SWP Comments

Stiftung
Wissenschaft und
Politik

German Institute
for International and
Security Affairs

Change of Government in Georgia

New Emphases in Domestic and Foreign Policy

Sabine Fischer and Uwe Halbach

In autumn 2012, Georgia underwent a development that is already being described as historical. Following an emotional and at times hostile election contest, the Georgian parliamentary elections on 1 October led to a change of government, which the country is hailing as proof of its democratic maturity. President Mikheil Saakashvili's United National Movement party, which had been in power for the last nine years and held a two-thirds majority in the last parliament, suffered a clear defeat against a coalition of six opposition parties, none of whom had been represented in the previous parliament. Saakashvili will remain in office until 2013. What course will the new coalition government under Prime Minister Bidzina Ivanishvili now set in domestic and foreign policy? Will the incumbent president, who is endowed with a wide range of powers, and the new government be able to work together in the run-up to the 2013 presidential elections or will they become entrenched in bitter rivalry?

If the opposing political camps led by President Saakashvili and Prime Minister Ivanishvili succeed in working together peacefully up until the presidential elections (due to be held in October 2013), this change of government could justifiably be considered exceptional. Around 120 parliamentary and presidential elections have been held in the former Soviet Union region (excluding the Baltic republics) since 1991. They have usually resulted in the re-election of the ruling government and many have been clouded by suspicions of fraud. A peaceful change of government by means of an election process remains the exception. In Georgia, this is the first change that has not been brought about by a coup d'etat.

Before the elections, voices warning of a polarisation of society were getting louder both in Georgia and abroad. The country's highest moral authority, the head of the Georgian Orthodox Church Ilia II appealed for maintaining peace. The West also followed the elections with concern. The government vilified the opposition as a political force wanting to take Georgia back into the past and into Russia's political orbit. The opposition labelled the incumbents "fascists". From October 2011 (when multi-billionaire Ivanishvili entered politics) to August 2012, Transparency International

Dr. Sabine Fischer is Head of SWP's Russian Federation / CIS Division
Dr. Uwe Halbach is a Senior Associate in SWP's Russian Federation / CIS Division

Georgia documented cases of intimidation of opposition activists, political arrests, unequal treatment of government and opposition parties with regard to illegal party financing, and prevention of opposition party activities by the police. Statements from the opposition camp fuelled fears that conflicts would break out after the elections. The Georgian Dream election coalition, centred around Ivanishvili's party (Georgian Dream – Democratic Georgia), criticised the president's authoritarian leadership style and pledged an "end of the Saakashvili era". Ivanishvili made his unexpected entrance onto the Georgian political stage in autumn 2011. Until then he had lived a secluded life, although his name was well known in connection with various charitable projects. He earned his fortune as an entrepreneur in Russia before returning to Georgia in 2002. Saakashvili's party consequently did its best to paint him as a Kremlin stooge, and the president attempted to sideline his opponent by withdrawing his Georgian citizenship.

Realignments in political power

Up until shortly before the elections, opinion polls were predicting a victory for the ruling government. However, they also showed that many voters were still undecided. A video released two weeks before the elections showing torture scenes in a prison also stirred up anti-government sentiment among the public.

The elections on 1 October created surprising realignments of political power in parliament and brought the opposition into government. Eighty-five of the 150 parliamentary seats went to the Georgian Dream coalition. Of the six parties in the coalition, two others beside Ivanishvili's party are significant: Our Georgia – Free Democrats led by the new Minister of Defence and Deputy Prime Minister Irakli Alasania, and the Republican Party of Georgia headed by David Usupashvili, the new chairman of the Georgian parliament. Both are advocates of democratic development and reform. Then there are the other three parties, whose spectrum of ideology and policies range from entrepreneurial interests (Industry will Save Georgia) to nationalistic views (National Forum). However, the Georgian Dream parties still only have a weak footing in Georgian society and are barely institutionalised. This may threaten the coalition and make it difficult to consolidate the party system. Georgian Dream owes its election victory first and foremost to the popularity of the coalition leader and the social unrest caused by grievances against the former government elite.

The election results varied widely at the regional level, with the capital Tbilisi emerging as the stronghold of the opposition. With the exception of some regions like Ivanishvili's home constituency, where 93 percent of the vote went to Georgian Dream, people in rural areas in the Armenian and Azerbaijani minority enclaves tended to vote for the ruling government party, although the results were not as decisive as in previous elections. That is surprising given that Georgian Dream's main criticism of the previous government was that it had neglected the development of rural regions.

Georgia in the transition phase

With a solid majority in the new parliament, which moved its seat from Tbilisi to the country's second largest city Kutaisi, Ivanishvili was able to secure the position of prime minister for himself and form a government. Although it is still the responsibility of the president to appoint the prime minister, Saakashvili announced he would respect the electorate's demand for a change of government. A constitutional amendment, passed in 2010, transferring executive powers from the president to the prime minister and the parliament, will only come into effect after the 2013 presidential election. After two terms in office, Saakashvili will not be able to stand for re-election. Until then, however, he will still be the chief executive in a system that

endows the president with great power. It remains to be seen how Saakashvili will cooperate with his rivals in the upper echelons of government during the transition phase.

The beginning of this phase has given cause for optimism. President Saakashvili conceded his party's defeat on the day of the election. He said that although there were fundamental differences between the new and outgoing governments, he, as president and guarantor of the constitution, would ensure that the transition of power would be as civilised "as never before in Georgia's history." However, the decisive question is still whether the current president is really prepared to give up the political leadership of his country in 2013. If so, he would cut a striking contrast with the Putins, Lukashenkos, Karimovs and Nazarbayevs of other post-Soviet states. His rival Ivanishvili initially announced that he would only serve as prime minister for an intermediary period of 18 months. He later qualified this announcement by saying he would only leave the political arena when the change in government had been consolidated and he had fulfilled his election promises. Shortly after the elections and the formation of the new government, military and political officials from the defeated government were arrested for abuse of office. The subsequent disputes between the two camps suggest that the country's political road ahead could well be rather bumpy.

Cohabitation or power struggle?

The new dual power constellation in Georgia is known as "cohabitation" – a term used to describe the relationship between a president and prime minister who belong to different political camps and both have executive powers.

The change in government has not been quite as free of conflict as initially hoped, with some members of the previous government hurriedly leaving their posts and even the country. The newly elected coalition announced its plans to set up a parliamentary committee to investigate cases of abuse of office among the former government elite. Bacho Akhalaia, who served as prisons chief from 2005 to 2008 and subsequently as minister of defence, followed by a brief spell as minister of the interior, has been arrested on charges of mistreating soldiers, as have Giorgi Kalandadze, chief of joint staff of the Georgian armed forces, and another senior official. Other high-ranking civil servants in the Ministry of the Interior have also been charged with abuse of office. They are accused of taking "extralegal surveillance measures" against Ivanishvili during the election campaign. in the latest edition of the annual report *Freedom in the World 2013*, released January 16, Georgia's status was upgraded to "electoral democracy". Nevertheless, the report's authors criticized the new government for promptly arresting some 30 officials of the previous government, which raised concerns about politically motivated prosecutions.

These developments have put Saaskashvili on the defensive, even though, in addition to his wide-ranging powers, he (still) has a plentiful army of followers at the regional and local administrative levels. Prime Minister Ivanishvili meanwhile announced plans to accelerate the constitutional changes curtailing the president's powers and to ensure these came into effect before the next presidential election. On the ninth anniversary of the Rose Revolution on 23 November 2012, Saakashvili expressed his disapproval of the measures taken by the new government and commented: "More and more people in Georgia realise that our country is in danger." The New Year addresses given by the president and the prime minister demonstrated their sharply different standpoints and cast doubt on the ability of the two leaders to engage constructively in the cohabitation process.

New cabinet policy?

President Saaskashvili's staffing policy seemed aimed at creating a young and flexible cabinet. Ministers were hired and fired in quick succession. In the months leading up to the war with Russia in 2008, for example, no less than four different foreign ministers were appointed. Since 2003, there have been eight changes in the leadership of the Ministry of Defence and of the armed forces. Some of Saakashvili's followers had held several ministerial posts by the time they reached their mid-thirties.

Prime Minister Ivanishvili's cabinet policy seems to be more focused on continuity and professionalism. This includes appointing officials who held government posts before the Rose Revolution. One of the experienced, yet relatively young officials in the new government is Minister of Defence Irakli Alasania, who worked within the security forces prior to 2003. Under Saakashvili, he was initially involved in mediating the conflict with Abkhazia and later sent to New York as Georgia's UN ambassador. In 2008 he distanced himself from the ruling elite and criticised Saakashvili for his policies towards breakaway regions of the country. After almost ten years at the European Court of Human Rights, 37-year-old lawyer Tea Tsulukiani took up the post of minister of justice. However, there are also newcomers in Ivanishvili's cabinet. Just turned 30, lawyer Irakli Garibashvili is a loyal follower of Ivanishvili's and has worked closely with the billionaire for the past eight years, helping him to run his bank and charitable foundation. He will now head the Ministry of the Interior. Another Cartu Bank employee has been appointed minister of economic affairs. One of the most surprising political newcomers is football star Kakha Kaladze, who was originally considered for the post of regional development minister but was later appointed energy minister.

Emphases in domestic policy

The new coalition government wants to make further changes to the constitution to move the country towards a parliamentary system. However, it is 15 parliamentary seats short of the majority needed to make constitutional amendments. Defections from the previous governing party to the new one could create the necessary majority. Beginning in 2004, the former governing party, now in opposition, and President Saaskashvili introduced reforms in administration, public services (which barely existed until then), the police and in the fight against crime and corruption. These are acknowledged even by their critics. The accusations directed at the previous government concerned the way it repressed those with unwelcome political views, its attacks on the business community, the precarious state of the prison system and other problems, which the president and his interior and justice ministers in particular are held responsible for. The ranks of the current parliamentary majority and the new government contain many of Saakashvili's former allies, who joined the opposition out of disappointment at these developments.

To date, the powerful Ministry of the Interior has controlled the majority of the country's security forces. From 2004, it was headed by Vano Merabishvili, a key figure in Saakashvili's power structure. In a time of rapidly changing faces in government ministries he served as a symbol of continuity. However, he also personified an atmosphere in which the president and his party's monopoly on power was sustained by force. The new interior minister, Garibashvili, has promised to "depoliticise" the ministry, and, in particular, to protect legal bodies from political meddling. The Ministry of the Interior is due to be entirely restructured and will be comprised of only two main departments in future: the police and the borders agency. Garibashvili has also promised to continue the previous government's success in fighting crime. This success has also had grave consequences,

however. Prisoner numbers have shot up from just over 6,000 in 2003 to 24,000 today, and conditions in prisons were the main reason for claims of human rights violations by the Georgian ombudsman and international organisations. A video showing torture scenes in Gldani prison no. 8 in Tbilisi led to protests in the capital. President Saakashvili conceded fundamental problems in the prisons system after the video was released at a tactical point in the election campaign.

In 2006, the European Union listed judicial reform and the independence of the judiciary as its top priorities in its action plan for Georgia. Follow-up reports in the following years praised the reforms in the training of judges, but found that the courts could still not be regarded as independent from the executive. In this respect, a report said, Georgia has not sufficiently distinguished itself from neighbouring Russia, even though it is allegedly so keen to set itself apart from this country through its democratic and constitutional reforms. By appointing Tea Tsulukiani as minister of justice the new government has shown it is making human rights a policy priority. The arrests of former government members on charges of abusing their office are currently playing a central role in shaping opinion on the latest developments in the country's justice system. Tsulukiani and Ivanishvili both stressed "the primacy of the law" in their statements on the arrests and refuted the opposition's claim that they were using the chance to exact revenge on their political opponents. Voices outside the country, including the NATO Secretary General, emphasised the importance of transparency and the rule of law in the ongoing criminal proceedings, and warned against any kind of politically motivated "selective justice". In his New Year message, Prime Minister Ivanishvili identified the "establishment of rule of law which is replacing political persecutions and selective application of justice" as the main challenge to Georgia's political transformation after the power change.

In the field of economic policy, the main criticism levelled at the former government by the opposition and large sections of the population was that it had largely disregarded the social dimension of the reforms so highly praised by international financial organisations. Pre-election opinion polls revealed voters' three main concerns to be the country's high unemployment levels, the prohibitive cost of healthcare for most Georgians, and agriculture, which had been neglected in the Rose Revolution's reform agenda. Even though it makes up a mere eight percent of Georgia's economic output, more than half the population are employed in this sector, mostly in some form of subsistence farming. The Rose Revolution did not therefore lay out a bed of roses for most Georgians. It was only in 2012 that the previous government decided to allocate more resources to social programmes, and invest in health insurance and the development of rural regions. Since poverty reduction measures had largely fallen by the wayside in the past, billionaire Ivanishvili's long record of charitable work has raised high expectations. A phenomenon can be seen here that Georgia has experienced repeatedly since its independence: In view of the harsh realities of Georgian life, political leaders like presidents Gamsakhurdia, Shevardnadze and Saakashvili all began their time in office being hailed as a kind of messiah and bringer of hope. The new messiah is called Ivanishvili and he has a private fortune equivalent to half of Georgia's GDP and, in arithmetical terms, the government's entire budget. When Georgian Dream were elected, it was not clear to what extent the state budget and the coalition leader's private fortune would be used to fulfil that dream. The former governing party, now in opposition, claims that Ivanishvili did not adequately specify how the promised new social services would be financed.

Conflicts and foreign policy – a new beginning?

The new coalition's objectives in foreign policy and in the conflicts with Abkhazia and South Ossetia are also markedly different to those pursued by the previous government. Here too, cabinet choices reflect a significant shift in substance and priorities. However, it immediately became apparent that there is a very deep divide on these issues both between the government and the opposition, and within the ruling coalition. The government therefore has little room to manoeuvre in both these policy areas.

Perhaps the most revolutionary appointment in the new government was that of Paata Zakareishvili of the Republican Party as state minister for reintegration. Zakareishvili was one of the most prominent critics of the policy of Saakashvili's United National Movement towards Abkhazia and South Ossetia. Over the last 15 years he was a civil society representative involved in numerous civil society dialogue processes coordinated by western non-governmental organisations, including the Heinrich Böll Foundation and Berghof Conflict Research. He has excellent contacts and is exceptionally well regarded in Abkhazia and South Ossetia.

For these reasons and because Zakareishvili's views differ so drastically from the previous government's policy, his appointment signalled a clear change of direction and raised great hopes in Tbilisi and also in Sukhumi and Tskhinvali, the capitals of the breakaway regions.

The Saakashvili administration had taken a two-pronged approach to internationalising the conflicts from a very early stage. First, it sought to more actively engage the US and the EU in the existing conflict resolution mechanisms, in order to reinforce Georgia's position towards Russia. Second, it identified Russia as its main adversary in the conflicts. As a consequence, a resolution of the conflicts was considered possible only at the level of Georgian-Russian relations. Sukhumi and Tskhinvali, on the other hand, were regarded as Moscow's puppets without a political role to play. This approach had become official policy by the time of the Russo-Georgian war of 2008 at the latest, and in 2009 and 2010 was enshrined in the Law on Occupied Territories and the State Strategy on Occupied Territories: Engagement Through Cooperation.

In recent years, voices calling for confidence-building measures and direct interaction with societal actors and the de-facto governments in Abkhazia and South Ossetia had largely been marginalised and vilified. Zakareishvili and his (few) like-minded companions denounced the government for what they regarded as a nationalistic and confrontational policy prior to the 2008 war and the restrictive measures subsequently enforced. In their view, the State Strategy on Occupied Territories was merely intended to appease Georgia's western allies and was not motivated by a genuine desire to resolve the problem together with the other parties to the conflicts.

The new minister's first statements did indeed point to a radical change of strategy and direction. He announced a de-isolation strategy, which would pave the way for social, economic and political contact with Abkhazia and South Ossetia. His first specific proposals were to rename the ministry (and delete the word "reintegration", which had been so heavily criticised by Abkhazia and South Ossetia), to reopen the Russo-Georgian railway line through Abkhazia, and to recognise Abkhaz and South Ossetian identification documents for travel within Georgia. Zakareishvili, who emphasised that these would be unilateral steps undertaken by Georgia, thus sought to counterbalance the rhetoric and policies of the Saaskashvili era and create a new basis for building trust.

However, it soon became clear just how difficult it would be to implement these ideas. The government is presenting a divided picture. While Zakareishvili's initial statements indicated a departure

from the line taken by Saakashvili, other government representatives were still plainly using the latter's rhetoric. The state minister was forced to publicly endorse the existing documents (the Law on Occupied Territories and the State Strategy for Reintegration) and confirm that these would only be amended following an in-depth review. The debate on the name of the ministry has also proved thorny and controversial. The government has found it difficult to present a united front on other key issues too, such as an agreement on the non-use of force being demanded by Abkhazia and South Ossetia (and Russia). All this is damaging Zakareishvili's credibility. The cautiously optimistic reaction to his appointment in Abkhazia and South Ossetia has meanwhile turned to bitter criticism.

This internal wrangling, compounded by attacks from the opposition, show just how little scope Zakareishvili has for achieving his aims. If he is not able to establish cross-government consensus soon, he will not be in a position to make Abkhazia and South Ossetia any serious offers. The already slim chances of creating a more constructive approach to the conflicts could soon evaporate.

In foreign policy, the new government is seeking to combine its strategy of Euro-Atlantic integration with the aim of improving relations with Moscow. The focus on normalising economic and social relations with Russia might prove a smart move, as could the appointment of a special envoy on relations with Russia. This could lead to a division of labour in which the Foreign Ministry promotes partnership with the US, Nato and the EU, while Special Envoy Zurab Abashidze pragmatically works on improving relations with Russia. However, Georgia's state representatives are not all towing the same line on this issue either. Officially, foreign policy is still the preserve of the president. Saakashvili has been using it to strengthen his position both within and outside Georgia. After the elections, many embassies continued to take the position of the old rather than the new government, and ambassadors are still appointed by the president. This could lead to new conflicts in the coming months; for example, when it comes to appointing a new ambassador for the all-important embassy in Washington.

Russia has reacted cautiously to the new political landscape in Georgia. Some suggestions, especially the opening of the railway line between the two countries, which is in Moscow's interest, could indeed bring new momentum to Russo-Georgian relations. However, there are still difficult obstacles ahead. There are no signs that Moscow and Tbilisi will come to an agreement on their greatest point of contention: Russian recognition of Abkhazia and South Ossetia, and the presence of Russian troops there. The close connection between these two issues and Abkhazia and South Ossetia's mistrust of a potential rapprochement between Russia and Georgia also entail the risk of triggering further destabilisation should the new government fail in its conflict resolution policy. A first meeting between Russian and Georgian envoys took place on the margins of the latest round of the Geneva Discussions in December, but relations remain fragile and the outcome unpredictable.

Conclusions

The Georgian population has effected a change in government by means of a democratic election. If the transition period passes smoothly, this will mark a unique achievement in the former Soviet Union area. The presence of a strong opposition in parliament also gives reason to hope that the democratic process will progress. However, to make the most of this potential, all the country's political actors will have to play by the rules. If not, the situation could soon spiral out of control, as it did in the final years of the Saakashvili administration.

In some areas, like fighting corruption and Euro-Atlantic integration, the new gov-

ernment will continue the work of its predecessor. In others, like agricultural policy, economic policy, social policy, conflicts and Russian relations, it will strike out in a new direction and may even succeed in correcting some of the mistakes of the past few years. That said, the government lacks cohesion and the exact distribution of power will remain unclear until after the presidential elections in 2013. This creates uncertainty and could tempt both sides to manipulate the ambiguous situation to their own advantage.

Germany and the EU should act as critical yet supportive partners to Georgia during this complex phase. Within the context of bilateral relations and the Eastern Partnership, they should aim to boost the reform process and draw attention to any worrying tendencies. A clear statement recognising the new government would help it consolidate its domestic position. This particularly applies to the government's conflict policy, which could now shift significantly closer to the European non-recognition and engagement policy towards Abkhazia and South Ossetia. If the new coalition succeeds in improving relations between Georgia and Russia, while preserving its close relations with the EU and the US, it will have taken a major step towards stabilising this volatile region. Germany can play an important supporting role here.

SWP
Stiftung Wissenschaft und Politik
German Institute for International and Security Affairs

Ludwigkirchplatz 3–4
10719 Berlin
Telephone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org

ISSN 1861-1761

Translation by English Express e.K., Berlin

(English version of SWP-Aktuell 72/2012)