

Role of the European Union in Shaping of Political Economy of Russia- Georgia Conflict

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ABSTRACT

Since August 2008, the European Union has been playing the main role in conflicts resolution and the peace building process in Georgia. Unfortunately its facilitation efforts have had unsatisfactory results so far. On the one hand, the EU's concrete decision to respect Georgia's territorial integrity is in harmony with the existing principles of international law, while on the other hand, such position hinders its acceptability as a mediator for the other parties to the dispute. Mediation process includes the economic appreciation to the conflict area. Considering all these aspects, a better strategic plan is necessary to make the EU more involved in the conciliation process while considering the economic as well as political interests in this region. In other words, this needs to be analysed as what are the features of EU's mediation process especially in terms of economic rationale behind this conflict. Eventually this will involve EU in a better political stance between the conflicting sides. This paper is an effort to explore the political as well as economic implications of EU's mediation process.

Key Words : European Union, Georgia, Russia, War, Mediation process, Conflict

INTRODUCTION

Georgia, a Black sea bordering country, came into the independence after the disintegration of the former Soviet Union in 1991. It's not only the European Union but countries like United States of America had also reflected its earlier interests soon after its formation. These interests from the developed block does not confine only to the settlement of conflict in this area but remained an active part of their foreign policy via economic and trade related interests. As per the USAID report (2012), Georgia's potential power culminates from its strategic location as an east-west and north south trade and transit corridor. Being a member of WTO, Georgia experienced a slowdown in its economic front because of the world economic downturn in 2008-09 and more from the Russian-Georgian conflict. The conflict of August 2008, between Russia and Georgia has been proved as substantial loss to latter's economic profile which made US the largest aid donor to Georgia. The United States has been Georgia's largest bilateral aid donor, budgeting cumulative aid of \$3.37 billion in fiscal year 1992 to 2010 and even thereafter, through various programmes and agencies. Georgia's membership with NATO makes this point more clear that developed nations especially US and European Union has been more concerned about the democratisation as well as economic reforms in this affected region. The focus of this paper is regarding the involvement of European Union in the conflict of Russia and Georgia, because of two important reasons. Firstly, Russia always wanted to reaffirm its position

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towards EU more than the USA, especially after the onset of presidential tenure of Vladimir Putin and also because of its role as a generator of democratisation process and secondly, after the Gas crises of 2004 which culminated to Russia's hampered economic situation. Against this backdrop, it becomes pertinent to look into the aspects of EU policy in settlement of this conflict and what kind of role it played out of not only its geo-political but of economic interests. Starting from the EU's objective and approach into this conflict, the paper will examine the economic as well as geo-political settlement of this conflict (Gelb, 2006).

One of the top priorities of the EU's foreign policy is to maintain peace and stability near its border. In this regard, the explosive situation in the South Caucasus, especially in Georgia, draws a serious attention of the European states. How can the EU contribute to the stability beyond its borders? How the role of EU in terms of settling their economic interests is seen? Moreover, what should the EU do to balance the existing disagreement and animosity between Russia and Georgia? The answers to these questions may define a productive role of the EU in conflict resolution in the South Caucasus region in general and in Georgia particular. The territory of Georgia has always been targeted by powerful states, due to its location as a transit corridor between east and west, but since the boundaries of the EU extended to the Black Sea, Georgia's internal and external policy has caused a massive attention of the European states. The EU decided to actively support the processes of strengthening the peace and stability in that region. Such a plan, on the one hand could eliminate the messy and unstable situation in Georgia, which in itself could jeopardize the security policy of the EU and on the other hand, it could ensure the safety of those pipelines that reduce the dependence of European states on Russian energy resources (Alieva, 2006).

In 1999, the Partnership and Cooperation Agreement (PCA) was signed between the EU and Georgia, since then both sides have signed several bilateral treaties. Georgia's intention to involve the EU into the negotiation process for resolving of internal conflicts of Georgia has always been rejected, because Russia was introduced as the only mediator of the dispute (International Crisis Group, 2006). Nevertheless, the EU could gain limited functions on conflict arrangements, for instance, during 2002-2006, the European Commission monitored the mentioned conflicts by its Special Representative in South Caucasus (EUSR), but the functions of the EUSR were restricted (European Neighborhood Policy / ENP, 2011).

In 2003, the regime change in Georgia drew the attention of Brussels and the EU adopted the European Security Strategy (ESS), which led to the inclusion of Georgia into the ENP in 2004. One year later, negotiations on the Action Plans for Georgia were held (ESS, 2008) and it allowed the EU to strengthen democracy and implement the rule of law and human rights protection in Georgia. From the European perspective, it was necessary to make Georgia a rich and democratic European state in order to restore the confidence between confronted sides and achieve rapprochement among them (ibid).

The Action Plan also introduced a soft policy towards conflict resolution. Accordingly, the commission has implemented a number of less politicized projects in Abkhazia and South Ossetia financed by the ENP. Mostly, those activities covered the process of reconstruction in areas along the administrative border. It can be assumed that in doing so the EU would not alienate the main actors of the negotiation process¹.

Soon after, Georgia tried to internationalize its frozen conflicts, with the goal of involving the EU, as a full member, in the Joint Control Commission (JCC), but it was vetoed by South Ossetia. Nevertheless, the EU continued its confidence building program between the parties of the dispute. In 2006, the functions of the European Union Special Representative (EUSR) were legally expanded and gained a more political status. The EUSR has actively supported the OSCE and the UN in rehabilitation processes and so, became a part of the internal conflict settlement route. Despite all these developments,

¹Civil Georgia Daily News, 2011

the EU's mediation applied in these breakaway regions as a strategy for effective conflict resolution has been rather unsuccessful. This was due to the fact that the EU considerably lacked the credible civilian and most importantly military capabilities, which were vital for the maintenance of a lasting peace and security (ibid).

The EU's liberal approach to the conflict settlement could not keep pace with the conflicting parties and so the security situation deteriorated rapidly. The actions of Russia and the new government in Georgia were drawing the obvious war contours. The war in August 2008, between Russia and Georgia upset the post-Cold War security order. It must be emphasized that the EU immediately responded to this crisis, the French President Nicolas Sarkozy acting as a highly visible representative of the EU Presidency. On August 9, a ceasefire agreement was struck, consisting of three main conditions: cessation of hostilities, recognition of Georgia's territorial integrity, and discussion about the status of the separatist territories. Two days later, Sarkozy introduced his plan to President Dmitri Medvedev (Bardaki, 2010).

The six principles of the peace plan were finally agreed on and drafted by Sarkozy and Medvedev. The document included, first, the non-use of force; second, cessation of hostilities; third, free access to humanitarian aid; fourth, withdrawal of Georgian forces to their normal bases; and, fifth, withdrawal of Russian military to the lines prior to the start of hostilities and the final section, call for international discussions on achieving lasting security in Abkhazia and South Ossetia (Independent International Fact Finding Mission/ IIFFMCG, 2011).

The position to respect the territorial integrity of Georgia was left out in the final peace plan, because the French team saw stopping the war as a priority. On August 13 President Saakashvili after reading the agreement requested the removal of the sixth clause referring to talks on the future status of South Ossetia and Abkhazia and so he signed the modified agreement on August 15 during the visit of the US Foreign Secretary Condoleezza Rice. Medvedev accepted the document on August 16, but Russia did not start troop withdrawals immediately (Independent International Fact Finding Mission on the Conflict in Georgia, IIFFMCG, 2011).

Only a month later, Russia agreed to withdraw its troops from the Georgian territory surrounding South-Ossetia and Abkhazia. The rest of the pull-out was supposed to happen once an international monitoring mission was deployed. The Council of the European Union decided to create a monitoring mission (EUMM). On October 1, 200 EU observers were sent and placed in the Georgian territory outside of Abkhazia and South Ossetia. The main mission of these observers is to monitor the situation in the region: to observe whether human rights and the right of return are respected or not (IIFFMCG, 2011). The EU Council also nominated a Special Representative for the Crisis in Georgia, in addition to the already existing Special Representative to the South Caucasus. At the end of 2008, due to Russia's opposition, the OSCE mission in Georgia stopped its operations within the country; therefore the EUMM became the only institution, which was observing the developments inside Georgia. The EU established an independent international fact finding mission that would investigate the entire case. The commission was led by the Swiss diplomat and a former UN special envoy to Georgia Heidi Tagliavini and the group consisted of legal and military experts from EU countries (IIFFMCG, 2011). Together with the improved position of the EU in the Geneva talks, it promised to donate up to €500 million in aid to Georgia for the 2008-2010 period in order to undo the negative effects of the August 2008 conflict (Bardakai, 2010).

As per the various discussion regarding the theoretical rationale behind the foreign policy, economic concern has emerged as one of the important components for the explanation apart from the much discussed geo-political situation. As Rosenau (1969) argues that foreign policy among all the means, it is quite interesting to note that economic mean of foreign policy has become much important in present context of globalised world, where not only individual integrity of nation is concerned but mutual trade in its different forms have impacted the geo-political situation of concerned countries.

And it has gained wide interest in all kinds of conflicts and mediation process. As per the USAID (2012), it has been argued that Georgia has significant economic resources that could spur growth if it can overcome various impediments to development. Economic problems in Georgia include rising unemployment, lagging educational achievement, a dearth of skilled labour, high poverty rates which further deteriorated after the global economic downturn of 2008-09 and its graduating conflicts with Russia. The government of Georgia has been in negotiations with Russia to lift its trade restrictions in place since 2006. US aid to Georgia also plays a significant role in shaping the geo-political situation in this region. Georgia has regularly ranked among the top world states in terms of per capita US aid. US budgeted aid for Georgia in 2012 was \$85.5 million (USAID, 2012). In the light of above mentioned facts, the question is more about the EU policies in stabilizing the economic situation of Georgia. As asserted earlier that economic condition of neighboring states play a very important role in their mutual foreign policies, it becomes a pressing condition for EU to look into this matter. One may ask this question that EU have ignored this role of economic mediation whether inadvertently or because of arising political dominance of Russia as gas supplier to many countries of EU region (Gelb, 2006).

The chaotic and unstable situation in Georgia does not really make the EU happy, although, the so-called soft policy of the EU towards conflict settlement in Georgia has failed; it still keeps trying to find a relevant way out of the existing problematic situation. There comes a question: is the EU's interest in Georgia simply motivated by neighborhood security and stability concerns? We can assume that the acceptance of Bulgaria and Romania into the European Union made the EU one of the holders of the Black Sea power to which Georgia also belongs. Furthermore, Georgia's Role in diversification of the energetic resources from Eastern Europe and Asia is vital and so, the EU's increased interests in conflict management are reasonable (European Security Strategy, 2011).

Nevertheless, Russia poses limits on the EU to act freely in this specific region. As it is known, Russia considers Georgia's territory as a part of its sphere of influence; as a result, it is almost impossible to resolve the conflicts without the active involvement of Russia in the dialogue. The EU can potentially play the role as a facilitator (Fischer, 2007).

Theoretically, it is not difficult to turn a clash of interests into common ground. For instance, the stability and prosperity of Russia's neighborhood would also help Russia addressing the serious socio-economic and rule of law problems that Russia faces in the different republics in its own part of the Caucasus, but Russia sees the economically stable and flourishing Georgia as a threat to its national interests. In other words, Russia fears that other south Caucasian states could also leave the Russian sphere of influence (ibid).

Conclusion:

Russia consciously ignored international law. First of all, Russia introduced various reasons to justify its armed intervention in Georgia. Kremlin argues that there was no other chance than to intervene in order to stop Georgia's aggression, ethnic cleansing, genocide, and war crimes against South Ossetians. Under the peacekeeping agreement signed by Boris Yeltsin and Eduard Shevardnadze in 1992, it had to protect its own nationals and South Ossetians. Although Georgia sent its troops to South Ossetia, it did not violate any existing international rules. Neither genocide nor ethnic cleansing conducted by Georgia against South Ossetians have been proved so far. Finally, the 1992 agreement authorizes only the monitoring of internal tensions, not a massive use of military force. Furthermore, Russia still does not comply with the six-point agreement that was adopted by the belligerent parties on August 12, 2008.

Considering the aforementioned situation, the European Union must firmly and openly condemn Russia's unacceptable policy. Furthermore, the EU does have a number of mechanisms that can force Russia to respect the six-point agreement. Only after that it will be possible for the EU to play a real and rational role in conflict resolution in Georgia. Europe must suspend all ongoing co-operation

discussions with Russia, as long as the six-point agreement is not fully respected.

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