The Impact of the Russian War Against Ukraine on the EaP Region: GEORGIA

Input paper by Ivanna Machitidze, New Vision University

The full-scale Russian invasion of Ukraine on February 24th has contributed to both benefits and challenges for Georgia in domestic and regional dimensions. The following patterns can be accentuated: The Georgian Government is instrumentalizing the war and accusing Ukraine of attempting to drag Georgia into the direct confrontation with Russia. Tbilisi has emphasized the lack security guarantees from the West, namely NATO, in case of Russian full-scale aggression. Secondly, along with Armenia and Turkey, Georgia's economy has experienced growth following the influx of Russians escaping mobilization and the deteriorating socio-economic situation in Russia caused by international sanctions, as well as Belarussians and Ukrainians refugees. The IMF 2022 growth forecast for Georgia's real GDP was revised from initial 3,2% to 9% with predictions of a negative impact of the war in Ukraine not materializing. Finally, since Russia's invasion of Ukraine the Georgian Government has been attempting to justify its normalization policy towards Russia through stressing that the reintegration of the occupied territories needs to be prioritized over obtaining EU candidacy status. Tbilisi failed to obtain the latter, sliding from the "champion" among the EaP countries to the "laggard", falling behind Ukraine and Moldova. The Georgian government officially does not reject its adherence to EU integration, and still aims at eventually obtaining the Candidacy, having applied for fast-track procedure following Russia's invasion in Ukraine. Nevertheless, the Government has not been vocal on its readiness to undertake due action in terms of the European Commission's 12 recommendations, and its work so far is non-transparent and pro-forma.

The geopolitical situation in the South Caucasus has been undergoing two major shifts. First is that Georgia has been lacking a strategic response stressing its national interests and security priorities since Russia's full-scale invasion of Ukraine. Instead, the Georgian Government has been pursuing short-term gains. A weakened Russia would pose more risks for Georgia, while NATO membership perspectives as the only security guarantee for Georgia are distant and vague. The consequences of Russia's 2008 war against Georgia were underestimated and sidelined by the West. The diplomatic solution did not have the intention of introducing viable hard security instruments and thus paved the way for Russia's occupation of Crimea, its war in the East of Ukraine in 2014 and its full-scale invasion in February 24th 2022. In the South Caucasus, the power distribution showed first signs of transformation after the Autumn 2020 Nagorno Karabakh war, ending in Azerbaijan's military victory and Russia's failure to offer military protection to Yerevan. The Collective Security Treaty Organization (CSTO) ignored the requests for military assistance to avoid direct confrontation with both Baku and Ankara.

Since its February 2022 invasion of Ukraine, Russia's capability to act as regional hegemon in the South Caucasus has been further diminished with both Azerbaijan and Armenia skeptical of Moscow's capacity to offer lasting peace guarantees in the region. While the role of OSCE has been sidelined by <u>a more effective US and the EU diplomatic intervention</u>, these actors lack a coherent vision for their lasting role in the region. At the same time, despite the intensified confrontation between Azerbaijan and Armenia, Georgia's status as a reliable transit country was strengthened as it <u>benefited</u> from the increased urgency of energy security for the EU. Hungary and Romania are among the EU members promoting the new electricity transportation project, stretching from Azerbaijan through Georgia and the Black Sea into southeastern Europe. The initiative enhances the economic significance of Baku and Tbilisi for each other with trade turnover on the increase and Azerbaijan <u>overcoming Russia's share in Georgia's exports</u> by 1,2% in January-July 2022, turning into its 4th largest trade partner after Turkey, Russia and China. The feasibility of another much-discussed project, the 'Zangezur Corridor', supported by Russia yet opposed by Iran and linking Azerbaijan's Nakhchivan with the rest of the country through the territory of Armenia looks vague. The corridor is being pushed by Azerbaijan, Russia and Turkey, however it would undermine Armenia's sovereignty and therefore Yerevan is opposing it.

The second pattern of relevance for Georgia is the volatility of Black Sea security, in particular, the discrepancy between soft security challenges, which Black Sea regional organizations such as Organization of the Black Sea Economic Cooperation (BSEC) and Organization for Democracy and Economic Development (GUAM) have prioritized since the demise of the USSR, and the absence of effective hard security instruments to prevent turning the Black Sea into an area of military confrontation. Furthermore, Tbilisi has been pursuing a largely reactive stance towards the tectonic geopolitical shifts in the region and lacks a long-term strategy towards the Black Sea area. At the same time, connectivity projects linking China, Central Asia and the Caspian Sea to the EU and West Balkans has been of vital importance for regional cohesion. After the conclusion of the free trade area agreement in 2017, China has turned into the No.1 exports market for Georgia with of 502,6 mln USD worth, an impressive growth from only 6th place in 2018. Tbilisi occupies an increasingly significant role in linking China to the EU through the Trans-Caspian International Transportation Corridor stretching through the Black Sea with the cargo volume of over 10,000 TEU shipped through Georgia according to the 2021 statistics. In this light, Russia's invasion of Ukraine has contributed to revived discussions by the Georgian Government of the Anaklia port construction. The absence of the deep sea port has been limiting benefits from Georgia's access to the Black Sea and increased freight transportation through its territory. While the Government has declared the interest in searching for new investors but keeping the majority stake, it is still to be seen whether the declarations turn into a project revival, while the attractiveness for potential investors is endangered by the current arbitration disputes from the previous investors.

Finally, Georgia's domestic political polarization is on the rise, and many Georgians believe that their government is not combatting but rather fueling this development since it is the main beneficiary of polarization. The majority of Georgians trust <u>none</u> of Georgia's political parties. According to the NDI survey results of August 2022, <u>politicians and Russia</u> stand out as the most divisive factors for the Georgian society. Far more than a foreign policy issue, Russia has been a substantial factor in domestic politics ever since the 2008 August war, with 20% of Georgia's territory occupied and ongoing <u>borderization</u>. The recent UN Human Rights Committee Report stressed worsening corruption, the lack of an independent judiciary, and the lack of actions against hate speech and violence against women. While the war in Ukraine has entered its 10th month, more issues have arisen which point to a distancing between Tbilisi and Kyiv. For instance, a key concern influencing Georgia's international image is the worsening health condition of its ex-President Mikheil Saakashvili, who has been in jail for one year, as well as the politically motivated cases against opposition media. Hence, refusal to provide adequate treatment for the ex-President is considered by Kyiv as additional evidence of Ukraine's decreased significance for Tbilisi and continuous democratic backsliding. Georgia is in urgent need of strengthening the resilience of its decision-

making institutions through structural and systematic reforms addressing state capture, vested interests and deoligarchization.

For Georgia, the key challenge, reinforced by Russia's full-scale invasion of Ukraine, is a deep crisis of trust towards the Government's actions – 65% of Georgians do not consider their country to be a democracy, an increase from 2019, when 59% believed so. Public opinion surveys point to the majority of Georgians expecting economic decline, the rise of pro-Russian political parties, an increased probability of direct Russia's military aggression, and worsened relations with the EU. A Second major challenge is the Georgian government's adherence to obtaining a Candidate Status to the EU and reassuring EU counterparts that the government is investing in a long-term strategy for implementing the above-mentioned reforms. Thirdly, a major challenge is strengthening Georgia's image as a reliable partner of the West in the promotion of democracy and human rights. Its absence at the UN's Third Committee's 77th session, where the resolution condemning human rights violations in Iran was drafted, is one of the worrying signs that Georgia is abandoning its "democracy champion" status for the sake of a pragmatic stance towards regional authoritarian powers such as Iran. This exemplifies a fundamental shift whereby opportunistic short-term gains are prioritized over a long-term strategy. Finally, Georgia must elaborate a clear strategy addressing the geopolitical shifts resulting from Russia's full-scale invasion of Ukraine as well as what different scenarios of outcome would mean for Georgia. Taking into account the Kremlin's revisionist stance, its ignorance of rational calculations and loss of military initiative in the war in Ukraine, the provocations on the administrative boundary lines with Abkhazia and South Ossetia may further occur which requires the Georgian government's clear action plan for the disputed regions, that is absent at the moment.