

State-Building and Democratization in Georgia: Have the Limits Been Reached?

Introduction

The Russian-Georgian war in August 2008 changed the situation in and around Georgia dramatically. The issue of frozen conflicts took on existential importance for the Georgian state: The central government now controls less territory than it did before the conflict escalation, while the Russian regular army is just a few dozen kilometers away from the capital city, Tbilisi, and the only security guarantee existing on the ground is the EU mission of some 200 unarmed civilian observers. The events of August will certainly have implications for domestic politics in Georgia.¹ The political crisis that started in November 2007 and appeared to end following the May 2008 parliamentary elections may flare up once again with new players and new agendas. Mikheil Saakashvili's government is trying to respond to new challenges on the domestic front by proclaiming a new wave of democratization and economic reforms. The future development of the country depends on how effectively Georgia's political elite can switch the agenda from conflict resolution towards economic development and democratization. This contribution deals with political developments in Georgia from the autumn of 2007 until the parliamentary elections of May 2008. Understanding these developments can shine significant light on the current political situation in Georgia following the August war.

Georgians are proud that their country has been recognized as one of the most advanced of the reform countries.² At the same time, however, they ask themselves why these reforms have not yet had a tangible effect on their private lives. When will the measures that the government describes as successful have social consequences? Construction sites for ambitious new skyscrapers and brand new cars in the capital, Tbilisi, and the port city of Batumi; the restoration of the historical town of Signagi; and the construction of the Black Sea motorway link are the calling cards of the new Georgia. At the

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- 1 On the August war and its implications, see: Caucasus Institute for Peace, Democracy and Development/CIPDD (ed.), *After August 2008. Consequences of the Russian-Georgian War*, Tbilisi 2008. This document can be downloaded from: http://www.cipdd.org/index.php?lang_id=ENG&sec_id=7&info_id=316.
 - 2 Georgia in Top 20 Business-Friendly States – WB Report, in: *Civil Georgia*, 26. September 2007, at: <http://www.civil.ge/eng/article.php?id=15868>; see also: *Doing Business Ranking*, at: <http://www.doingbusiness.org/economyrankings>, 20 April 2008. In the *Bertelsmann Transformation Index*, Georgia is categorized as “advanced” (38th place) in the Status Index (state of democracy and market economy) and as “successful” (23rd place) in the Management Index (political management of transformation), cf. <http://www.bertelsmann-transformation-index.de>.

same time, unemployment and poverty can be seen on streets and squares in both cities and villages; beautiful facades hide tatty interiors; and although the electricity supply is stable, many cannot afford to pay for power.

What has become of the Rose Revolution of 2003? Has Georgia's state-building process achieved stability? How do citizens judge the way their country is developing? Is there a conflict between state-building and democratization? Have the limits already been reached? This contribution will briefly outline key developments since the Rose Revolution in order to analyse the reasons for the political crisis of autumn 2007 and thereafter. It will then take a more detailed look at the early presidential elections held in January 2008 and the parliamentary polls held in May of the same year. The conclusion asks about the limits of state-building and democratization in Georgia with the aim of showing that the transformation process, while difficult, is not hopeless and needs additional support, above all in the form of security guarantees from the democratic world.

*After Four Years of the Rose Revolution: "déjà vu"?*³

In October and November 2007, tens of thousands of people gathered in front of the parliament building in Tbilisi. As in 2003, the demonstrations had been organized by a coalition of opposition parties, they were broadcast live on television, and the demonstrators accused the government of being authoritarian and corrupt. However, any similarity to the Rose Revolution⁴ was superficial and revealed little of the real reasons for the political crisis.

The biggest difference compared to 2003 was the absence of election fraud – in autumn 2007 no election was even held. While the opposition did protest against the postponement of the parliamentary elections from the spring until the autumn of 2008, and while the call for elections to be held ultimately became one of the key demands made of the government, the issue of the election date can certainly not be considered to have been the cause of the protests. The decision to postpone the parliamentary elections was made in December 2006 and adopted by means of a constitutional amendment without triggering a wave of protests.⁵

Two individuals can be identified as the key initiators of the protests – Irakli Okruashvili, a former defence minister, and Badri Patarkatsishvili, a friend of Boris Berezovsky's who rose to the Russian oligarchy in the 1990s.

3 Cf. Ketil Tsikhelashvili, Georgia Four Years after Rose Revolution, in: *Turkish Policy Quarterly* Fall 2007, pp. 118-136.

4 On the Rose Revolution, cf. Jonathan Wheatley, *Georgia from National Awakening to Rose Revolution: Delayed Transition in the Former Soviet Union*, Aldershot 2005.

5 According to the constitutional amendment, both parliamentary and presidential elections are to be held in the autumn of the appropriate year. In 2008, both were due to be held on the same day. In government circles, the decision was justified in terms of the need for consolidation in the face of challenges, particularly in the area of foreign policy, while the opposition spoke of an attempt to usurp power on the part of the majority.

Okruashvili, who had once been Mikheil Saakashvili's closest ally, left the government in November 2006, probably as a result of internal conflict in Saakashvili's camp. While he initially avoided the limelight, his return to public life was explosive: In an interview on the *Imedi* ("Hope") television channel, which belonged to Patarkatsishvili, Okruashvili accused President Saakashvili of serious crimes and even with an attempt on Patarkatsishvili's life.⁶ The government responded by jailing him on charges of corruption and the misuse of power. After several days in jail, Okruashvili dropped his accusations and admitted that he had been involved in a conspiracy with Patarkatsishvili. Okruashvili was released from prison on bail and left Georgia – according to some sources, with a helping hand from the Georgian security services.⁷

Okruashvili's arrest triggered a series of mass demonstrations, the largest of which was held on 2 November.⁸ Patarkatsishvili travelled to Tbilisi from his second home in London especially to address the demonstrators. He admitted that he had long planned these events. While he did not explain what he meant by "preparation", the role of *Imedi* became clear in the following days: By means of selective reporting, the broadcaster was to perform a mobilizing and co-ordinating function, thereby preparing the way for a change of government. Patarkatsishvili's interests had probably been on a collision course with those of the government since 2006 – when it first became clear that the oligarch would not be given a free hand in all areas. However, he was used to precisely that, first in Russia, where he made his illegal billions side-by-side with Berezovsky, and then in Shevardnadze's Georgia, to which he returned in 2001 after Putin had started to take an interest in Berezovsky and his friends. Saakashvili's government appears to have made its last attempt to do business with Patarkatsishvili in the summer of 2007, when control of Georgian Railway LLC was to be handed to "Parkfield Investment Ltd.", in all likelihood a front company, which, according to several reports, was owned by Patarkatsishvili. It is uncertain what Patarkatsishvili was to do in return – to promise loyalty or even sell off *Imedi*.⁹

In the autumn of 2007, various opposition parties, who had so far failed to mobilize the masses and had lost to the governing party in every election since 2004, united behind these two figures. Okruashvili's role was that of the new charismatic leader who would challenge Saakashvili, while Patarkatsishvili

6 Cf. Okruashvili Breaks Silence by Lashing Out at Saakashvili, in: *Civil Georgia*, 25 September 2007, at: <http://www.civil.ge/eng/article.php?id=15861>.

7 Okruashvili continued to oppose Saakashvili, but lost popularity on account of his "remorse" and the publication of material from his interrogation. He is now living in France, where he was granted political asylum. At the same time, the court in Tbilisi has sentenced him to eleven years in prison. This sentence was passed in Okruashvili's absence, apparently to stop him from participating in the parliamentary elections in May 2008.

8 Various sources estimate the number of participants as between 50,000 and 100,000.

9 Cf. Patarkatsishvili Denies Swapping *Imedi* TV for Railway, in: *Civil Georgia*, 10 September 2007.

katsishvili's task was to provide the opposition with financial support and political consulting services, particularly in the area of media management.

At the same time (and in contrast to 2003), the opposition could not agree on the goals of the mass demonstrations. Their various demands ranged from parliamentary elections to be held in spring 2008, to Saakashvili's resignation. The leaders were unsure whether they should pursue the *déjà vu* of the Rose Revolution to its end. These doubts were strengthened by the fact that the government of Saakashvili, unlike that of Shevardnadze, was neither discredited nor tired out after a long defensive struggle. Saakashvili was still a popular president, and the security forces were highly motivated to defend the constitutional order.

The attempt to replay the Rose Revolution appeared to fail. While the demonstrations became a permanent fixture, after reaching their greatest extent on 2 November, the number of participants declined sharply from day to day. On the morning of 7 November, the police cleared the remaining demonstrators from the square in front of the parliament, and, when a new wave of protestors threatened to assemble there, special forces armed with tear gas, rubber bullets, and water canons were deployed. Incidents where the police used inappropriate levels of violence escalated the situation; demonstrators gathered in another district of the city, and their dispersal resembled a battle more than a police operation.¹⁰ On the same evening, *Imedi* – which had continued to broadcast live pictures of the demonstrations and to co-ordinate events – was stormed by special forces and shut down. The local Tbilisi station *Kavkasia* was also taken off the air. A state of emergency was declared.

Shock Therapy Applied with Arrogance and No Pain Relief

The actions of the government on 7 November are hard to understand – why did it contribute to the escalation of the crisis even while the demonstrations were winding down and no visible danger was present? The political crisis of autumn 2007, and the events of 7 November in particular, reveal failings on the part of Saakashvili's government: Painful reforms were forced through arrogantly and with no attempt to make sure a social safety net was in place.

When Saakashvili was elected president with 96 per cent of the vote in 2004, it was expected in both Georgia and the West that rapid solutions would be found to complex problems: strengthening the state, consolidating democracy, generating economic growth, and improving social conditions. On top of that came the so-called frozen conflicts in Abkhazia and South Ossetia, and the *de facto* independence of the Autonomous Republic of Ajaria. The restoration of centralized power in Ajaria in May 2004 was seen as the

10 On 7 November, a total of 508 people, including police officers, were injured. Cf. Tsikhelashvili, cited above (Note 3), p. 126.

government's first success; however, it was followed by the debacle in South Ossetia in the summer of the same year.¹¹

From the above complex of issues, the government chose *state-building* and *economic liberalization* as its key goals. Drastic cuts in the state administration made it possible to place the apparatus of government on a stable financial footing. This enabled systematic increases in public sector wages and other benefits, thus attracting qualified young people to the civil service, which led to the strengthening of state institutions.¹² Although the bureaucracy requires additional stabilization, state institutions are today in far better shape than before 2003, as indicated by the renovation and re-equipment of ministries and some regional and local administrations. However, these measures led to many redundancies and cutbacks – 54,000 jobs were lost among the police alone. Some of the individuals laid off were left with no source of income and no social security for themselves and their families. They simply associate reform with a change in the ruling elite. The state possessed no financial resources with which it could ameliorate the social conditions of those worst hit by the reforms, but nor did it attempt to popularize them or even to explain their goals to ordinary citizens.

A further and still more painful case was the reform of higher education. Although this sector was no less corrupt and paralysed than law enforcement, the universities were not as discredited as the police in the public eye. On the contrary, many professors possessed considerable authority. As a first step, the state nationalized higher education entry exams and limited the number of institutions by introducing a licensing system. The new law on higher education also limited the terms of professorships and specified that new professorships were to be filled by means of public competition. The reforms led to a struggle between the generations at Georgia's universities. The ministry of education did not disguise the fact that one of the aims of the reforms was to replace older academics, whom they saw as corrupt remnants of the Soviet era, incapable of facing modern challenges. A group that became known as the "protesting professors" united with opposition politicians and organized a series of protests in the spring and summer of 2007. They in turn accused the

11 Cf. Marietta König, The Georgian-South Ossetian Conflict, in: Institute for Peace Research and Security Policy at the University of Hamburg/IFSH (ed.), *OSCE Yearbook 2004*, Baden-Baden 2005, pp. 237-249; David Aphrasidze, Georgia's New Nationalism: A Better Opportunity for State Building? in: *ibid.*, pp. 179-190. Several other contributions to the *OSCE Yearbook 2004* also deal with conflicts in the Caucasus, and Georgia in particular. Cf. also Marietta S. König, Not Frozen but Red Hot: Conflict Resolution in Georgia Following the Change of Government, in: Institute for Peace Research and Security Policy at the University of Hamburg/IFSH (ed.), *OSCE Yearbook 2006*, Baden-Baden 2007, pp. 85-96; Marietta S. König, The Effects of the Kosovo Status Negotiations on the Relationship Between Russia and the EU and on the De Facto States in the Post-Soviet Space, in: Institute for Peace Research and Security Policy at the University of Hamburg/IFSH (ed.), *OSCE Yearbook 2007*, pp. 37-50.

12 Many were attracted from non-governmental organizations, which led to a relative weakening of civil society. Cf. Ghia Nodia, *Civil Society Development in Georgia: Achievements and Challenges*, Tbilisi 2005, pp. 16-17.

government of seeking to ruin Georgia's universities and education system and of following "Western instructions".

In order to kick-start the economy and encourage investment, the state withdrew from its regulatory role, and abolished a number of licences and taxes. Also important in this respect was the adoption of a new labour law, which liberalized relations between employers and employees and shifted the tax burden onto the latter. However, this reform became a new focus for social unrest. While the government did give up its regulatory function, it also wanted to end the chaos in the areas of building and town planning that it had inherited from the previous regime. The attempt to do this clashed very hard with property rights; in 2006 in Tbilisi alone, dozens of cafés and restaurants, hundreds of garages, and even a block of flats were confiscated and demolished.¹³

These and other conflicts demonstrated the arrogance of those in power: Only they knew the aims of their policies; only they were properly informed; so only they could decide correctly what methods to use to put their policies into action; all criticism was either "unprofessional" or "hostile".¹⁴ This goes hand-in-hand with a total lack of trust in relations among political actors. The absence of trust – which is the basis of co-operation – is nothing new in the post-Soviet world. In Georgia, as elsewhere, research has shown that political parties and groupings mutually mistrust each other and think in terms of a zero-sum game.¹⁵

Conflicts between state and society of this kind can destabilize a democratic system. In consolidated democratic systems, *law courts* serve as channels for the regulation of conflict. It was thus a major lapse on the part of the government that came to power following the events of 2003 to delay the reform of the justice system, which was the last sector of the state to be overhauled.¹⁶ While courts today have been technically and financially strengthened, they still do not enjoy adequate authority among either the population or the executive branch. They do not effectively fulfil their function of limiting the latter's power.

13 On the violation of property rights, cf. *Human Rights in Georgia. Report of Public Defender of Georgia: Second Half of 2006*, Tbilisi 2007, pp. 97-117.

14 "Georgia needs to make a breakthrough. In this case, there is not much time for 'discussions for discussion's sake'; we have 100 metres to run; we can do that in a single burst; then we can lie back and relax" was how a Georgian politician belonging to the parliamentary majority put it in a private conversation with the author.

15 Pondi gia sazogadoeba sakartvelo, *sakartvelos politikuri elita: khedvebi da girebulebebi* [Open Society Georgia Foundation, Political elite of Georgia: visions and values], Tbilisi 2007, pp. 17-20.

16 The lack of an effective court system is an oft-mentioned flaw defect of the new Georgian state. However, what is often forgotten is that Georgia's judiciary has never been independent, and that the superficial independence of the Georgian courts in the post-Soviet era has always been accompanied by corruption.

The events of 7 November showed that the government was relatively effective at creating state institutions, and security structures in particular, but ineffective at explaining the goals of reform to the population and unwilling to play a boring political game with the opposition.

On 8 November, President Saakashvili announced that an early presidential election and a referendum on the date for new parliamentary elections would be held on 5 January. The state of emergency was suspended on 16 November, and campaigning began. The opposition was unable to agree on a single candidate, however, Levan Gachechiladze, a parliamentarian and former businessman, emerged as Saakashvili's leading challenger. All the parties that had organized the protests of October and November united behind him, with the exception of the Georgian Labour Party, who put their own chairman, Shalva Natelashvili, up for election. Badri Patarkatsishvili, the driving force behind the united opposition, also stood as a candidate.¹⁷

The campaign was characterized by polarization and mutual accusations. The struggle to discredit one's opponents, which had already started on 7 November, continued. The interior ministry released an audio recording of telephone conversations, in which Badri Patarkatsishvili and the head of his pre-election campaign spoke with a top official from the interior ministry. In the conversations, Patarkatsishvili attempts to organize the peaceful overthrow of the government. This was a hard blow for the opposition, and they needed to distance themselves from Patarkatsishvili. Furthermore, journalists at *Imedi*, which had been on air again since 12 December, suspended their broadcasts until the situation was clarified.¹⁸ This gave the government a huge media advantage in the election campaign.

Despite this political polarization, both the campaign and the ballot itself passed without violent incident. The poll was observed by several international organizations. The Central Election Commission declared that Mikheil Saakashvili had won in the first round of voting with 53.47 per cent of votes. The opposition refused to recognize the results and threatened to hold mass demonstrations. The OSCE observation mission did recognize the results, but pointed out a number of serious flaws – above all with the counting of votes.¹⁹

After the international recognition of the election results, the opposition changed tactics and declared that the coming parliamentary elections (held on 21 May, in accordance with the results of the referendum) should be con-

17 Others who stood for election included David Gamkrelidze, the leader of the New Right; Giorgi Maisashvili; and Irina Sarishvili-Chanturia.

18 Cf. *Imedi TV Suspends Broadcasts*, in: Civil Georgia, 26 December 2007, at: <http://www.civil.ge/eng/article.php?id=16679>.

19 Cf. OSCE Office for Democratic Institutions and Human Rights, *Georgia. Extraordinary Presidential Elections, 5 January 2008, OSCE/ODIHR Election Observation Mission, Final Report*, Warsaw, 4 March 2008, at: http://www.osce.org/documents/odihr/2008/03/29982_en.pdf.

sidered as “the second round of the presidential election”. Negotiations began between the speaker of the Georgian parliament, Nino Burjanadze, and representatives of the united opposition over the composition of the election commission, the type of electoral system to be used, and an inquiry into the November events. Initially, these discussions awoke hopes that all Georgia’s political forces parties would be able to agree on fundamental ground rules, overcome mistrust, and solve the crisis. After some early successes, however, the talks failed. A section of the opposition left the negotiations and started a hunger strike to protest at what they saw as the government’s unwillingness to compromise.²⁰ This decision can also be seen as an attempt by the opposition to remobilize their supporters. However, this proved to be an error: In contrast to the November protests and the mass demonstrations that followed the January presidential elections, only a small number of protestors gathered outside the parliament building. After the unsuccessful hunger strike, the opposition ended mass demonstrations to concentrate on the election campaign. Just as during the presidential election, the opposition did not succeed in building a broad cross-party coalition. The nine-party electoral coalition “United Opposition”, the Georgian Labour Party, the Republican Party, the newly formed Christian Democratic Movement, and other, less significant parties put up candidates to compete with each other, thus giving the ruling United National Movement an advantage.

As expected, the ruling National Movement secured an absolute majority in the new parliament. The parliamentary elections also ended the unity of the “united opposition”, as some opposition leaders refused to enter the new parliament and accused the government of electoral fraud, while others decided to take their seats and started criticizing their former allies. The parliamentary elections brought the political crisis that had continued since October 2007 to an end. The next phase of political struggle will probably start on the basis of August 2008.

Have the Limits Been Reached? The Search for Security

President George W. Bush praised Georgia during his visit to Tbilisi in May 2005 as a “beacon of democracy”. The events of November 2007 were therefore even more unexpected and inexplicable for many, including Americans. Did the Rose have thorns after all? The case of Georgia confirms that transformation is a long and difficult process that does not conform to theoretical models: State-building, economic liberalization, and democratization often conflict with one another, and great subtlety is required to ensure a reason-

20 In February 2008, Badri Patarkatsishvili died in London. Although there are many conspiracy theories, British police determined that he died of a heart attack. Following his death, the government considered that the opposition’s negotiating position was weakened, meaning that they need no longer bend to their demands, and this led to another breakdown in the talks.

able balance between them. The Georgian state, which remains too weak, and its democracy, which is still too fragile, find themselves in a difficult phase of development: Two election contests were run in a bitterly fought struggle for power against the background of the danger of new escalation in the country's conflict zones as well as Russia's determined attempt to put a halt to Tbilisi's Euro-Atlantic ambitions.

In Bucharest in April 2008, the NATO members denied Georgia and Ukraine participation in the Membership Action Plan. While the concluding document of the Bucharest summit states that Ukraine and Georgia will certainly become NATO members, this is merely an attempt to placate the two countries' supporters within the Alliance, i.e. the USA and the states of Eastern Europe. The promise really amounts to little more than "not today, and not under these conditions".²¹ For sceptics, including Germany, the state of democracy in both countries, and the conflict situations in Georgia were the key arguments, and it was an open secret that the "Russian factor" played a major role. In fact, political developments after the summit contradict the logic of both arguments: Following the decision in Bucharest, the situation in the conflict zones escalated, first in Abkhazia, then in South Ossetia, and ultimately led to the military conflict with Russia.²² A strengthening of the positions of NATO sceptics and anti-Westerners can also be expected domestically, above all in Ukraine, but also in Georgia. These forces now have further evidence that helps them to stigmatize liberal democracy and the West as "alien" and "unreliable".

The decision made in Bucharest will benefit neither conflict resolution nor democratization, and will certainly not improve Georgia's relations with Russia. Further democratization and liberalization as well as a peaceful end to Georgia's conflicts are unthinkable without credible security conditions that would create a new framework for stable domestic development. Democracy cannot survive if it does not prove that it is effective and efficient.

21 NATO, *Bucharest Summit Declaration*, Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Bucharest on 3 April 2008, Point 23, NATO Press Release (2008)049, 3 April 2008, at: www.nato.int/docu/pr/2008/p08-049e.html.

22 High-ranking Russian officers and diplomats warned Georgia – with reference to the conflict zones – that it needed to abandon its NATO ambitions. Cf. Russian Chief of Staff Warns Against NATO Expansion, in: *Civil Georgia*, 11 April 2008, at: <http://www.civil.ge/eng/article.php?id=17561>.