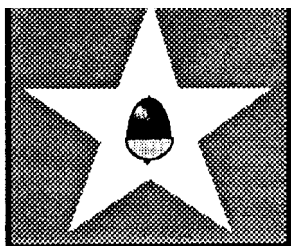


**Conflict Studies Research Centre**

**Dr Tracey German**

**Faultline or Foothold?  
Georgia's Relations  
with Russia & The USA**

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**P41**

# Faultline or Foothold? Georgia's Relations with Russia & The USA

**Dr Tracey German**

*Whilst Russia's relationship with Georgia has continued to emphasise continuing Georgia's weaknesses, especially in the Pankiski Gorge, the USA has delivered a programme of training and assistance to eliminate these weaknesses.*

## Introduction

The stability of Georgia and the wider Caucasus region hangs in the balance following the dramatic departure of former president Eduard Shevardnadze at the end of November 2003. The new leadership faces numerous challenges, including widespread corruption, economic stagnation and separatism, as well as a need to preserve the delicate balance in its relations with outside actors, a task that Shevardnadze handled adroitly. The international significance of this former Soviet state in the South Caucasus has increased greatly in the wake of September 11 2001 and the initiation of the global war on terror. Already on the map thanks to its position on a key transit route for oil and gas from the Caspian region, the country's alleged links with international terrorism have propelled it further into the spotlight and it has become a battleground for regional influence, a contest led by the US and Russia.

Since independence in 1991 Georgia has sought to maintain an autonomous and pragmatic foreign policy that distances it from the Russian sphere of influence. However, Moscow is unhappy with its southern neighbour's European leanings and rewarding relationship with Washington. Although Russia remains both the key economic and military power in the South Caucasus, the US has identified the area as a foreign policy priority. This is likely to precipitate continued clashes of interest in an already unstable region as Moscow attempts to counterbalance growing American involvement within its traditional sphere of influence. This article will examine the recent involvement of these two countries in Georgia and will assess the prospects for greater equilibrium in the country's foreign policies with the installation of a new leadership.

The Pankiski Gorge in northern Georgia has been the focus of recent interest from both Russia and the US. The Gorge has suffered spillover from the Chechen conflict and the arrival of a large number of refugees. Georgia is the only foreign country bordering Chechnya and, since the outbreak of hostilities in 1999, over 7,000 Chechens have crossed the border into Georgia, most heading for the northern Akhmeta district, which was already home to a large ethnic Chechen-Kistin population.<sup>1</sup> Russia claimed that the lawlessness of the Gorge made it an ideal base for rebel fighters to regroup and rearm, as well as allowing international terrorist groups such as Al Qaeda to exploit the loose Georgian control. This has helped the conflict to become internationalised and, according to the Russians, a

key training ground for terrorists who receive plenty of experience in guerrilla warfare.

Georgia has never hidden its fears about the presence of both Chechen fighters and international terrorists in Pankiski. In May 2002 Georgia's Security Minister Valeria Khaburzanya told state television that around 700 armed rebels, together with dozens of 'Arabs' were holed up in the Pankiski Gorge. In January 2003, following the discovery of ricin in the UK, the head of Georgia's State Security Ministry, Nika Laliashvili, admitted that, while there had been training camps for Chechen fighters and Arab mercenaries in Pankiski, these had been disbanded as a result of anti-terrorist operations in February 2002. Worryingly, he said that the fighters had been trained how to use explosives and poison gas, including ricin, and indicated that there had been a link between the suspects arrested in London and those in the Gorge.<sup>2</sup>

## **Mutual Mistrust: Georgian-Russian Relations**

Relations between Russia and its southern neighbour have been characterised by tension and mutual mistrust. Notable areas of contention include Russian relations with Georgia's separatist regions of Abkhazia and South Osetia, the presence of Russian military bases on Georgian territory and transit routes for hydrocarbons from the Caspian Sea region. Since the start of Russia's second military campaign in Chechnya in 1999, animosity between the two neighbours has been centred around the Pankiski Gorge. The Russian authorities have complained that Chechen guerrillas are able to escape by crossing the massive Caucasus mountain range, often disguised as refugees, and they have consistently accused Georgia of harbouring Chechen rebels and foreign Islamist mercenaries, as well as supporting the transit of arms and mercenaries across its territory into Chechnya.<sup>3</sup> Russia fears that the spread of international terrorism into Georgia poses a critical threat to the security of its southern borders and argues that it has the right to widen its search for purported terrorists on other territory, in line with recent US overseas operations. In response to the Russian allegations, the Georgian security services have consistently claimed that Russian military bases in the South Caucasus are involved in the illegal trafficking of weapons into Chechnya. In an interview in September 2002, Georgian border service head Chkheidze questioned where the rebels acquired 'the most modern arms developed by Russia's military-industrial complex', stating '[t]here are simply no such weapons in Georgia'.<sup>4</sup>

Moscow is frustrated at its failure to persuade Tbilisi to permit Russian troops to enter Chechnya from Georgian territory to defend the Chechen sector of the Russian-Georgian border. At the outset of the second military operation in 1999 Russian officials appealed, unsuccessfully, to the Georgian government for permission to use the Vaziani military airfield (located near Tbilisi) and other Russian bases in its operation against Chechnya. Alarmed at persistent Russian pressure and the prospect of being dragged into the conflict, Georgia turned down the proposal as 'unacceptable' and called for the deployment of international observers from both the UN and OSCE along the Chechen section of their shared frontier. Although the Chechen sector of the Georgian-Russian border is not large, it covers extremely mountainous terrain that is very difficult to patrol. In an interview in Russia's *Novyye Izvestiya* newspaper, the head of the Georgian border service Valeri Chkheidze once admitted that the border is 'only closed in a very notional sense', as 'closing off the mountain ridges completely is impossible. Thousands of men and huge resources are needed for this.'<sup>5</sup> Furthermore,

mountain passes through the Caucasus become impassable during winter months when covered in snow. Chkheidze challenged Russian allegations that the separatists received many of their weapons through supply routes across the Caucasus mountains, stating that the Georgian authorities had roughly calculated the number of weapons and ammunitions the rebels would need to fight a non-stop war in Chechnya over three years: 'It would be necessary ... to dispatch via the passes a minimum of 70 pack animals loaded with weapons and ammunition every week year-round. But even a five-man group stands out like a sore thumb on the ridge during the day.'<sup>6</sup>

## A War of Words

Relations between Russia and Georgia reached crisis point in the summer of 2002, when Moscow threatened to send its troops into the Pankiski Gorge to track down Chechen rebels, following a fierce battle at the end of July between Russian border guards and up to 200 rebels who were seeking to cross from Georgia into Chechnya. Russian Defence Minister Sergey Ivanov called for federal troops to be sent to the Gorge, while Kremlin spokesman Sergey Yastrzhembskiy accused Tbilisi of 'flat-out lies' regarding its inability to crack down on suspected guerrillas in the region.<sup>7</sup> While a spokesman for Shevardnadze described Moscow's statements as a '*de facto* call to war', Georgia, ever wary of its powerful neighbour, also took tentative steps to avert a military collision between the two. However, in a move that highlighted his discomfiture at deteriorating relations with Russia, Shevardnadze also sought to accelerate Georgia's membership of NATO and a special government commission was instructed to prepare a programme by 1 November 2002 on integration into the organisation in the political, economic and military spheres.

Although Shevardnadze had previously ruled out a large-scale operation in the Gorge, over 1,000 troops were deployed to the region in late August 2002 after a further escalation in tension between the two countries, when Georgia accused Russian jets of bombing the Pankiski area. The bombing raids were independently verified by the OSCE. This was not the first time that Russia had allegedly bombed Georgian territory – from the beginning of the second Chechen operation, Russian military aircraft had regularly violated Georgian airspace, 'accidentally' bombing villages on several occasions. Shevardnadze stated that Georgia would shoot down Russian military aircraft if they entered Georgian airspace again, whilst Georgian parliamentarians proposed the severing of diplomatic relations with Russia.<sup>8</sup> The US also criticised the Russian bombing raids, a move that was viewed by Moscow as tantamount to accusing Russia of lying, and stated its firm support for Georgia's territorial integrity. Paranoia in Moscow reached fever pitch and one prominent Russian broadsheet, *Nezavisimaya Gazeta*, suggested that the US was on the verge of launching an invasion of the Caucasus in order to 'combat illegal terrorist formations' and establish control over Georgia and Azerbaijan.<sup>9</sup>

Launched on 24 August 2002, Georgia's second security operation (following one in January 2002) to re-establish central control over the Gorge was a joint operation conducted by Interior Ministry troops and subunits from the Ministry of State Security. Army units did not take part, but remained based in Akhmeta. Checkpoints were set up around the perimeter of the Gorge and round-the-clock patrols were instigated with a shoot-to-kill policy.<sup>10</sup> Unfortunately, the high-profile operation failed to lead to the arrest of any Chechen rebels. Russian officials quickly denounced the operation, questioning whether its objectives had been to

eliminate armed guerrillas or merely to drive them out of the Gorge back into Russian territory. The first deputy Chief of the Russian General Staff Colonel-General Yuriy Baluyevskiy was harsher, calling the operation a 'pure sham and an imitation of carrying out action in the fight against terrorism'.<sup>11</sup>

Addressing soldiers at the headquarters of the Siberian military district in Chita, President Putin said, 'We would like to hope that the Georgian authorities have a serious attitude to this and that they will fight this problem in a serious manner, and in the final analysis that together we will resolve this problem'.<sup>12</sup> Putin's comments insinuated that Georgia was incapable of resolving the problem on its own and questioned the determination of the country's leadership to deal with the growing crisis. Predictably, Georgia rejected the Russian 'offer' of assistance and declared its opposition to the idea of 'foreign' troops participating in any operation in the Pankiski Gorge.

On the first anniversary of the US terror attacks, Putin warned Georgia that, in accordance with Article 51 of the UN Charter, Russia reserved the right to self-defence if Tbilisi failed to secure the border between the two countries. He declared that he had ordered the General Staff to draw up proposals regarding the 'possibility and expediency of launching strikes against reliably identified terrorist bases during a pursuit operation'.<sup>13</sup> The Russian President exploited the anniversary to equate Russia's battle in Chechnya with the global war against terrorism, which in his opinion was hindered by 'the preservation of territorial enclaves in particular parts of the world, beyond the control of national governments, which, owing to the most wide-ranging circumstances, are unable or unwilling to confront the terrorist threat'.<sup>14</sup> He took care to emphasise that any future operation against suspected rebels on Georgian territory would be conducted in strict accordance with international law and was in no way intended to undermine Georgia's sovereignty and territorial integrity, or change its political regime. Nevertheless, it seems unlikely that Russia would have subjected the country's armed forces to yet another public test of their capabilities, particularly one that would have been seen internationally as an invasion of a foreign country.

Russian politicians were generally supportive of Putin's tough stance towards Georgia and the Duma suggested imposing economic sanctions on its southern neighbour, which remains dependent on Russian imports of energy, a source of leverage frequently used as a political tool. However, there were also calls for moderation. The liberal Union of Right Forces (SPS) warned that unilateral military operations on Georgian territory would lead to 'unpredictable consequences and a strengthening of anti-Russian sentiment in Georgia and elsewhere'.<sup>15</sup> Ivan Rybkin, the former secretary of the Russian Security Council, described Putin's statement as 'excessive', opining that it demonstrated the 'wish of those in charge of the anti-terrorist operation in Chechnya to take its centre of gravity outside Russia ... This is a very dangerous delusion and there are very dangerous actions. Everything is the wrong way round'.<sup>16</sup>

The two sides called a truce at the beginning of October 2002, meeting ahead of a CIS summit in Moldova. Putin said he had been assured that Georgia would no longer delay the extradition of suspected Chechen criminals, and both sides agreed to increase co-operation between their border guards in an effort to prevent rebel incursions. This apparent *détente* in the relationship ostensibly continued until the end of the year, when Georgia extradited three Chechen fighters who were reported to have entered the country illegally in August 2002. Georgian authorities also arrested dozens of Chechens in a series of raids in the Pankiski Gorge. A meeting

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between Putin and Shevardnadze at the Black Sea resort of Sochi in March 2003 further soothed the fractious relationship.

However, despite these positive moves, the two sides remain deadlocked in a dangerous game of brinkmanship, with Russia hoping that Georgia would change its mind about the closure of Russian bases on its territory and Georgia hoping Russia would change its stance on separatist Abkhazia, whilst also seeking to secure its position in the international arena. Tbilisi declared that Russia would have to pay US\$700 million to continue renting its two remaining bases at Akhalkalaki and Batumi, which were supposed to have been handed back to Georgia by 1 July 2001.<sup>17</sup> There are currently around 8,000 servicemen at these two bases - see Table 1 below. However, it should be noted that the majority of these 'Russian' servicemen are either ethnic Armenians (at Akhalkalaki) or ethnic Georgians (at Batumi) on short-term contracts, not ethnic Russians. There are only a few hundred Russian soldiers (predominantly staff officers) at the two bases who would require relocating and rehousing.<sup>18</sup> In addition, two further groups of Russian military forces are operating under the aegis of CIS peacekeeping operations in Abkhazia and South Osetia, as well as the Russian troops based at Gyumri in neighbouring Armenia. Putin has recently called for an extension in the length of time that Russian peacekeepers spend in Abkhazia and for a doubling of their strength, from 1,600 to 3,000.<sup>19</sup> Whilst this raises concerns about the potential for unwanted Russian intervention, it also serves to further highlight the extent to which Georgia remains incapable of fully ensuring its own security.

**Table 1 - Comparison of Military Forces in Georgia**

|              | <b>Georgia</b>  | <b>Russian Military Presence</b>  |
|--------------|---|---|
| Population   | 5.2m  | -   |
| Armed Forces | 17,500*   | 10,200  |
| Army         | 8,620<br>90 tanks (59 T-55, 31 T-72),<br>185 AIFV/APC | - 8,000 at the Akhalkalaki and<br>Batumi military bases, 153<br>tanks, 241 AIFV/APC, 140<br>artillery systems |
| Air Force    | 1,250<br>7 combat aircraft, 3 attack<br>helicopters   | - 1,600 in Abkhazia with approx.<br>100 pieces of armour  |
| Navy         | 1,830<br>11 patrol and coastal vessels                | - 600 in South Osetia with<br>approx 50 pieces of armour  |

\* As well as 250,000 reservists.

Source: The Military Balance 2002-2003. The International Institute of Strategic Studies. (Oxford: Oxford University Press, 2002); *Nezavisimaya Gazeta*, 8 December 2003, p10.

There are concerns that the Russian military contingent present on Georgian territory would find it impossible to maintain its declared neutrality in the event of widespread internal unrest or could, in a worst case scenario, be used as a Trojan horse to further Russian influence within the country. Speaking at an OSCE meeting in December 2003, acting President Nino Burdzhaneladze called for a swift withdrawal of Russian troops and accused Russia of seeking to undermine Georgian sovereignty by supporting separatist provinces.<sup>20</sup> However, in the wake of his election to the post of president in January 2004, Mikheil Saakashvili sought to improve relations with Moscow, saying he would not insist on a rapid Russian withdrawal, although he stated that Russia must honour the agreement to remove

its troops from Georgian territory. Russian spokesmen continue to insist that a properly organised withdrawal will take some 10 or 11 years.

## **A Growing Alliance: Georgian-US Relations**

As Georgia continues to push for a Russian military withdrawal from its territory, the influence of the US military within the country has risen. It is hardly a coincidence that the rise in tension between Moscow and Tbilisi corresponded with the arrival of American military trainers in Georgia. Long before the declaration of a war on terrorism, the South Caucasus region had been growing in importance to both the US and the West, identified as both a source of and key transit route for hydrocarbons from the Caspian Sea.<sup>21</sup> International oil companies have spent vast sums of money on exploration and development in Azerbaijan and the wider Caspian region, and, to ensure its investments are protected, the US must make a commitment to stability and democracy in countries in the South Caucasus and Caspian region. Sitting on Russia's southern flank, astride a vital transit route for hydrocarbons heading for international markets, Georgia has witnessed a veritable flood of assistance from the US: financial support for Georgia to date totals over US\$1bn, making Georgians the second biggest *per capita* recipients of American aid after the Israelis. Nevertheless, despite this financial assistance, prior to September 11 2001 the possibility of a formal American military commitment to the former Soviet states in the Caspian region was assumed to be remote, and the region was not considered to be of vital strategic importance to the US. However, this changed dramatically with the terror attacks against New York and Washington.

Georgia's role in the US war on terrorism was assured in the immediate aftermath of the September 11 attacks, when the American intelligence services reportedly registered a mobile telephone call from Afghanistan to the Pankiski Gorge, allegedly to Abu Hapsi, a mujahideen commander and associate of Osama Bin Laden.<sup>22</sup> A key lesson of September 11 for the West (and the US government in particular) was that countries must not be allowed to become breeding grounds for extremism and terrorism, that it must engage to promote long-term stability and prevent a security vacuum.<sup>23</sup> The Pankiski Gorge graphically illustrated the weakness of the Georgian state and, in response to a request for assistance from Shevardnadze in October 2001, the US decided to act in order to prevent the situation there further undermining both the security of Georgia and stability in the wider Caucasus region.

In May 2002 US military trainers arrived in Georgia as part of a US\$64m 'Train and Equip' programme (GTEP) to train Georgian troops in anti-terrorist techniques and assist in bringing the lawless Pankiski Gorge region under control. Reflecting a similar American-run training programme in the Philippines, GTEP was initiated to 'enhance the capability of selected Georgian military units to provide security and stability to the citizens of Georgia and the region'.<sup>24</sup> In particular, the programme is intended to train four combat infantry battalions (three army units and one unit from the Georgian National Guard) and one mechanised company to defend Georgia against potential terrorist threats in the Pankiski Gorge.

The initial phase of GTEP consisted of command centre staff training for members of Georgia's Ministry of Defence, as well as staff training for units of the Land Forces Command. The objectives of this 70-day programme, which reflected training offered at institutions such as the US Army War College, were 'to build strong and effective staff organisations capable of creating and sustaining

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standardised operating procedures, training plans, operational plans, and a property accounting system'.<sup>25</sup> GTEP allocated US\$350,000 to renovate and upgrade the national-level command and control capability of Georgia's MoD, and Georgian officials were also introduced to the concept of a National Military Command Centre (NMCC) that would enable the various government ministries and agencies within the MoD to communicate and coordinate with each other in times of crisis.<sup>26</sup>

The core of GTEP is the tactical training provided by American military instructors for the four battalions and one company. The first battalion to be trained, the Commando Battalion, received its instruction at the symbolically named Krtsanisi 9/11 Training Area. Each unit receives approximately 100 days of training, which includes platoon-level offensive and defensive operations, tailored to the specific type of unit (see Table 2 below).

**Table 2 - Georgia 'Train and Equip' Programme (GTEP)**

| Phase           | Activity  | Status                   |
|-----------------|---|--------------------------|
| Phase 1         | Logistics/Engineering   | Completed May 2002       |
| Phase IIA & IIB | Military Joint Doctrine, Command and Control, Staff/Organisational Training for Georgian Ministry of Defence and Land Forces Command  | Completed August 2002    |
| Phase IIIA      | Unit level tactical training of Commando Battalion, including basic airmobile tactics   | Completed December 2002  |
| Phase IIIB      | Unit level tactical training and specialised military mountaineering training for 16 <sup>th</sup> Sachkhere Mountain Battalion   | Completed May 2003       |
| Phase IIIC      | Training of 113 <sup>th</sup> Shavnabada Light Infantry Battalion/11 <sup>th</sup> Motorised Rifle Brigade to conduct patrol base operations, ambush procedures, urban terrain operations, long-range patrols, platoon level raids, and daylight company-level attacks and night defensive operations | Completed September 2003 |
| Phase IIID      | Training of Light Infantry Battalion  | Ongoing                  |
| Phase IIIE      | Training of Mechanised Company Team   | Ongoing                  |

Source: *Georgia Train and Equip Program*, Fact Sheet, US European Command Public Affairs,

[www.eucom.mil/directorates/ecpa/operations/gtep/englishproducts/Fact\\_Sheet.htm](http://www.eucom.mil/directorates/ecpa/operations/gtep/englishproducts/Fact_Sheet.htm).

In September 2003 the fourth phase of the Train and Equip programme was launched. Having completed the training of the 16<sup>th</sup> Sachkhere mountain-rifle, 113<sup>th</sup> Shavnabada light infantry and Commando battalions, US military instructors began training the 111<sup>th</sup> Telavi battalion. Soldiers in the GTEP programme receive 400 lari (approximately US\$200) per month, over four times that which regular army soldiers receive (80-100 lari). More importantly, their salaries are paid regularly by direct payments from the Georgian Finance Ministry.<sup>27</sup>



GTEP also provides for the permanent transfer of military equipment to Georgia, including communications equipment, small arms, uniforms, fuel and construction material. However, it has been emphasised that any such equipment will be provided for the four battalions and one company only for the duration of their training and is not intended to be a rearmament programme for the entire Georgian army. In return for this assistance, Georgia has become a staunch supporter of US foreign policy and was vocal in its support for the war in Iraq. Words were supported by action in August 2003 when a Georgian unit deployed to Baghdad, the country's first contribution to the ongoing US-led operation in Iraq.<sup>28</sup> Furthermore, on 21 March 2003, the Georgian parliament ratified the December 2002 military cooperation agreement with the US, granting US military personnel visa-free entry, exemption from criminal prosecution and permission to carry weapons when off duty. The US was also granted overfly rights and the unimpeded deployment of military hardware in the country. This agreement boosted tension with Russia, as it put US military personnel on a par with the diplomatic corps and is far more than is granted to Russian troops based in Georgia.<sup>29</sup>

## Concluding Remarks

This article has sought to illustrate the different approaches employed by the two international actors seeking to boost their influence in Georgia under the Shevardnadze leadership. Russia has resorted to traditional methods of pressure, threatening military action, as well as cutting off energy supplies, acts which, whilst they have emphasised Moscow's continuing ability to exert control over its neighbour, have merely served to increase Tbilisi's desire to move away from its sphere of influence. By contrast, Washington has taken a more subtle approach, instigating a programme of defence diplomacy that has been welcomed by the Georgian authorities. There are other similar projects in Georgia, notably a Turkish programme to train Georgian military personnel,<sup>30</sup> but the US and Russia will continue to exert the greatest amount of influence in the region in the foreseeable future.

Elizabeth Jones, Assistant Secretary of State for European and Eurasian Affairs, made it very clear the Bush administration has no plans to disengage from the region, reaffirming its commitment 'in the strongest terms ..., as a stable and prosperous Central Asia and the Caucasus will mean a more secure world for the American people and a more prosperous future for the people of the region'.<sup>31</sup> In June 2003 the Pentagon unveiled plans to increase the number of US troops in the Caucasus region to 'assure the long-term viability' of Caspian energy resources. The proposal, part of the redeployment of American forces from western Europe, would see as many as 15,000 troops moved to the Caucasus, with some rotating through bases in Azerbaijan and possibly Georgia.<sup>32</sup>

However, US engagement is not just about financial and military aid: in the run-up to the 2003 parliamentary elections, former US Secretary of State James Baker played a key role in resolving a confrontation between the Shevardnadze administration and leading opposition parties.<sup>33</sup> In the wake of the controversial operation in Iraq, the Bush administration has been seeking to shore up its relationship with new allies in the pivotal Caucasus and Caspian region. Thus a symbiotic relationship has developed: the US has a compliant ally in an area of vital geostrategic and economic importance, whilst Georgia benefits from considerable amounts of aid, be it financial, military or political.

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Moscow is understandably uncomfortable about the US military presence in its traditional sphere of influence, and is concerned that the new leadership may endeavour to accelerate its membership of NATO and the EU. Although to a certain extent it views the presence of the US military as justification for its claims that it is fighting international terrorism in Chechnya, it is also concerned about American intentions in the longer term. This trepidation was underlined by an article published in May 2003 in the Russian daily *Nezavisimaya Gazeta*, which alleged that the Pentagon had drafted plans for a military operation against Iran according to which US forces would use the territories of Georgia and Azerbaijan as 'springboards'.<sup>34</sup> The report was vociferously denied by all the parties concerned, with the US ambassador to Georgia even suggesting that the report was possibly a 'joke'.<sup>35</sup> Shevardnadze appeared reluctant to be drawn into the controversy: speaking at a press conference in Tbilisi, he stated that the US had made 'no moves' to discuss the likelihood of conducting air strikes against Iran from Georgian territory.<sup>36</sup>

Despite the US presence in Georgia, Russia remains the key economic and military power in the country. In the summer of 2003 Russian electricity monopoly UES acquired Georgia's principal power distributor, ironically from American power company AES, provoking serious political controversy and public anger. A deal with Russian gas giant Gazprom for the provision of natural gas to the country also proved highly controversial, as the country is wholly dependent on imports of Russian gas. Thus Moscow and Tbilisi should theoretically be unified in their need for stability in the future: political instability and conflict in the country could have a serious impact on Russia's assets, while Georgia's energy system is in dire need of investment from an external source. However, a pro-Western leader hostile to Russian interests could trigger attempts to weaken the hold that these Russian companies have on the country's energy market.

The Pankiski Gorge will continue to blight the relationship between Moscow and Tbilisi. Georgia has so far proved unable to secure the area and Russia persists with its claims that the Gorge is a haven for rebel fighters and international terrorist groups. The most recent proposal put forward by the Georgian authorities to stabilise the Pankiski region is likely only to antagonise Russia further: in December 2003 Vladimir Imnadze, acting Chief of the General Staff of the Georgian Armed Forces, revealed plans to form a special battalion of the Georgian National Guard composed of Chechen-Kistins, who reside in the Gorge.<sup>37</sup> This has heightened fears, particularly in Moscow, about the establishment of an independent Chechen state in the lawless Pankiski region and lends credence to Russian concerns that the Georgian security apparatus is too weak to secure the border between the two countries. If Tbilisi fails to tackle the persistent security crisis in Pankiski, it runs the risk of prompting unsolicited Russian military involvement.

The new leadership faces a sizeable challenge: it is going to take a skilled mediator to maintain the necessary balancing act between the conflicting interests that have converged over Georgia. For all his faults, Shevardnadze had accumulated decades of experience in terms of international diplomacy, which stood his country in good stead. Whether the new administration will be able to follow this remains to be seen. There is considerable potential for greater political and economic instability in Georgia, which outside actors may seek to exploit. The antagonistic relationship between Moscow and Tbilisi is likely to persist for the foreseeable future, particularly with a continued US presence in the country, further exacerbating existing faultlines and tensions in an already unstable area.

## ENDNOTES

<sup>1</sup> According to a census of non-Georgians conducted in June 2003, there were approximately 3,200 Chechens living in the Pankiski Gorge. BBC Monitoring Select Central Asia and Transcaucasus, 27 June 2003, p14. *ITAR-TASS*, Moscow, 1018GMT, 27 June 2003. For an in-depth historical and ethnographic survey of the Gorge see Shorena Kurtsikidze & Vakhtang Chikovani, 'Georgia's Pankisi Gorge: An Ethnographic Survey', *Berkeley Program in Soviet and Post-Soviet Studies Working Paper Series*, (Berkeley: University of California, 2002).

<sup>2</sup> *Rossyskaya Gazeta*, 16 January 2003, p1-3. Georgia released video footage that apparently confirmed the existence of Chechen guerrillas in Pankiski and also proof of extensive links between the guerrillas and international terrorist groups.

<sup>3</sup> In November 2001 Putin said that its southern neighbour was home to 'international terrorist camps'. *Agence France Presse*, 30 November 2001, Moscow. His allegations were apparently corroborated when several mercenaries from Saudi Arabia and Jordan were arrested in Georgia and accused of trying to establish 'an illegal guerrilla group in the Pankiski Gorge'. The arrested men allegedly had links with Khattab. *Agence France Presse*, 9 February 2002, Tbilisi. On 30<sup>th</sup> January 2002 the Russian and Georgian secret services signed a co-operation agreement that envisaged the two sides conducting joint operations in the volatile Gorge region. *Agence France Presse*, 31 January 2002, Tbilisi.

<sup>4</sup> *Novyye Izvestiya*, 11 September 2002, p6.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> *Agence France Presse*, 30 July 2002, Tbilisi. Furthermore, the commander of Russia's paratroopers, General Georgy Shpak, was quoted as saying that the military was prepared to attack suspected rebel bases in Pankiski if ordered to: 'We are military people, and if such a command is issued, then we will execute the task at hand'. *Agence France Presse*, 1 August 2002, Tbilisi.

<sup>8</sup> *Izvestiya*, 27 August 2002, p1. Anti-Russian sentiment tends to be strongest in Georgia's parliament and has to some extent conditioned the president's manoeuvring power in his relations with Russia. However, Georgia is a presidential republic and the parliament is relatively weak.

<sup>9</sup> *Nezavisimaya Gazeta*, 27 August 2002, p1. This rationale followed the arrival of US military trainers in Georgia in May 2002 to assist the Georgian military in bringing the Pankiski Gorge region under control. The move was seen as a new front in the global war on terrorism and appeared to bolster Russia's defence of its brutal military operation in Chechnya.

<sup>10</sup> *Izvestiya*, 26 August 2002, p1.

<sup>11</sup> *Izvestiya*, 5 September 2002, p1. Other Russian officials also waded into the verbal attack against Georgia. The deputy Interior Minister and commander of the Internal Troops General Vyacheslav Tikhomirov said that Georgia's action was nothing more than 'a political game and a demarche'. BBC Monitoring Select, SU/4633, 6 September 2002, p33; *ITAR-TASS*, Moscow, 1022GMT, 5 September 2002. Mikhail Margelov, head of the Federation Council's International Affairs Committee, was highly critical of Shevardnadze's stance and accused the Georgian leader of pursuing a 'two-faced policy'. He described operations in the Gorge as a 'series of provocations with playing soldiers and conducting demonstration operations in Pankiski'. BBC Monitoring Select, SU/4633, 6 September 2002, p32; *Interfax*, Moscow, 1509GMT, 5 September 2002.

<sup>12</sup> BBC Monitoring Select, SU/4625, 29 August 2002, p26; *Russian Public TV (ORT)*, 0800GMT, 28 August 2002.

<sup>13</sup> *Izvestiya*, 12 September 2002, p3. There were reports that a plan for military operations in the Gorge had already been drawn up by Anatoly Kvashnin, the chief of General Staff. According to this plan, a motor rifle regiment from the 42<sup>nd</sup> division based in Ingushetia would be deployed, together with border guards from the Itum-Kalinskiy detachment and GRU special forces. There were reports that several units had already been moved to the border area and strike aircraft, equipped with precision weapons, would play a key role. BBC Monitoring Select, SU/4640, 13 September 2002, p14; *Ekho Moskvyy radio*, Moscow, 0900GMT, 12 September 2002.

<sup>14</sup> *Izvestiya*, 12 September 2002, p3. Article 51 of the UN Charter guarantees every UN member the right to individual or collective self-defence. Putin also accused Georgia of violating UN Security Resolution 1373, an anti-terrorist resolution adopted on 28 September 2001 and mandatory for all countries, by failing to tackle raids by 'bandits' and incursions into Russian territory. According to Resolution 1373 it is the duty of all countries to prevent terrorists acting against other states from their territory. Sergei Ivanov, Russia's defence minister, has compared Russian calls for an operation in the Pankiski Gorge to US-led operations in Afghanistan, that is, crossing national borders to seek out terrorists allegedly responsible for attacking it. President Vladimir Putin drew further parallels with Afghanistan in August 2002, stating that the situation in Georgia was no better for Russia: 'There are the same terrorists there – including ... foreign nationals. They attack our territory and speak about it openly. Our Georgian colleagues either do not want to or cannot fight them.' BBC Monitoring Select, SWB SU/4625, 29 August 2002, p24-5; *NTV Mir*, Moscow, 1000GMT 28 August 2002. Even George W Bush has drawn a link between Afghanistan and Chechnya, stating that Russian troops in Chechnya could learn a lesson from the US-led war in Afghanistan where, according to the US President, the rights of the people were being respected while fighting terror. He went on to state: 'I understand full well that the people of Russia have suffered at the hands of terrorism as we have'. *Agence France Presse*, 24 May 2002, Moscow. Parliamentarians supported this view: deputy speaker of the Duma, Vladimir Lukin, stressed Russian support for Georgian sovereignty but qualified this by saying that 'if a terrorist threat exists on the border, you have to fight against it. You have to fight together. And if the other side refuses to fight, then, just as the USA and a number of countries have done on more than one occasion, you have to fight alone.' BBC Monitoring Select, SWB SU/4623, 27 August 2002, p23; *NTV Mir*, Moscow, 1200GMT, 26 August 2002. Russia has also received some international support for its stance. In the immediate aftermath of the US terror attacks in 2001 German Chancellor Gerhard Schröder appeared to endorse the Russian line, stating that '[r]egarding Chechnya there will be and must be a more differentiated evaluation in world opinion.' Quoted in Matthew Evangelista, *The Chechen Wars: Will Russia go the way of the Soviet Union?* (Washington DC: Brookings Institution Press, 2002), p180.

<sup>15</sup> BBC Monitoring Select, SU/4640, 13 September 2002, p17; *Interfax*, Moscow, 1649GMT, 12 September 2002. The Duma expressed its support in a statement entitled 'On the State of Russian-Georgian Relations', which was passed on 13 September by a vote of 350-21, with two abstentions. SPS and Yabloko opposed the statement, which stated that the UN Charter warranted a Russian military operation against alleged terrorist bases in Georgia.

<sup>16</sup> BBC Monitoring Select, SU/4640, 13 September 2002, p17; *Ekho Moskvy*, Moscow, 0615GMT, 12 September 2002.

<sup>17</sup> In 1999 Boris Yel'tsin agreed to an OSCE-facilitated deal, which obligated Russia to hand back four bases in Georgia before 1 July 2001. So far only two bases have been returned: Gudauta in Abkhazia and the air base at Vaziani, near Tbilisi. For further details of the Russian military withdrawal from Georgia see Aleksandr Chigorin, 'Rossiysko-Gruzinskiye Otnosheniya. Chto Dalshe?' *Mezhdunarodnaya Zhizn*, 2003, 5, pp41-60.

<sup>18</sup> For further information see Pavel Felgenhauer, 'Motives in Georgia are Base', *The Moscow Times* [internet edition], 13 January 2004 and C W Blandy, 'Georgia at the Crossroads', *Conflict Studies Research Centre Occasional Brief No 100*, December 2003.

<sup>19</sup> *Nezavisimaya Gazeta*, 8 December 2003, p10. Following the 1992-3 civil war in Abkhazia, UN observers and CIS peacekeepers have maintained a presence in the region. The situation is still tense, with frequent border skirmishes and little attempt at negotiating a peaceful solution to the conflict. The presence of Russian 'peacekeepers' has done little to relieve the tension, further complicating the peace process.

<sup>20</sup> *The Moscow Times*, 2 December 2003, p3. Russian officials met the leaders of three of Georgia's separatist regions. South Osetia President Eduard Kokoity, Abkhazia's Prime Minister Raul Khadzhimba and leader of Ajaria Aslan Abashidze held talks individually with Foreign Minister Ivanov in Moscow on 27 November 2003, following Shevardnadze's resignation.

<sup>21</sup> Oil-rich countries in the region are still heavily dependent on the Russian network of pipelines, undermining their political and economic autonomy, thus new pipelines are crucial for the future development of oil reserves in the region. One of the most

controversial is the Baku-Tbilisi-Ceyhan (BTC) oil export link between Azerbaijan and Turkey, currently under construction by a BP-led consortium. The pipeline, expected to come onstream in 2005, is fraught with geopolitical significance, as it is heavily backed by the US, which wants east-west export routes from Central Asia and the Caucasus to bypass Iran and Russia, thereby weakening their influence in the region. The US is also keen to secure new supplies of crude oil in order to reduce its dependence on the turbulent Middle East region. Oil-producing countries in the Caspian region, identified in Bush's energy policy as an area with considerable potential, are not members of the OPEC cartel, and the US can thereby boost its energy security by diversifying energy supplies. It will also underpin relations with Turkey, and support the economic and political autonomy of Azerbaijan and Georgia. For further details of US interests in the Caspian region see *The Caucasus and Caspian Region: Understanding US Interests and Policy*. Hearing before the Subcommittee on Europe of the Committee on International Relations, House of Representatives, 107<sup>th</sup> Congress, First Session, 10 October 2001 (Washington DC: US Government Printing Office, 2001).

<sup>22</sup> Anna Matveeva, 'Russia and USA increase their influence in Georgia', *Jane's Intelligence Review*, May 2003, pp42-45.

<sup>23</sup> In a speech to students at the University of Montana on US engagement in Central Asia and the Caucasus, Elizabeth Jones, the State Department's Assistant Secretary for European and Eurasian Affairs, said that the US 'disengagement from Afghanistan in the 1980s taught us a harsh lesson, one that we do not want to repeat in other countries. We learned that we must engage the region's governments and people to promote long-term stability and prevent a security vacuum that provides opportunities for extremism and external intervention. This is particularly true in Georgia, Uzbekistan, Kyrgyzstan and Tajikistan, where terrorist groups have threatened our national interest.' *US Engagement in Central Asia and the Caucasus: Staying our Course Along the Silk Road*. Remarks by Elizabeth Jones at 'Central Asia: Its Geopolitical Significance and Future Impact' Conference hosted by Title VI Undergraduate International Studies and Foreign Language Programme Directors, University of Montana, Missoula, Montana, 10 April 2003, [www.state.gov/p/eur/rls/rm/2003/19606pf.htm](http://www.state.gov/p/eur/rls/rm/2003/19606pf.htm). See also *Frequently Asked Questions about US Policy in Central Asia*, Fact Sheet, Bureau of European and Eurasian Affairs, US Department of State, Washington DC, 27 November 2002, [www.state.gov/p/eur/rls/fs/15562pf.htm](http://www.state.gov/p/eur/rls/fs/15562pf.htm)

<sup>24</sup> *Georgia Train and Equip Program*, Fact Sheet, US European Command Public Affairs, [www.eucom.mil/directorates/ecpa/operations/gtep/englishproducts/Fact\\_Sheet.htm](http://www.eucom.mil/directorates/ecpa/operations/gtep/englishproducts/Fact_Sheet.htm) Training was initially conducted by US Army Special Forces assigned to Special Operations Command Europe, although in December 2002 this responsibility was assumed by US Marines, under the operational control of US Marine Forces Europe. The total number of US personnel in Georgia, including support staff and technicians, has been minimal, never exceeding 150.

<sup>25</sup> 'Georgia 'Train and Equip' Program Begins', *United States Department of Defence press release*, No 217-02, 29 April 2002, [www.defenselink.mil/news/Apr2002/b04292002\\_bt217-02.html](http://www.defenselink.mil/news/Apr2002/b04292002_bt217-02.html).

<sup>26</sup> The NMCC, located within MoD headquarters in Tbilisi 'is designed to accommodate representatives from military, internal security forces and specialists from non-governmental organisations, as needed'. Equipped with 'the latest desktop computers, electronic briefing systems and high frequency communications equipment', it is intended to 'serve as the primary command and control point and receive and relay critical information in times of national emergency'. *Georgia Train and Equip Program – National Military Command Centre*, Fact Sheet, US European Command Public Affairs, [www.eucom.mil/directorates/ecpa/operations/gtep/englishproducts/fact\\_sheet5.htm](http://www.eucom.mil/directorates/ecpa/operations/gtep/englishproducts/fact_sheet5.htm).

<sup>27</sup> Eric A Miller, 'Morale of US-trained troops in Georgia is high, but US advisors concerned about sustainability', *Eurasianet.org*, 5 May 2003, [www.eurasianet.org/departments/insight/articles/eav050503\\_pr.shtml](http://www.eurasianet.org/departments/insight/articles/eav050503_pr.shtml).

<sup>28</sup> The combined unit consists of a 34-man infantry platoon from the Kojori Special Forces Battalion, a 20-person medical services detachment and a 15-man engineer detachment from the Ministry of Defence's Rapid Reaction Force. 'First Georgian Military Unit to Deploy to Iraq', Press Release, US Embassy in Georgia, 2 August 2003, [http://georgia.usembasst.gov?releases/Aug02\\_03.htm](http://georgia.usembasst.gov?releases/Aug02_03.htm).

<sup>29</sup> Russia was also upset by at least three flights by American U2 spy planes over Georgia in March 2003. Although the planes remained within Georgian airspace, they travelled the length of the border separating Russia and Georgia. It should be noted that US support is not limited to Georgia - it also provides military aid to both Armenia and Azerbaijan. Armenia has been America's traditional ally in the Caucasus region and in the wake of September 11 it offered the use of its airspace, intelligence sharing and other confidential support. *The Caucasus and Caspian Region: Understanding US Interests and Policy*. Hearing before the Subcommittee on Europe of the Committee on International Relations, House of Representatives, 107<sup>th</sup> Congress, First Session, 10 October 2001, (Washington DC: US Government Printing Office, 2001), p5. The US is financing the upgrading of the communications system used by the Armenian armed forces, allocating US\$4m in 2002 and a further US\$3.5m in 2003. BBC Monitoring Select, Central Asia and Transcaucasus, 17 June 2003, p15. *Arminfo*, Yerevan, 1602GMT, 16 June 2003. American aid was also forthcoming to assist Azerbaijan's State Border Service install engineering equipment on the country's southern borders in order to boost security. Furthermore, the security of Azerbaijan's borders is also under NATO scrutiny and NATO Secretary-General George Robertson has requested member states to help the country reinforce its borders. BBC Monitoring Select, Central Asia and Transcaucasus, 19 June 2003, p21. *Uc Noqta*, Baku, 19 June 2003, p3. In January 2002 President Bush waived Section 907 of the Freedom Support Act that prohibited assistance to Azerbaijan, allowing the US to help Azerbaijan's border security to prevent terrorist infiltration/exfiltration, and enhance intelligence and law enforcement cooperation. *US Engagement in Central Asia and the Caucasus: Staying our Course Along the Silk Road*. Remarks by Elizabeth Jones, Assistant Secretary of State for European and Eurasian Affairs, at 'Central Asia: Its Geopolitical Significance and Future Impact' Conference hosted by Title VI Undergraduate International Studies and Foreign Language Programme Directors, University of Montana, Missoula, Montana, 10 April 2003, [www.state.gov/p/eur/rls/rm/2003/19606pf.htm](http://www.state.gov/p/eur/rls/rm/2003/19606pf.htm). It can be no coincidence that these restrictions were lifted as the construction of the BTC pipeline got underway, a pipeline that will facilitate the development of Azerbaijan's oil reserves by US companies. See F Wallace Hays, 'US Congress and the Caspian', <http://ourworld.compuserve.com/homepages/usazerb/333.htm>. Section 907 restricted US assistance to Azerbaijan until such time as it removed its blockades of Armenia and Nagorno-Karabakh.

<sup>30</sup> Turkish officers have pursued the idea of training Georgian soldiers, and both national armies have worked on a joint military program to protect pipelines.

<sup>31</sup> 'We are committed to long-term engagement in the countries of Central Asia and the Caucasus - through both diplomacy and assistance. Counterterrorism will remain a prominent and integrated element of our assistance. We plan to put more resources into counter-narcotics and law enforcement cooperation across the region, where porous borders and weak law enforcement have created significant opportunities for terrorists and those trafficking in illicit weapons and drugs ... The United States is wholly committed to intensive engagement and dialogue with each of the nations of this pivotal region of the world.' Remarks by Elizabeth Jones, Assistant Secretary of State for European and Eurasian Affairs, at 'Central Asia: Its Geopolitical Significance and Future Impact' Conference, *ibid*.

<sup>32</sup> *The Wall Street Journal*, 10 June 2003, internet version, [www.wsj.com](http://www.wsj.com).

<sup>33</sup> The dispute was over the planned revision of the electoral code and the composition of electoral commissions. Baker arrived in July with a blueprint to reduce the chances of electoral fraud. His 'special mission' confirmed the importance that the current US administration attaches to cooperation with Georgia. Furthermore, US Secretary of State Colin Powell is reported to have played a key role in defusing the crisis during the civil uprising in November 2003, encouraging Shevardnadze to take actions that would ensure a peaceful transition of power.

<sup>34</sup> See *Nezavisimaya Gazeta*, 29 May 2003, pp1-5.

<sup>35</sup> A senior aide in Azerbaijan's presidential administration, Fuad Akhundov, dismissed the article as 'sewage being discharged into Russian and world news' and insisted that it had been released to coincide with a planned meeting of the deputy US secretaries of state and defence, Richard Armitage and Paul Wolfowitz, to discuss US-Iranian relations. He also asserted that the allegations had been made in order to undermine burgeoning Azeri-Iranian relations. Georgia's deputy Foreign Minister, Kakha Sikharulidze, also dismissed the report,

stating that the US had not made a request for permission to use Georgian territory. BBC Monitoring Select, Central Asia and Transcaucasus, 29 May 2003, p4.

<sup>36</sup> BBC Monitoring Select, Central Asia and Transcaucasus, 2 June 2003, p6.

*Kavkasia-Press*, Tbilisi, 1013GMT, 2 June 2003.

<sup>37</sup> *Novyye Izvestiya*, 23 December 2003, p3.

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