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Editors: Jarosław Cwiek-Karpowicz • Aleksandra Gawlikowska-Fyk • Dariusz Kałan
Piotr Kościński • Sebastian Płóciennik • Patrycja Sasnal • Marcin Terlikowski
Katarzyna Staniewska (Managing Editor)

Georgia Seeks Partners to Continue Military Modernisation Quest

Beata Górka-Winter

Georgia's aspirations to provide its army state-of-the-art equipment stem from two factors: the perceived necessity to deter Russia from undertaking additional aggressive actions that could lead to further disintegration of the country's territory and, at the same time, Georgian participation in military operations abroad. The ongoing crisis in Ukraine and annexation of Crimea by Russia have made Georgia realise that increasing the costs borne by a potential aggressor requires further rebuilding the country's military capabilities destroyed during the 2008 war. This rejuvenation will only be possible if the Georgian government continues to further expand its national defence industry in collaboration with partners from NATO and potentially also Poland.

Georgia's need to stem the effects of Russia's actions aimed at violating its territorial integrity, primarily through the latter's support of the breakaway republics of Abkhazia and South Ossetia, the country's losses in the war with Russia in 2008, and its active participation in missions abroad are the most important factors for the current push to modernise the army. Georgia's awareness of the need to make major investments in the development of its military capabilities is further heightened by Russia's annexation of Crimea in 2014 and the ongoing activities supported by Russian-backed separatists in eastern Ukraine. These actions confirm the Georgian government's belief that Russia not only attempts to use political and economic means to dominate states it considers to be within its traditional zone of influence, including blocking their aspirations for closer integration with NATO and the European Union, but also that Russia will not hesitate to carry out military activities directly within these states' territories. The recent move of the demarcation line in the region of Gori by Russian troops stationed in South Ossetia just adds to this conclusion. In July, Georgia was deprived of control over a part of the Baku-Supsa pipeline. One can therefore expect that despite the country's clear economic problems at the moment, the Georgian government will continue to increase the potential of the country's army, including expanding its defence industry sector through the acquisition and development of new technologies and further purchases of equipment and weaponry.

The Consequences of the 2008 Russia-Georgia War. The dramatic clashes between the Georgian army and Russian troops in 2008 completely deprived the former of the ability to defend its territory (limited as it was even before the war began). During the so-called Rose Revolution in which the pro-Western government of Mikheil Saakashvili came to power, Georgia aimed for accession to NATO and, following other countries, developed mostly expeditionary forces that took part in many operations, such as peacekeeping in the Balkans and contingents in Iraq (2,000 soldiers, the third-largest contribution) and Afghanistan (the 1,600 Georgian troops there constituted the largest contribution by a non-NATO country). Before the war there was also an unprecedented increase in military spending. In 2002, the Georgian defence budget amounted to just over \$16 million. After taking over the presidency, Saakashvili upped military spending between 2004 and 2007 by about 3,000%.

The obvious purpose was to demonstrate to the Alliance that Georgian troops were able to achieve interoperability with its forces and thus provide significant added value to NATO-led operations. Since 2002 Georgia has been included in the U.S.'s GTEP (Georgian Train and Equip Program), which aimed to increase the capacity of the army to fight terrorist threats and constituted the nucleus of a wider modernisation effort in which four battalions were trained, and SSOP and SSOP2 (Sustainment and Stability Operations Program), under which some \$60 million dollars

were invested in the development of the country's military. Georgia was also a beneficiary under the U.S. Foreign Military Funding programme.

The efforts to modernise Georgia's armed forces were, however, almost completely annihilated after the 2008 war, which saw the Georgian army incur about \$250 million in losses, including 2,000 firearms (M4, M60), much of its armour (about 60 of 250 T-72 tanks) as well as aviation, artillery and air defence systems. Georgia's U.S.-donated Humvees were taken over by the Russians, its marine command centre was destroyed and 24 naval units were also lost, with some sunk and the rest taken over by the Russians.

Modernisation after 2008. While Georgia's involvement in operations abroad undoubtedly brought it benefits similar to those of other countries engaged in modernising and professionalising their armed forces to NATO standards (including a change of mentality among senior command staff, building capabilities in command and control, acquiring skills needed on a real battlefield and the like), critics of these engagements argue that even with the assistance of its allies only a small percentage of the military's 37,000 troops and command structure were reformed and that disproportionately little attention has been paid to the part of the military that could actually be used to repel another conventional attack from Russia. Among the problems cited by these critics include command issues when repelling an attack, deficiencies in logistics, a lack of communication between troops, not enough heavy equipment and well-trained troops, and problems with the mobilisation of reservists when most of the country's capable forces are abroad, such as when they were in Iraq. Despite this, the government's policy on engagement in expeditionary operations continued well after 2008, including serious strengthening of its contingent in Afghanistan in 2011. Also worth noting is that the changes in Georgia's political landscape in 2012 and 2013 did not bring about fundamental changes in this area.

Nevertheless, along with its ongoing engagement in foreign operations, the Georgian government has also turned to capacity-building in territorial defence. This includes cooperation with its national defence industry, primarily in the area of investment in heavy equipment (improving the mobility of the army), spy planes and UAVs. In this respect, Georgia is largely benefiting from its Cold War heritage of military industrial plants, most notably the firm Tbilisi Airplane Manufacturing (TAM), which produced the SU-25 jet aircraft. During the Soviet era, Georgia delivered rifles, rockets and even components for satellites and was one of the top suppliers of weapons to the Soviet Union. As Georgia has become completely dependent on external supplies (Western countries and Ukraine) with indigenous production lacking orders since the collapse of the USSR, the government has finally decided to try to reverse this trend. This was bolstered by conclusions drawn from the 2008 war and after Western countries strongly opposed providing Georgia with weapons despite the absence of an official embargo. Moreover, the use of UAVs it had purchased from Israel was blocked because of Russia's takeover of the source code. Once privatised, TAM was re-nationalised in 2010 and the country activated the NTC Delta research and development centre through the Ministry of Defence. With substantial assistance from the U.S., it developed the Didgori 1 and 2 armoured vehicles (with some prototypes already in production), as well as the Lazika infantry fighting vehicle. Georgia also plans (again with the support of the U.S.) to develop its own UAVs, including an unmanned combat helicopter, as well as artillery systems, machine guns, and equipment for soldiers. Although military spending has been cut some due to the country's economic problems (the defence budget is currently about 2.3% of GDP), in 2010–2011 R&D spending significantly increased from \$2.42 million to more than \$11 million.

Perspectives. It is clear the Georgian arms industry, even with its current plans for revitalisation, will not be able to fully meet the modernisation needs of the Georgian army, mostly due to the limited production capacity in the country and the high costs of acquiring modern technologies, key to the development of air defence and other systems. Tbilisi is thus seeking partners. Last year, it met with U.S. suppliers on the potential delivery of Black Hawk helicopters. In June, a contract was signed with Thales Raytheon Systems for short-range missile defence systems (and another agreement has been negotiated for the acquisition of anti-aircraft and anti-missile Aster 30-SAMP/Ts). Moreover, in July another agreement was signed with the defence contractor consortium MBDA, although details were not released. In recent years, Georgia has also intensified its cooperation with Azerbaijan (electro-optics, joint production of combat aircraft) and with Turkey, which is quite successful in developing its own advanced weapons systems.

Georgia's plans for acquiring modern equipment and armaments should be observed with great attention by the Polish arms industry, in particular by the Polish Armaments Group (PGZ), which is planning a big expansion into foreign markets. The rationale for closer cooperation between the enterprises of the two countries comes from the practical experience of the Polish defence industry in developing short-range air-defence systems, Battlefield Management Systems (BMS), UAVs and the like.