thinking. The analysis of EU-Georgia relations has shown how the EU's failure to respond adequately to Georgia's democratic aspirations after the revolution by providing a substantial boost to its reforms led the country toward emphasizing other attributes such as its strategic role and its potential as a world economic reformer. The absence of any tangible alternatives led Georgia to focus on NATO membership and a libertarian agenda as the only exit roads to a problematic post-Soviet status quo and the existential security threats the Georgian government perceived. Thus, if the idea of the Eastern neighborhood as being no longer an exclusive terrain for geopolitical confrontation and area of economic cooperation has any chance to materialize, it should be supported by a true vision for democracy, prosperity and stability. Of all actors, the EU is the best placed to take the lead in filling the current void and actively infusing this new vision of cooperation in the region. A consistent pursuit of the EU's transformative objectives is thus needed. Further, the EU needs to react to a potential loosening of its power of attraction by actively engaging in the Eastern neighborhood if it wants to live up to its new foreign policy ambitions. The pragmatic approach

taken by the Eastern Partnership can prove beneficial only if filled with concrete offers and given the necessary means and political backing to fulfill its ambitions. Hence, investment, efforts and political weight are needed to make the Eastern Partnership initiative truly transformational and ensure that the EU becomes the only real alternative for a country like Georgia. In order for a logic of cooperation to become a tangible prospect for the region, the EU must consistently take on its role as an exporter of stability and prosperity in the Eastern neighborhood. But in order to counter enlargement fatigue, Eastern neighbors will also have to send a convincing message of the added value they can bring to the new Europe that will emerge after the entry into force of the Lisbon treaty. Here, a country like Georgia needs to develop a long-term vision of how its own needs will match with the European vision of its global and regional role in the next decades.