

**EXTERNAL DEMOCRACY PROMOTION IN GEORGIA:  
THE ROLE OF THE EUROPEAN UNION**

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*I dedicate this dissertation to my precious daughter Nitsa and to her bright future...*

## **Abstract:**

Within its external governance the European Union (EU) exports its own model of legitimate democratic governance in third countries and acts there as an external democracy promoter. However, the questions arise: What are the actual policies and instruments applied by the EU to promote democracy in non-member countries? How do these policies and instruments support democratic transition process? What has the impact of EU democracy support been? Why has it had this level of impact? The present research aims to find answers to these questions in the country case of Georgia.

In this project, the external political impact of the EU is seen as a twofold process. On the one hand, the impact is exerted through social channels and normative interaction of the EU with the non-member states, namely Georgia. The EU's impact on democratisation is therefore viewed to be a normative process, involving the export of the EU liberal democratic institutions to the third countries, which is explained by constructivist theoretical approach. On the other hand, growing EU financial assistance as well as political cooperation (talks on Association Agreement, Free Trade Agreement, etc.), which are subject to certain political and economic conditions, create an incentive-based dialogue between EU and Georgia. The impact is thus also exercised by applying a 'stick and carrot' mechanism, enforcing compliance of non-member countries to the EU's political, economic and legal objectives in exchange for the benefits of certain rewards. The latter process is explained by the rationalist theoretical approach. Constructivism and rationalism are applied in this study as complementary rather than contested theoretical toolkits providing for comprehensive analysis of the EU's external political impact mechanisms.

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## **Acronyms and their explanations**

AA – Association Agreement

AP – Action Plan

BGO – Non Governmental Organization

BSTDB – BlackSeaTradeandDevelopmentBank

CEPS - Centre for European Policy Studies

CERMA – Centre for Enterprise, Management and Restructuring

CFSP – Common and Foreign Instrument Joint Actions

CIS – Commonwealth of Independent States

CoE – Council of Europe

CPS – Country Partnership Strategy

CRRC – Caucasus Research Resource Center

CUG – Citizens Union of Georgia

DCFTA – Deep and Comprehensive Free Trade Area

DFID – Department for International Development

EAGGF – European Agricultural Guarantee and Guidance Fund

EaP – Eastern Partnership

EBRD – EuropeanBankforReconstruction and Development

EC – European Communities

ECHO – European Community Humanitarian Office

ECU – European Currency Unit

EDPRP – Economic Development and Poverty Reduction strategy

EEAS – European External Action Service

EEC – European Economic Community

EFP – European Foreign Policy

EIDHR – European Instrument for Democracy and Human Rights

ENP – European Neighbourhood Policy

ENPI – European Neighbourhood and Partnership Instrument

EPC - European Policy Center

EPF - Eurasia Partnership Foundation

ETC – Early Transition Countries  
EU – European Union  
EUMM – European Union Monitoring Mission  
EUR – Euro  
EURATOM - European Atomic Energy Community  
FAO – Food and Agriculture Organisation  
FSP – Food Security Programme  
GDC – Georgian Dream Coalition  
GDP – Gross Domestic Product  
GEPLAC – Georgian-European Policy and Legal Advice Centre  
GFSIS – Georgian Foundation for Strategic and International Studies  
GIZ – Deutsche Gesellschaft für Technische Zusammenarbeit  
GNCC – Georgian National Communications Commission  
GoG – Government of Georgia  
GPB – Georgian Public Broadcaster  
GSP – Generalised System of Preferences  
GYLA – Georgian Young Lawyers Association  
ICCPR – International Covenant on Civil and Political Rights  
ICRC – International Red Cross and Red Crescent Movement  
IDP – Internally Displaced Persons  
IES – Institute for European Studies  
IFAD – International Fund for Agricultural Development  
IfS – Instrument for Stability  
IMF – International Monetary Fund  
Inogate – Energy Technical Cooperation Program between the EU, Eastern Europe, Caucasus and Central Asia  
IOM – International Organisation for Migration  
ISFED – International Society for Fair Elections and Democracy  
KfW – Kreditbank für Wiederaufbau  
MCC – Millennium Challenge Corporation  
MFA – Macro-Financial Assistance  
MSF – Médecins Sans Frontières

MSs – Member States  
NATO – North Atlantic Treaty Organisation  
NDI - National Democratic Institute  
NIP – National Indicative Programme  
NIS – Newly Independent Countries  
ODIHR – Democratic Institutions and Human Rights  
OSCE – Organisation for Security and Cooperation in Europe  
OSGF – Open Society Georgia Foundation  
PACE – Parliamentary Assembly of the Council of Europe  
PCA – Partnership and Cooperation Agreement  
PRGF – Poverty Reduction and Growth Facility  
PRSO – Poverty Reduction Support Operations  
RARP – Rural Agricultural Reform Programme  
RRM – Rapid Reaction Mechanism  
SEA – Single European Act  
SIDA – Swedish International Development Cooperation Agency  
SIGMA – Support for Improvement for Governance and Management  
SME – Small and Medium Enterprises  
SSTA – Small-scale technical assistance  
Tacis – Technical Assistance to Commonwealth of Independent States  
TAIEX – Technical Assistance and Information Exchange  
TEU – Treaty of European Union  
TFEU – Treaty on the Functioning of the European Union  
TI – Transparency International  
TRACECA – Transport Corridor Europe Caucasus Asia  
UMCOR – United Methodists Committee on Relief  
UNWFP – United Nations World Food Programme  
UNDP – United Nations Development Programme  
UNFPA – United Nations Population Fund  
UNHCR – United Nations High Commissioner for Refugees  
UNICEF – United Nations Children’s Fund  
UNIFEM – United Nations Development Fund for Women

UNM - United National Movement  
UNV – United Nations Volunteers  
URG – Union of Revival of Georgia  
USD – United States Dollar  
VLAP – Visa Liberalisation Action Plan  
WB – World Bank  
WHO – World Health Organisation  
WTO – World Trade Organization  
WV – World Vision



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- ❖ Archil Karaulashvili, Head of European Integration Coordination Department, Office of the State Minister for European and Euro-Atlantic Integration of Georgia  
26 February 2014, Tbilisi
- ❖ Kakha Gogolashvili, Director of the EU Studies at Georgian Foundation for Strategic and International Studies (GFSIS)  
27 February 2014, Tbilisi
- ❖ Ivane Chkhikvadze, Civil Society Program Coordinator, Open Society Georgia Foundation (OSGF), the Office of the State Minister for European and Euro-Atlantic Integration in 2006-2007  
10 March 2014, Tbilisi
- ❖ The representative of the EU Delegation to Georgia  
Offrecord interview  
18 March 2014, Tbilisi
- ❖ Amanda Paul, Policy Analyst and Senior Programme Executive, European Policy Center (EPC)  
5 May 2014, Brussels
- ❖ Chris Kendall, Team Leader Belarus, Azerbaijan, Armenia at European External Action Service (Team Leader for South Caucasus, EU-Georgia Desk during the interview) at the European External Action Service (EEAS)  
8 May 2014, Brussels
- ❖ Senior representative of the European Commission  
Off record interview  
8 May 2014, Brussels
- ❖ Ambassador Philip Dimitrov, Head of the EU Delegation to Georgia during 2010-2014  
6 June 2014, Tbilisi
- ❖ Konstantine Zaldastanishvili, Ambassador Extraordinary and Plenipotentiary of Georgia to the Republic of Austria, Permanent Representative of Georgia to OSCE and other International Organizations in Vienna, Head of the Georgian Mission to EC in 1995-2000  
8 September 2014, Tbilisi

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# Chapter 1

## Introduction

This thesis aims to understand and explain the role of the European Union (EU) in the promotion of democracy in Georgia. The study examines the EU's as an external actor's capacity to leverage democratic reforms in this non-member country, and assesses its actual impact on the domestic policies and institutions throughout the democratic transition process in Georgia.

After the end of the Cold War, many European regional organisations declared liberal democratic values to be the foundations for the New Europe and developed support for the democratic consolidation of the newly independent states. The EU, as one of the largest regional organisations, founded on the principles of human rights and democratic values, devoted increasing resources and effort to help the transition countries in building democracy both in terms of financial support and expertise.

Georgia has been receiving the EU's growing attention both politically and financially since its independence, particularly under the new administration sworn in as a result of the "rose revolution". Since officially establishing cooperation in 1992, the EU has provided Georgia with significant economic and political support through a number of development programmes, such as Technical Assistance to Commonwealth of Independent States (Tacis), Partnership and Cooperation Agreement (PCA), European Neighbourhood Policy (ENP) and the country specific Action Plans (AP). The most recent foreign policy tool introduced by the EU to Georgia has been Eastern Partnership (EaP). In the scope of EaP, the EU has offered to Georgia close political and economic association through the Association Agreement (AA) with its integral part Deep and Comprehensive Free Trade Area (DCFTA), and Visa Liberalisation providing the prospect of visa free regime between the EU and Georgia.

The EU assistance to Georgia between 1992 and 2009 amounted to approximately € 865 million. Since 1992, besides Tacis, the EU provided assistance through different instruments and programmes, such as ECHO and Food Aid Operations through the European Agricultural Guarantee and Guidance Fund (EAGGF), Food Security Programme (FSP), Macro-Financial Assistance (MFA), European Instrument for Democracy and Human Rights (EIDHR), Rapid Reaction Mechanism (RRM) and Common and Foreign Instrument Joint Actions (CFSP). From 2007, the EU assistance has also been provided through a set of new instruments: The European Neighbourhood and Partnership Instrument (ENPI), Twinning, TAIEX (Technical Assistance and Information

Exchange), SIGMA (Support for Improvement for Governance and Management), Instrument for Stability (IfS), Thematic Programmes. The ENPI (with its national, regional and interregional programmes) has also been the main tool for providing assistance to Georgia (Delegation of the European Union to Georgia website <http://eeas.europa.eu/delegations/Georgia>– Georgia and the EU: Technical and financial cooperation).

In the aftermath of the 2008 Russia-Georgia war, at the Donors' Conference on Georgia (Brussels, 22 October 2008) the EU announced support to the country with a € 500 million comprehensive assistance package. Through this package, covering the period 2008-2011, the Union mainly addressed the provision of housing for the internally displaced persons (IDPs), overall economic recovery, macro-financial stabilisation and support to Georgia's infrastructure ("EU Assistance to People Affected by Conflict in Georgia – Overview", Delegation of the European Union to Georgia, October 2011). The EU's assistance was further extended to Georgia in the scope of the Eastern Partnership (EaP) during 2009 to 2013. The specific programmes and assistance packages were developed in the form of the AA/DCFTA. Chapter 5 provides a detailed overview of the financial assistance and programming offered to Georgia during these years.

Considering that the EU has devoted certain financial and technical resources to the country's democratic development, legitimate questions arise about what role it has actually played in the country's yet incomplete democratisation process. The puzzle of the present study thus is to understand and explain the relationship between the EU's external political impact and democratisation in Georgia. The major research questions this dissertation addresses are: *What role does the EU play in democratisation of Georgia? Also, what role democratisation plays in the EU approach to the country?* Overall, the research asks and endeavours to answer the following sub-questions: *What are the actual policies and instruments applied by the EU to promote democracy in Georgia? How do these policies and instruments support the democratic transition process? What has the impact of EU democracy support been in Georgia? Why has it had this level of impact?*

In order to seek answers to the above questions, this work looks at the role of the EU in supporting the political transformation of Georgia after independence. Namely, this study reviews the beginning of diplomatic relations between the EU and Georgia as well as the first programmes and aid provided to the country in the scope of the Tacis. It also examines the most instrumental period of the EU-Georgia relations since 1999, when the PCA with Georgia entered into force.

In the light of the analysis of the EU-Georgia initial cooperation mechanisms this research shows that PCA as well as its preceding cooperation framework – Tacis were important tools for

helping the newly independent state of Georgia to start building its institutions and to raise political elites' awareness of liberal democratic values and norms. However, these early instruments of cooperation had a very little impact (if any) on the country's democratic transition. The more recent policy instrument and cornerstone in the EU-Georgia relations, the European Neighbourhood Policy (ENP), as well as the Eastern Partnership (EaP) and the prospect for Association Agreement provided stronger institutional and social ties and further extended conditions for democratic reforms. Yet, for these instruments, the incentives offered by the EU to the country remained the same, such as closer political cooperation, financial assistance and access to single market, but no prospect of full political-economic integration, or accession. In addition to these modestly appealing commitments and rewards, the EU conditionality lacked consistent and credible enforcement structures, such as constant monitoring of the reforms and relevant benchmarking. Based on this analysis the research maintains that the EU's external political impact mechanisms have been rather marginal for encouraging genuine democratic state-building in the country.

This introductory chapter further outlines the structure and central argument put forward in this work. It also looks at its theoretical underpinnings, methodological considerations and methods, provides an overview of the different approaches in the study of the EU and concludes with the discussion of the place and importance of the research in the body of the existing literature.

## **1.1 Structure and central arguments**

There is a vast theoretical and empirical literature relevant to the study of the EU and European Foreign Policy (EFP) with emphasis on the issues of the EU's impact on democratic transformation of non-member states. Therefore, the first part of this research engages with the discussion of the literature seeking to explain the EU's potential to act in international politics and its ability to exert influence on non-member states.

Chapter 2 unpacks and critically examines the concepts of the EU actorness and presence and narrows the focus down to the concept of the EU external political impact. It then discusses theoretical literature by reviewing recent debates of rationalist and social constructivist schools of thought that guide the analysis of the EU's external political impact. Chapter 2 also reviews the broader literature on international dimensions of democratisation and international engagement in democratic state-building. Since the EU efforts of democracy promotion exist in a larger international context discussion of comparative literature on democracy promotion and external

engagement in democratic state-building provides grounds for understanding the major driving forces as well as pitfalls of the EU's external political impact on democratisation in non-member states. Further, on the basis of the reviewed literature, the chapter identifies and defines major concepts involved in this study and puts together the so called democratisation hypothesis. This chapter reviews a body of landmark literature on democracy in order to develop a path of analysis of core concept of this study, democratisation<sup>1</sup>. In the light of the discussed theoretical literature it also provides definition of two other concepts related to the EU's impact mechanisms - conditionality<sup>2</sup> and socialisation<sup>3</sup>.

Chapter 3 represents a heuristic case study on Georgia. It offers a detailed overview of the EU-Georgia relations in the prism of democratisation since 1992 just after Georgia regained its sovereignty in the wake of the break-up of the Soviet Union. This part discusses the beginning of diplomatic relations between the EU and Georgia as well as the first programmes and aid provided to the country. It also reviews early cooperation mechanisms between the EU and Georgia covering the period from 1992 to 2003. In addition, this chapter discusses the EU programmes and financial assistance provided to Georgia in the scope of the Technical Assistance to the Commonwealth of Independent States (Tacis) and the Partnership and Cooperation Agreement (PCA).

Chapter 4 continues the narrative of the previous chapter by detailed discussion of the EU-Georgia relations in the aftermath of the EU enlargement and "rose revolution" in Georgia. This part covers the period of the EU-Georgia relations during 2004-2008. It discusses the major policy instruments proposed by the EU to Georgia after the Union's eastern enlargement, such as the European Neighbourhood Policy (ENP) and the Action Plan (AP). In addition, the chapter provides a detailed account of the EU's financial aid and relevant programs supporting democratic transformation in Georgia and assesses the impact of the programs in the given period.

Following chapter 5 examines the most recent and the most active period of the EU-Georgia relations covering 2009-2013 years. During these years the EU-Georgia cooperation has evolved through the Eastern Partnership (EaP), the EU's new regional initiative launched at Prague summit

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<sup>1</sup> Based on the reviewed literature this research identifies following indicators defining the concept of democratisation: free and fair elections, independent media, political plurality (multiparty system), and separation of powers between the state institutions: government (executive power), parliament (legislative power) and court (judicial power).

<sup>2</sup> This research views conditionality as the EU's instrument for dealing with the candidate and potential candidate countries. The aim of conditionality is to strengthen the EU's promotion of reforms by attaching criteria to the EU-granted benefits. This thesis attaches two variables to the concept of conditionality: EU rewards and enforcement structures.

<sup>3</sup> The point of socialisation, similarly to conditionality, is to ensure rapprochement of partner countries to the EU's values and norms, but by different means. In contrast to the incentive-based strategy implied by EU conditionality, EU socialisation aims at shaping domestic context of the Union's partner state with the help of various social channels.

in 2009. In the framework of the Partnership, Association Agreement (AA) with its integral part - Deep and Comprehensive Free Trade Area (DCFTA) has already been signed and is currently being implemented in Georgia. This chapter similarly to the previous two chapters bases the proposed arguments on the empirical analysis of the EU's narrative and financial record for all of the development programs with particular focus on democracy support in Georgia.

The concluding Chapter 6 aims to tie together, integrate and synthesize all the issues raised in the doctoral thesis. It restates the research question, hypothesis and respective findings based on the reasoning and accumulated evidence as discussed in details in the earlier chapters. The empirical and theoretical literature reviewed in the previous sections merge in this concluding part and lead to the final inferences around the academic puzzle raised in this research.

The leitmotiv running through this study is the analysis of the role of the EU in promoting democracy externally in third countries – in this case in Georgia. After a detailed academic analysis and theoretical discussion, this research looks at democracy promotion by the EU from the point of view of two democracy promotion strategies: conditionality and socialisation. The central arguments extended in present research are that the EU's level of impact on democratisation in Georgia is determined by the size and the credibility of the EU's conditional incentives (rewards and enforcement structures) offered to Georgia, as well as by the intensity of the EU socialisation with Georgia.

## **1.2 Theoretical underpinnings, methodology and methods**

The core idea of this project is to unpack and explain the impact of the EU on the process of democratisation in Georgia. The impact of the EU norms affects changes in domestic policies and institutions of the country. The questions arise, however, how the impact is exercised? And how should we conceptualise it? In this project, the external political impact of the EU is seen as a twofold process. On the one hand, the impact is exerted through social channels and normative interaction of the EU with the non-member states, namely Georgia. The EU's impact on democratisation is therefore viewed to be a normative process, involving the export of the EU liberal democratic institutions to the third countries, which is best explained by constructivist theoretical approach. On the other hand, growing EU financial assistance as well as political cooperation (talks on Association Agreement, Free Trade Agreement, etc.), which are subject to certain political and economic conditions, create an incentive-based dialogue between the EU and Georgia



(Schimmelfennig, Sedelmeier, et al, 2004). The impact is thus also exercised by applying a ‘stick and carrot’ mechanism, enforcing compliance of non-member countries to the EU’s political, economic and legal objectives in exchange for the benefits of certain rewards. The latter process is explained by the rationalist theoretical approach. Constructivism and rationalism are applied in this study as complementary rather than contested theoretical toolkits providing for comprehensive analysis of the EU’s external political impact mechanisms. Chapter 2 provides a detailed overview of the two theoretical outlooks and their importance for this research.

This research aims to scrutinise the EU’s, as an external actor’s, impact on democratic transition in Georgia. Therefore, the present work also discusses and defines the concept of democratisation for the purpose of this particular research. Scholarly debate about democratic state-building and transfer of institutions to developing countries (discussed thoroughly in Chapter 2) focuses on some major questions: How do international actors provide democracy? What are the limitations of international democracy support? How can democratisation programs be improved? Etc. The milestone scholars in democracy promotion Larry Diamond (1995, 2008), Thomas Carothers (1999, 2004, 2009), Levitsky and Way (2002, 2010), etc. identify political-economic assistance tied to conditionality, diplomatic pressure and transnational advocacy as well as linkage or socialisation with the West, as major instruments available for international actors seeking to promote, foster or support democracy worldwide. The major shortcomings in democracy promotion and aid programs relate to their failure to develop a so called ‘tailor made’ approach and tackle domestic context and needs of target countries. The authors claim that the programs need to develop a more coherent and consistent structures in order to be effectively coordinated worldwide.

After a careful review (presented in Chapter 2) of the scholarship on democracy (Joseph Schumpeter, 1942; Robert Dahl, 1989; Samuel Huntington, 1989; Juan Linz & Alfred Stepan, 1996; and others) this research departs from a purely political conception of democracy that asserts the most essential preconditions such as: competition, which is associated to political plurality and multiparty system within the government; participation, implying people’s participation in politics at large by free and fair elections; to be able to participate effectively in elections voters need access to accurate and balanced information, which stresses the importance and role of independent media; and a political system of checks and balances entailing de facto and de jure division of powers among the state institutions.

The project’s research design is a single case study and is based on Georgia. The case study design of this project is primarily determined by the research’s topic and goal. The research aims to

explain how the EU affects the democratisation process in Georgia. My focus is on the past and present reforms and political dynamics taking place in a particular country. In order to carry out a meaningful research project, it requires in-depth analysis, which can only be achieved by selecting a single case to study. The case study design narrows the research focus down to a specific country case and ensures the quality as well as reliability of the research findings within that context.

This research represents a "heuristic case study" (Eckstein, 1975), exploring the EU's foreign policy impact on the democratisation processes in Georgia. This is a single thick case which is useful not only in giving a detailed account of the case itself, but also in that it has heuristic value. "Such studies, unlike configurative-idiographic ones, tie directly into theory building and therefore are less concerned with overall concrete configurations than with potentially generalisable relations between aspects of them; they also tie into theory building less passively and fortuitously than does disciplined-configurative study, because the potentially generalisable relations do not just turn up but are deliberately sought out." (Eckstein, 1975, pg. 143)

A major disadvantage of using a single case rather than double or multiple cases, is that it is not possible to derive generalisable conclusions. However, the goal of this research is not generalization. Instead, it is within-case analysis and a detailed discussion of process tracing. It is not the number of cases that matters here, but the number of observations and the detailed account of identified variables that permits plausible inference (Hamel et al., 1993 and Yin 1984, 1989a, 1989b, 1993, 1994).

This research deals with all major sources of data. Blaikie (2000, pg. 184) identifies three sources of data for a social researcher: primary data that are generated by a researcher; secondary data, which is raw data collected by another researcher; and tertiary data that is the information already analysed by another researcher.

The majority of the data to be collected for the research comes from primary sources, comprising interviews. Blaikie (ibid) suggests that one of the advantages of collecting primary data is that it involves direct contact between the researcher and the source. The researcher therefore has control over the production and analysis, and is in a position to judge the quality of the compiled data. The secondary and tertiary data is used to complement the primary data. Collection of the secondary data includes analysis of texts, documents and reports as well as other sources of evidences gathered by other researchers that are relevant to the research subject. As for the tertiary data, it comes from the research related analysis presented by other experts that can provide additional in-depth information for the study. The main advantage of both secondary and tertiary

sources of data is that they offer relatively quick and inexpensive answers to the questions addressed in the research (Stewart & Kamis, 1984, pg. 1, quoted in Blaikie, 2001, pg. 185). Secondary data also allows for triangulation, which significantly increases the reliability and validity of the research findings. As for the tertiary data, it provides contrast to researcher's own work and permits the assessment of credibility.

It is important to be aware of the disadvantages that may accompany each of the sources and methods of the data collection. For example, collection of primary data is an expensive and time consuming process, respondents may be reluctant to participate in lengthy interviews and the quality of the data may decline due to the interview length. Yet another risk is to experience the problem of so called "social desirability bias" – the tendency of respondents to reply in a manner that will be viewed favourably by interviewee and/or others. Moreover, there can also be "motivated bias" – the reconstruction of reality to serve the interviewee's interest or to avoid risk. Nevertheless, when well informed, it is possible to control and manage the possible risks and limitations in primary data collection. Also, both secondary and tertiary data must be treated with caution as they are out of the researcher's control and need to be carefully examined and checked in terms of their accuracy before being accepted for the research.

In order to eliminate problems inflicted by their imperfect nature it is reasonable not to rely on a single source of evidence (Blaikie, 2000, pg. 262). Therefore, for the purpose of the data collection the study applies the principle of triangulation (Blaikie, 2000; Yin, 2003) and uses multiple sources of evidence to examine the issues from different angles. Triangulation of the methods is beneficial for various reasons. First of all, as there is no perfect single method, the combination of different methods balances their strengths and weaknesses and reduces the level of error. Besides, as Yin suggests the use of multiple sources in the case study broadens the range of evidence. The combination creates an opportunity to obtain more and better evidence and thus increase the quality and validity of the study. This in turn reduces the possible problems of obtaining misleading or biased information. Thus, findings and conclusions in a case study are likely to be more convincing and accurate if they are based on several different sources of information (Yin, 2003, pg. 97).

Interviews represent one of the most important sources of information for this case study. The advantage of using interviews is first of all their targeted nature. Interviews are focused directly on the case study topic, allowing obtaining rich and informative data. In the hands of a skilled interviewer, face-to-face interviews can be very flexible to extract in-depth information from the

individual respondent. This is particularly crucial when the research needs detailed information about the topic or a subject matter under the investigation. Also, interviews provide good insights for ‘how’ and ‘why’ type research questions, which is relevant for the questions addressed in this project. In semi-structured and open-ended interviews (the interview structure will be discussed later), respondents are asked not only about pure facts but also for their opinions about certain events related to the study (Gilbert, 2001, Ch. 6.1). This inevitably enriches and gives deeper insight to the questions under investigation. Moreover, well-informed respondents are able to suggest other persons for interviews as well as other sources of “corroboratory and contrary evidence” (Yin, 2003, pg. 90).

Notwithstanding the above-stated advantages, this work considers the shortcomings that accompany the interview process. One of the disadvantages is that the interview is not an unobtrusive method of data collection and involves face-to-face contact with the respondents. This at least has an unconscious effect on the respondents’ answers and to some extent cause response-bias. This aspect is particularly important to bear in mind when interviewing in Georgia, where most of the interviewees come from the circle of former colleagues. Therefore it is important to maintain the necessary distance in order to manage the conversation in an unbiased way (Kvale, 1996, pg. 135). Another disadvantage is non-response. High level of non-response is usually made up of the people who refuse to be interviewed. The level of refusal can be influenced by various factors, such as how interesting respondents find the subject matter, or to what extent they perceive the importance of the study (Bryman, 2001, pg. 98; Gilbert, 2001, 5.8). Therefore, in order to reduce the likelihood of non-response this work ensures that the topic of the interview and the goals of the research are clearly presented and explained to the interviewees.

The interviewing process involves elite interviews, interviews with experts, and representatives of NGOs and think-tanks in the country. The population includes government officials, political experts, NGO representatives and other informed persons both from the EU and the country sides. It is important to note that there is no specific sampling frame to cover the population. Therefore, convenience and snowballing sampling is applied for identifying and selecting respondents for the interview. This requires contacting a member of the population and asking him/her whether they know anyone else with the required characteristics. The nominated individuals are interviewed in turn and asked to identify further sample members. This process continues until the necessary sample size is covered.

The major concern is access to the interviewees. Gaining access is particularly hard to the members of the political elite group as such individuals are busy and have to be provided with some convincing motivation for seeing the researcher. The strategy is to contact these people by email or phone where possible and explain the significance and relevance of the research and the interview topic to their professional activities, or use other methods to raise their interest and willingness to be interviewed (Burnham et al, 2004,pg. 208). In addition, snowballing is used for selecting more interviewees both from Georgia and the EU.

One of the most important considerations is the determination of an appropriate sample size of respondents to be selected for the interview. Normally, the larger the sample size, the greater the precision the evidence has (Bryman, 2001, pg. 97). However, the decision about sample size is not straightforward. First of all, when deciding on the sample size the effects of the research time and cost has to be taken into consideration. Considering the research topic, data collection entails not only work in Georgia but also a trip to Brussels. Besides, interviewing involves preparation for interviews, transcribing, interpreting and analysing the collected material. Each of these activities also requires significant amounts of time and expense. Therefore, the number of elite interviews (20-30) as suggested by Burnham et al (2004, pg 208) is realistic and fits into the constraints of the research time and cost. The necessary number of interviews is determined by the saturation of information obtained from the respondents. Each additional interview results in reduced additional information. Therefore, the ideal number of interviews is identified in the process of the research.

The major goal of employing interviews as one of the techniques of data compilation is to address the issues related to operationalisation of the research questions and hypotheses. To be more specific, this project uses interviews for obtaining information on the specific indicators and elements behind the concepts and variables identified in the research hypotheses. For example, interviews allow gaining knowledge on the concepts of resonance and democratisation when asking specific questions about the modes of change in respective variables and indicators of the concepts, such as rule of law and human rights conditions in the respective countries.

To obtain such information the research applies a semi-structured interview pattern, with mainly open-ended questions. The interviews thus are guided conversations rather than structured questions. I take into consideration two tasks in the process of guided interviews: to follow my line of inquiry and at the same time to ask questions in an unbiased manner that also serves the need of my line of inquiry. Thus interviews require operating on two levels at the same time: satisfying my

own line of inquiry and at the same time addressing questions in an open-ended way (Yin, 2003, pg. 90).

The open-ended interviews include opportunity for the interviewees to comment on the research. Such practice has an added value to the study as it enables research to reveal new issues and perspectives that have not been considered. Obviously, main consideration is to get prepared for the interview and know exactly what questions to ask and what supplementary questions to develop. It is also important to be prepared with probes and follow-up questions. In brief, it is important to develop a guide for the semi-structured interviews and also be aware of the skills that are important and necessary for an interviewer. This includes effective listening, maintaining eye contact, showing interest to what the interviewee says, etc. All these elements forms an important part of the overall interview process and significantly determines the quality and richness of the information obtained from the respondents.

Social research must be conducted in a way that it respects the moral and legal rights of the subjects it investigates. Under this project it is my responsibility to “maintain high scientific standards in the methods employed in the collection and analysis of data and the impartial assessment and dissemination of findings” (Social Research Association’s Ethical Guidelines, 2003, [www.the-sra.org.uk/Ethicals.htm](http://www.the-sra.org.uk/Ethicals.htm)). One of the most important issues of good practice is that the researcher must protect his research objects/subjects from any damage that may arise from their participation in the research. The research involves data collection from individual interviewees. My task is to acquire an informed consent from our respondents in order to ensure that their participation is voluntary and that the respondents are well-informed about the interview topic. Besides, as a researcher I am aware to provide all measures necessary for maintaining confidentiality of the respondents, if not otherwise desired by them. Confidentiality implies that any private data that can identify the subject is not reported. In addition, consent from the participants to record the interviews and use the information that they provide has to be obtained. It is important to clarify at the beginning of interview whether the interviewee speaks on the record or wishes to speak off the record. In case recorded the interview transcripts and records is preserved confidentially and safely (Kvale, 1996, pg. 112-118).

According to Burnham et al. (2004, Ch.7) the use of documentary analysis in political research is most effectively employed in combination with primary sources of data, such as interviews. Burnham et al. also note that a large body of documents, such as official reports, publications of international organisations, etc. are indispensable to the political research. However,

in most cases the official documents represent a rather dry and sanitized source of information and are unwieldy to researchers, who quite often rest their analysis of the content of those documents on a summary offered in tertiary accounts. Therefore, for the purpose of collecting the data from documents I use both secondary and tertiary sources.

Secondary documents produced by the EU on Georgia, which include: Country reports on Georgia; Progress reports on Georgia; Recommendations provided to the country's authorities under the Partnership and Cooperation Agreement and the European Neighbourhood Policy for Georgia; Major speeches and declarations of the EU officials with respect to Georgia; Documents produced on the conditions of the human rights and the rule of law in the countries by organisations other than the EU, such as: Council of Europe (CoE), OSCE, international Non-Governmental organizations (NGOs), e.g. Freedom House, Amnesty International, Human Rights Watch, Transparency International, etc. and local NGOs; Documents produced by legislative bodies in Georgia, showing the progress towards the required reforms; New laws adopted in Georgia as a result of the EU's recommendations; Reports on EU-Georgia relations of committees and sub-committees of the Parliaments of Georgia; The Caucasus Research Resource Centre's (CRRC) public opinion surveys; etc.

Tertiary materials involve analysis of other experts on the issues relevant to the research topic, presented in newspaper articles, academic papers and other publications. Using texts and documents has various advantages in the research. First of all, textual analysis represents an unobtrusive method of data collection. This ensures collection of value-free and unbiased information. Second, documents are reliable sources of data, as it allows reviewing them repeatedly. In addition, the added value of using documents is to corroborate and augment the evidences from other sources. Documents are helpful in verifying the accuracy of the information. They also serve as a good source for correcting spellings and titles or names of organisations that might have been mentioned in the interview (Yin, 2003, pg. 87).

When dealing with documents as one of the sources of data, it is important to note certain limitations. First of all, this refers to accessibility to the documents. In certain circumstances the documents necessary for the research are not obtainable or are accessed by delay either due to refusal or confidentiality purposes (Yin, 2003, pg. 86). The authenticity and credibility of the documents also must be considered. I should take into account of whether the documents are actually what they claim to be and to what extent their contents are likely distorted. It is important to note that the data in documentary sources may not always be reliable. In brief, this study

examines the accuracy of the information presented in the documents. The relevance of the documents to the research is also considered. In addition, documentary analysis takes into account the bureaucratic motivations of the writers as major political and/or policy documents are the product of political compromises, and therefore do not reflect analytical “truth”.

The collected data is analysed by using qualitative methods. The qualitative analysis is more appropriate for this particular design than quantitative analysis. The research follows a primarily deductive strategy in which conceptual models as well as tentative propositions to the research questions are already established. Thus, to analyse the collected data first it is interpreted and then compared to the hypothesis in order to answer the research question. The raw data such as interview transcripts, observations and notes made from documentary analysis are transformed into the meaningful information to provide explanation to the research question and hypothesis. For this purpose, the data analysis involves following three phases: description, classification and connection (Blaikie, 2000, pg. 240). At the descriptive stage, I merely state the facts and observations obtained from the data. This is followed by classification or coding the data. The coding involves assignment of concepts and categories to the data. Finally, connections are established to find relationship between the given concepts.

### **1.3 Different approaches to the study of the EU**

Since the establishment of the European Communities and particularly after 1993, when the Treaty of European Union (TEU) entered into force, the EU has been studied from different theoretical perspectives. The debate between functionalism and intergovernmentalism has been central in understanding the development and set-backs of the European Union.

The theory of functionalism, which focuses on common interests and needs shared by states and non-state actors in a process of global integration and with roots tracing back to Kantian liberal/idealist tradition and Woodrow Wilson's "Fourteen Points", was elaborated by British scholar, David Mitrany (1975) in his “The Functional Theory of Politics”. Its basic principle maintains that international cooperation is the best means of softening antagonism in the international environment. Under functionalism, the role of governments is reduced and integration is actively encouraged by a variety of functionally based, cross-national ties.

By developing the theory of neo-functionalism Ernst Haas (1958) in his “The Uniting of Europe; Political, Social, and Economic Forces”, 1950-1957 took the functionalist perspective on



integration even farther. It calls for the development of official supranational organizations such as EU that acquire the sovereignty and the status, in many different arenas, normally reserved to the exercise of the nation-state.

Functionalism and neo-functionalism view international integration in different ways. The logics through which functionalism explains expanding integration is material interdependence between states that pushes them to integrate in limited functional, technical or economic areas. In functionalists perception material interdependence or economic cooperation does not necessarily result in political integration leading to supranational governance. In contrast, neo-functional school argues that once integration starts, e.g. in economic or political area, it becomes harder to stop it as economic cooperation will spill into political integration. The neo-functionalists differentiate two kinds of spill over: functional and political. Functional spill over implies the interconnection and consequent interdependence of various sectors or issue-areas, while political spillover is the establishment of supranational governing institutions, such as the European Union or the United Nations.

Besides, anti-integration theory, such as intergovernmentalism and its challenger liberal-intergovernmentalism have also been actively used in the study of EU politics. Intergovernmentalism, initially proposed by Stanley Hoffmann (1965) in his “The State of War: Essays on the Theory and Practice of International Politics”, suggests that national governments control the level and speed of European integration. An increase in power at the supranational level, he argues, results from a direct decision by governments. According to Hoffmann integration is driven by national governments and not by supranational institutions. He also stresses that the integration is primarily determined by the domestic political and economic factors. The theory rejects the concept of the spillover effect that neofunctionalism proposes. It also rejects the idea that the political influence of supranational organisations can be compared to that of the national governments. Andrew Moravcsik (1993) in his “Preferences and power in the European Community: A liberal intergovernmentalist approach” builds on the ideas of Stanley Hoffmann and incorporates the role of domestic interests in defining national preferences. Although, he too argues that states have the ultimate control over the course and direction of the overall process of integration.

In addition to integration theories the EU has also been studied as an economic and political actor (Ginsberg, 2001; Michael E. Smith, 2005, 2006). In general, the EU has been recognised as an ‘economic superpower’ and ‘political dwarf’ (Ginsberg, 2001, pg.25) in international politics. From

the existing literature, it is evident that most of the scholars admit the EU's growing economic capacity, but doubt about its successful political operation. The critique is mainly directed towards the exercise of the EU's foreign policy. The current intellectual questions surround the EU's capacity of effectively exercising its political impact on policy-making in non-member states as well as on issues of international politics.

The present research engages in the study of the EU's foreign policy by examining a single case study of a non-member country, Georgia, and a single issue area, democracy promotion. This case study research aims to scrutinise the EU's ability to influence other actors in international politics in terms of promoting democracy. It explores various mechanisms of the EU's leverage, conceptualises how they are applied, and explains to what extent these mechanisms promote democratic reforms.

This research project proposes a new path of analysis in the study of the European Foreign Policy (EFP). It contemplates the EU's neighbourhood policy and the Union's relation with a non-member country, namely Georgia. Most of the consulted literature in this field focuses on the EU's relations with the candidate countries with the emphasis on the issues of European integration and enlargement. There has been less said about the democratic processes taking place in non-member countries as a result of the EU's external impact on them.

This work also makes a contribution to the study of the individual actions of EFP. Roy Ginsberg notes that the number of case studies of individual EFP actions is small and "...the development of evaluative criteria to measure the effect of the foreign policy actions remains at a primitive stage... Neither the EU and its member governments nor scholars conduct systematic assessment of the outcomes of individual EFP actions, although the potential for such assessments is not out of reach." (2001, pg. 4) The research offers analysis of the EU's impact on democratic transition in a non-member state, Georgia as one specific type of individual EFP action.

In addition, the research makes a significant contribution to the conceptual literature on a specific country case - Georgia. The academic literature on this country, particularly with respect to the EU foreign policy, is poor or out of date. Most of the consulted literature on Georgia are out of date and reflects the political and economic developments after the breakup of the Soviet Union up to 2001-2 and does not consider the EU's role in the countries' transition process (Dawisha & Parrott, 1997; Dyczok, 2000; Zielonka, 2001; Dryzek & Holmes, 2002; Karatnycky, Motyl & Schnitzer, 2002; Harasymiw 2002; et al). More can be learnt about the EU's relations with Georgia and other post-soviet countries from some recent works (Hill & Smith, 2000; Dannreuther, 2004; et

al) as well as the Commission web-site and few journal articles publishing on the issues relevant to communist and post-communist countries. Thus, this research aims at making an important contribution in terms of creating a valuable and contemporary scholarly research on EU-Georgia relation.

Moreover, the project adds value to theoretical analysis of the EU's foreign policy actions. It provides a comprehensive study of the EU's external governance by using an original conceptual framework for explaining the EU's impact on democratic transition in Georgia. Social constructivism and rationalism are applied as complementary rather than contesting theories to the study of the EU's external political impact in a non-member country, Georgia. The combination of these theoretical toolkits offers a deeper outlook in explaining the EU's external governance.

It is also noteworthy that by examining the EU's (as an external actors) engagement in Georgia and its impact on the domestic change, this research contributes to the contemporary debate in the field of international relations on the role of international and domestic factors in modifying domestic structures and behaviour. A widespread democratisation after the end of Cold War demonstrated that the role of international factors upon regime change is extremely important (Huntington, 1991; Schmitter, 1996).

The debates on whether international factors matter and how much they matter continue today. On the one hand, some scholars posit the primacy of external factors, arguing that international effects outweigh those of domestic variables (Gourevitch, 1978; Pevehouse, 2005). Other scholars argued that the international environment plays a secondary role, or that its effects are largely superficial (Joseph, 1999b; Pinkney, 1997). As Levitsky and Way (2002) note, despite the increased scholarly attention the relationship between the international environment and regime change remains poorly understood. There has been little scholarly effort to examine various mechanisms of international influence or to integrate them into a coherent theoretical framework (Pevehouse 2005, pg. 204). Most studies either simply present a list of the various mechanisms of international influence or limit their focus to a single mechanism. The value of this thesis is that it is a specific test of the so called "second-image reversed" (Gourevitch, 1978) approach to explanation of EU's as an international actor's external political impact on democratic change in a specific country case - Georgia.

## Chapter 2

### The EU's External Political Impact and Democracy Promotion

This chapter discusses theoretical and empirical literature relevant to the study of the EU and European Foreign Policy (EFP), with emphasis on the issues of the EU's impact on democratic transformation of non-member states, including Georgia. It begins with the review of the literature explaining the EU's potential to act in international politics and its ability to exert influence on democratisation of non-member states. In doing so, it addresses the concepts of the EU actorness and presence and gradually narrows the focus down to the concept of the EU external political impact.

Then the chapter moves to the discussion of the literature on theoretical assumptions. It reviews recent debates of rationalist and social constructivist schools of thought, which help to explain how the EU exercises its political power over non-member states in order to promote democratisation. Moreover, in order to view the EU efforts of democratisation promotion in a larger international context, the chapter looks at the comparative literature on democracy promotion and external engagement in democratic state-building.

Overall, the chapter addresses the following major questions: What is the place and role of the EU in international politics? How does the EU exert its international influence to promote democracy in non-member countries? What are the international dimensions of democratisation and international engagement in democratic state-building?

A comprehensive literature review and thorough analysis around these issue areas creates foundation for defining the major concepts (democratisation, conditional incentives and socialisation) and crafting the hypotheses for the EU's external political impact on democratisation.

#### 2.1 The EU as an International Actor

As the EU constantly develops and modifies its institutional structure and continues integration and enlargement, it is hard to make specific assumptions at one point about its legal nature in international politics. The EU is neither a state nor an international organisation. Its *sui generis* nature raises question about how the EU is represented in international politics. A number of scholars discussed this problem identifying and defining the EU's state-like, organisational and international actor features.

Brian White (2001) identifies characteristics of each of these attributes and concludes that the EU is not completely a state analogue and is somewhat more than an international organisation. He argues that the EU is a unique international actor that is represented in the international system by more than a sum of its member states, as a collective entity. The latter assumes that the EU operates in international politics as the constituent of its member states, elevating their foreign policies up to the supranational level of governance.

Bretherton & Vogler (1999, pg. 15-23) discuss the EU's capacity as an actor from the perspective of international law and international relations. They argue that in legal terms, it is a legal personality that allows organisations to be represented in international politics as unitary actors. Based on international law, they define legal personality as capability to produce international rights and duties and capacity to enter into legal relations with the third parties. Today, only states can be assumed as having a legal personality. As for the EU, "it is entitled to act only in specific areas of legally established competence" (ibid, pg. 17). From an international relations standpoint, the EU actor capacity is viewed differently, engaging various theoretical perspectives. The classical, or realist approach is state centric. Other actors, such as intergovernmental organisations, are seen as secondary players. However, in a more pluralist approach, the role of non-state actors (e.g. international organizations, NGOs) is becoming increasingly important in the international political arena.

The issue of the EU actor capacity has been discussed as far as back to 1977 by Gunnar Sjostedt. Even though the institutional structure of the Community was relatively underdeveloped at that time, the question of then EC playing a significant role in international politics was rising among scholars. Sjostedt addressed the question of the EC's actor capacity and examined the possibility of regarding it as a unitary actor in the international system. Sjostedt asserted that even though the EC was not fully united, it may to some extent and under certain conditions be regarded as an international actor (ibid, pg. 16). In his research, Sjostedt analysed the issues such as the autonomy and structural coherence of the EC, and its behaviour as a governmental actor by means of involving in diplomatic and exchange relations with third countries. He then concluded that at that time the Community was a "half-developed international actor" some indicators of which had been "clearly manifested" (ibid, pg. 112).

Since then, after establishment of the EU, the Union has advanced its unity by developing its institutional structures. A number of developments, such as Single European Act (SEA) establishing a common market and economic and monetary union, as well as the Common Foreign and Security

Policy (CFSP) have constructed a joint European platform in relation to third countries and have promoted the development of the EU's actor capacity. Although the EU does not yet fully meet all criteria of international law and international relations for being considered a fully fledged international actor, it has a growing capacity and ability to act as an international player.

Nevertheless, concerns about the EU's capacity as an actor continue to rise. The critique is mainly directed at the EU's complex and bureaucratic organisational structure and lengthy decision-making process (Peterson J., Smith M. E., Bomberg E., et al, 2003). Besides, the Union continuously fails to achieve coherence and unity among its Member States (MSs), especially on the issues of international politics, and rarely speaks with single 'European' voice. The EU's greatest hope in this respect was the Constitution, which required ratification by all MSs. However, the 'No' votes to the Treaty establishing the EU Constitution and subsequent opt outs of some of the major European states once again showed that Europe is so far unable, or unwilling, to overcome the problem of 'political polyphony' at home.

The focus of this research is not primarily on the EU's ability to act in international politics. Rather it envisages the EU's ability to influence other actors. As Allen and Smith (1991) assert, it is not the EU actorness but its presence that is the more significant phenomenon. According to the authors, the notion of presence refers to the capability of the EU to exert influence on non-member states as well as on other actors of international politics. As Allen and Smith put it, presence is "a feature or quality of arenas, of issues areas, and of networks of activity, operating to influence the actions and expectations of participants." To be more specific, in international politics the EU presence can be seen as a "shaper" and "filter" of actors' behaviour (ibid, pg. 97).

Roy Ginsberg (2001, pg. 48) argues that the concepts of actorness and presence that measure the EU's capacity to act are not sufficient to understand the effects of the EU's foreign policy actions. Therefore, he introduces a third concept of the EU external political impact in order to examine and evaluate the effects the EU has on other actors of international politics. According to Ginsberg, the outcome or external political impact refers to the effects of EFP activity on non-members when: (i) Non-members modify or change the direction of their domestic or foreign policy in ways that would not likely occur in the absence of the EU stimuli; (ii) Non-members' interests are affected by EFP actions, or inactions. To affect outsiders the EU uses foreign policy instruments common to any nation state, such as: policy enforcement, persuasion and diplomacy, imposing threats (i.e. sanctions) and/or offering integration into its institutional structures. Thus, it is not the

actor status that determines the EU's international player capacity, but its ability to influence other actors' behaviour resulting in a change in their domestic policy and decision making.

The present research endorses the concept of "external political impact" in the analysis of the EU's impact mechanisms and related actions vis-à-vis the democratisation of Georgia.

## **2.2 Theorising EU's external impact mechanisms**

The core idea of this project is to unpack and explain the impact of the EU on the process of democratisation of Georgia. The impact of the EU norms affects changes in domestic policies and institutions of the country. The questions arise, however, how the impact is exercised? And how should we conceptualize it? In this project, the external political impact of the EU is seen as a twofold process. On the one hand, the impact is exerted through normative interaction, such as sharing and promoting the EU's norms, rules and standards (e.g. good governance, human rights, etc.) with the non-member states (in this particular research – with Georgia). On the other hand, growing EU financial assistance as well as political cooperation (e.g. talks on Association Agreement, Free Trade Agreement), which are subject to certain political and economic conditions, create an incentive-based dialogue between the EU and non-member state (Schimmelfennig, Sedelmeier, et al, 2004, pg. 4).

Constructivism and rationalism are applied in this study as complementary rather than contested theoretical toolkits providing for comprehensive analysis of the EU's external political impact. Thus, the present research is based on two different ontological stances that support intellectual efforts in explaining a complex phenomenon in international relations. This "analytic eclecticism" (Rudra & Katzenstein, 2010, pg. 411-431) adds significant value to depth, quality and validity of the research.

Jeffrey Checkel (2000) argues that democratic conditionality and the use of incentives to alter a state's behaviour or policies, is a basic strategy through which international institutions such as the EU promote compliance by national governments. However, the traditional incentive model of conditionality needs to be supplemented by strategies that seek to alter the very nature of interests in the transition states. Checkel asserts – "While conditionality will never disappear, a growing body of research suggests we need to broaden our conceptual toolkit when considering the causal nexus between it and national compliance" (ibid, pg. 1). Therefore, this project will analyse the EU's impact on democratisation not only from the rationalist but also from the constructivist theoretical

standpoint. Although often viewed as competing theories, the two will be applied as complementary tools for the study of the EU's external political impact on the democratisation of Georgia.

Over the last decades, rationalism has been the dominant theory in the study of European integration, whereas constructivism has been less developed (Pollack, 2001, pg. 221). However, in the recent years a significant body of literature has followed the 'constructivist turn' in the study of international politics (Checkel, 1998, pg. 324). Below we will see that both rationalists and constructivists offer strong arguments to explain the EU's impact on democratisation. To provide a comprehensive outlook on the EU's impact, I will juxtapose these two theoretical tools.

Theories of international relations are primarily contested on the basis of ontology and epistemology. The constructivist challenge to rationalism is more ontological rather than epistemological (Ruggie, 1998 and Christiansen, et al, 1999). For constructivists, in contrast to rationalists, global structures are not dictated by the principle of anarchy (Waltz, 1979), but, rather, results from the interaction of states in international society (Wendt, 1992, 1994, 1999). In contrast to rationalist (e.g. neo-realist) arguments, Alexander Wendt (1992) claims that anarchy is what states make of it. While both theories are interested in the study of structures, identities and interests, their overall perceptions of the phenomena are conflicting. On the one hand, constructivists see the structure of the international system as a distribution of ideas because they have idealist ontology (Wendt, 1999). On the other hand, rationalists see structures as a means of distribution of material benefits (Ward, 1995). The two theories also depart from their perception of identities and interests for the structure of international politics. For constructivists, identities and interests are endogenous, that is they are socially constructed and emerge as consequences of collective or inter-subjective meanings. They conceive actors as reflective agents, rather than as programmed rational maximizers, capable of social creation within structured constraints (Ruggie, 1998 and Wendt, 1992, 1994). For rationalists, by contrast, identities and interests are exogenous and given (Wendt, 1999).

Both constructivists and rationalists agree that institutions matter in terms of influencing actors' behaviour. However, the two theories differ in their perceptions of how institutions matter (Checkel, 1998, pg. 324-348). For constructivists, institutions are 'thick' and have direct effect on the formation of actor's identities and interests through formal and informal normative interaction (Hall & Taylor, 1996, pg. 946; Checkel, 1999, pg. 545-560). Rationalists have a 'thin' conception of institutions (ibid), which only constrain the choices and behaviour of self-interested agents by



offering them incentive to adopt certain strategies in pursuit of their interests and identities (Pollack, 2001, pg. 222-31).

Alexander Wendt (1992) and Emmanuel Adler (1997) introduced sociological or constructivist arguments into the international relations discipline with the objective of seizing a 'middle ground' in the debate between reflectivists and rationalists. Their constructivist argument develops from structuralist and symbolic interactions, claiming that international institutions can transform states identities and interests (Hopf, 1997 and Risse, 2000). Wendt emphasizes that to explain the transformation we should focus on process, rather than on structure, arguing that it is practices that create the structure of identities and interests.

Alexander Wendt (1999) and Ted Hopf (1998, pg. 171-200) both share the idea that states are social structures to which we can attribute identities and interests. They explain that identities and interests are subjective qualities, rooted in actor's self-understanding. However, the meaning of those understandings will depend on how other actors understand and represent the identities and interests that actors hold. Thus, the meaning of identities and interest of state actors becomes inter-subjective (Kratochwil & Ruggie, 1986). According to Wendt, such meanings are socially created "knowledge". When the knowledge is shared, or as Wendt puts it, 'distributed', we may see the emergent or subsequent effects, such as the construction of 'collective identity' (Sedelmeir, 2004).

Alongside Wendt, other constructivist authors such as Checkel (1999, pg. 545-560) and Schimmelfennig and Sedelmeir (2004, pg. 661-679) analyse the concept of 'distribution of knowledge' as a process of 'social learning'. According to these authors, social learning involves a process where actors, through interaction with broader institutional contexts such as norms and discursive structures, acquire new identities, interests and preferences. Schimmelfennig and Sedelmeir explain that social learning models assumes the 'logic of appropriateness' (March & Olsen, 1989), which is based on the concepts of legitimacy, identity and resonance. According to this logic, the actors are motivated by identities, values, norms and also by 'rhetorical action' that they internalise in the process of social interaction with other actors. The latter assumes strategic use of norm-based arguments by the EU with respect to non-member states. However, this internalisation occurs when actors' accept the 'normative quality' of the values and norms (legitimacy), identify the incumbent actor as in-group (identity), and match the affecting norms and values to their domestic ones (resonance). Thus, Schimmelfennig and Sedelmeir assume that likelihood of actors' compliance to these norms and values increases when actors' are persuaded of the appropriateness of those values and norms.

The European Union represents a community with a specific European identity and European values and norms (Schimmelfennig, 2004, pg. 8). The EU foreign policy, the tool with which it interacts with non-member states (in this research - Georgia), is also a collective entity (Christopher Hill, 2000, pg. 305-328; Sjursen, 1999; Jorgensen, 2002), which is constructed out of 'Europeanisation' (White, 2004, pg. 19-21) or 'Brusselisation' (Allan, 1998, pg. 56-58), that is 'elevation' of national foreign policies at the EU institutional or supranational level (Jorgensen, 2004, pg. 49). When interacting with non-member countries that have prospect of accession, European foreign policy has a transformative impact on them (Christiansen, Jorgensen & Wiener, 1999, pg. 529). The impact is exercised through the export of the European democratic rules and norms, which presuppose the formation of a European identity and the construction of the European demos outside the EU.

The process of Europeanisation, or democratisation in other words, takes place both within as well as outside the EU when engaging in normative interaction with the third countries. The focus of this research will be on the latter process: the so called 'widening' rather than 'deepening' European rules and norms (Schimmelfennig & Sedelmeir, 2002). The 'widening' approach to Europeanisation is similar to 'social learning model' - a process in which actors, through interaction with broader institutional contexts (norms or discursive structures), acquire new interests and preferences (Checkel 1999, pg. 6). 'Widening' too implies normative expansion and subsequent transformative impact of the EU beyond its borders. Schimmelfennig and Sedelmeir define this process as a 'horizontal institutionalisation', which implies "...the process by which the actions and interactions of social actors come to be normatively patterned" (ibid, pg. 503).

'Europeanisation' or 'horizontal institutionalisation'<sup>4</sup> can lead to significant changes at the domestic level of agents' (target countries') structures (identities and interests), and thereby influence their domestic politics and decision-making. Risse T., Green C. M., and Caporaso J., eds. (2001), discuss changes in domestic structure at three levels: First, they identify Europeanisation processes, such as formal and informal communication of norms, rules, regulations, procedures, and practices. Second, they identify the 'goodness of fit' between the Europeanisation processes and national institutional settings, rules, and practices. They claim that states are more likely to adopt the European rules, norms and regulations when the compatibility between European and national institutions is higher. At the third step, the authors discuss the mediating factors such as learning, conditionality, etc., which may take either a constructivist or a rationalist form of impact.

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<sup>4</sup> In this research we can use both terms for the purpose of describing the EU's transformative impact on the Eastern European Countries

This research will share the major constructivist arguments listed above as a constitutive part of the EU's impact on the democratisation of Georgia. However, my argument is that a more comprehensive study of the EU's impact will require rationalist analysis too. Constructivism does not fully explain why and how states converge to the norms and rules promoted externally by the EU. This theory elucidates the process of convergence to the EU norms and rules, but does not take account of the mechanisms that the EU uses to attract non-member states into its structures in exchange for convergence to those norms and rules. The rationalist perspective explains well the reasons for which states accept the EU norms and values.

The EU's normative interaction with non-member countries is an important but not a sufficient condition for the democratic change to occur in a third country. Neither is it the only means the EU uses for transformative impact on these countries. The reasons for this can be explained in various ways. First of all, no single sovereign state in the world would voluntarily give up or even tailor her identities and interests (domestic structures and preferences) in response to external socio-cultural impact. The precedent of failed normative dialogue with the EU has already occurred, for example in the cases of Belarus, Ukraine, Armenia or Azerbaijan. Secondly, the EU does not only export the liberal norms and values to non-member countries but also provides significant funding for the development processes to take place. The financial support obviously creates the basis for an incentive-based dialogue between the parties. Finally, the prospect of the EU membership is the ultimate reason for third countries to comply with the democratic conditionality imposed by the EU. These factors are well explained by rationalist theory, which explains the states' cost-benefit calculation with respect to converging to the EU norms and rules. To provide a more complete outlook on the EU's external political impact on democratic transition in Georgia, I will now analyse the impact from the rationalist standpoint.

The most important commitment of the rational choice theory is that actors are rational creatures, which assign 'pros and cons' to all possible choices and after 'cost-benefit' or 'means-end' calculation choose the best course of action in order to maximise their self-interest (Little, 1991, pg. 39-66; Ward, 1995, pg. 76-93, Elster, 1989, et al). When engaged in a collective action, each rational member tries to achieve the most benefits at the lowest possible cost (Olson, 1965, pg. 78). The scholars of rational choice theory make distinctive assumptions about the content of the actors' identities and interests, arguing that these are material goods, such as power and/or wealth (Checkel, 1998, pg. 324-348). Besides, according to the rationalist approach, these identities and interests are given a priori and exogenously (Wendt, 1992; Checkel, 1998; Sedelmeier, 2001).

Norms and social structures mainly constrain the choices and behaviour of self-interested states, which operate according to 'logic of consequences' (March & Olsen, 1989). Rationalists treat identities and interests as constant and focus on how the acquisition of new information about the environment enables actors to realize their interests more effectively (Sedelmeier, 2001).

Below is the review of the rationalist literature explaining how the EU impacts upon transition countries and under what condition do these impacts lead to certain tangible outcomes.

According to Schimmelfennig & Sedelmaier (2004, pg. 663) the EU's impact is exercised by rule transfer through the policy of conditionality. The authors develop an 'external incentive' model for describing the EU rule transfer to non-member countries. This model is a rationalist bargaining tool according to which the EU sets conditions that these countries have to fulfil in order to receive the EU reward.

The strategy of the EU's democratic conditionality is based on a 'stick and carrot' approach. First, the EU offers a state a reward and specifies the conditions under which state will receive it, for example fulfilment of the Copenhagen Criteria. The EU offers two kinds of rewards to non-members, assistance such as Technical Assistance to the Commonwealth of Independent States (Tacis) and institutional ties starting with trade and cooperation agreements, followed by association agreements and finally ending with the offer for membership. States then have the choice of either accepting and fulfilling the conditions set forth by the EU or rejecting them. Generally, the states' decision results from cost-benefit calculations. If a state values the reward more than the cost of fulfilling the conditions, it accepts the conditions and receives the reward. If the cost exceeds the benefit, a state will reject the proposed conditions. The EU then can either withhold the reward or further intervene by means of imposing sanctions and punishment for non-compliance (Schimmelfennig, 2004; Schimmelfennig, Engert & Knobel, 2002, 2003).

Schimmelfennig, et al (2002, pg. 2) argue that the main strategy of the EU's conditionality is 'reactive reinforcement', according to which the international organisation only reacts to the fulfilment or non-fulfilment of its conditions by granting or withholding rewards but does not punish or remove financial support from non-compliant states. The authors propose mechanisms through which the EU conditionality can become effective. That is material bargaining and social influence on the one hand, and inter-governmental and transnational channels on the other hand. Material bargaining refers to the cost-benefit calculation by non-member state of the compliance to the conditions in exchange of the offered reward. Social influence refers to the social rewards such as recognition, legitimacy and positive image, which non-member states accept if their commitment to

Europe is high. Both of these mechanisms are applied through intergovernmental channels, meaning that the governments of non-member states are targeted directly. If neither social nor material bargaining power is successful for the states' compliance, the conditions can still be applied through transnational channels such as societal actors of those countries.

Milada Anna Vachudova (2001, 2002) also suggests that it is not the government but the electorate and opposition that are used for influencing politics at domestic level in the transition countries of the former Soviet bloc. She explains that it is international actors, such as the EU that influence domestic politics by changing the behaviour of the opposition. Vachudova asserts that this impact is exercised through 'active' (attraction for membership) and 'passive' (application of conditionality) leverage. The greater the benefit of economic and political cooperation and ultimately membership, the greater the potential political will is in applicant countries to satisfy political and economic requirements. Vachudova also adds that it is the substantial benefits combined with the requirements that set the stage for the EU's impact on the domestic politics of membership aspiring states.

The question then is: what are the benefits that non-member states' political groups and electorate expect from the EU membership and subsequent compliance to the conditions? The probable answer is that they gain both economically and politically from deeper cooperation (with potential of membership) with the EU. This brings "access to the world's largest market, strengthens political ties with the West and stabilises domestic democracy and capitalism" (Moravcsik & Vachudova, 2002, pg. 3). Besides, for most of the post-soviet countries (this is a case in Georgia too) deeper association with EU is "...the final marker [to] escape from Moscow's control and... return to Europe" (Vachudova, 2002, pg. 7).

It is important to note though that the rationality of political elites may be different from the rationality suggested above. Ruling elites, particularly in transition countries like Georgia, usually benefit from the lack of transparency and the dysfunctionality of regulatory and judicial processes and therefore are unenthusiastic to respond to conditionality or try to satisfy conditions at the least possible cost. In order to avoid a burden of long run reforms countries either engage in a political bargain with the EU institutions and member states or simply pretence regulatory reforms.

However, the greatest cost is "the cost of exclusion", which is the potentially catastrophic cost of staying behind when other countries advance (Moravcsik and Vachudova, 2002, pg. 2-3). Failure to join the EU will weaken the applicant country's incentive for political and economic reform, discourage foreign investment and reduce economic growth. This may lead to political and

economic stagnation within the country that would have a negative impact on its long-term development. Therefore, for non-member countries aspiring to European integration, achieving the EU membership is likely to be worth of the cost of converging to the EU norms and rules (Gowland, 2013, pg. 12).

To sum up, the review of the constructivist and rationalist literature suggests two different, but complimentary approaches to the study of the EU impact on democratisation. On the one hand, constructivists offer an insight into the normative interaction of the EU with non-member countries and explain the impact in terms of the ‘logic of preferences’ built in the process of socialisation and knowledge transfer from the EU to non-member states. On the other hand, rationalists propose the ‘logic of consequences’ and elucidate the impact as subject to the EU’s democratic conditionality, which creates an incentive for states to comply with EU rules and norms. The social learning model creates foundation for common and shared norms, as well as for the ways of approximation practices, while incentive based dialogue creates motivation to approximate with the EU institutions. Thus, the two models are inseparable and the one may often presuppose the other in the ultimate goal of changing and modifying the behaviour of agents or their domestic structures.

### **2.3 International promotion of democratic state-building**

The EU efforts of democracy promotion exist in a larger international context. Therefore, prior to defining the concept of democracy for this particular research, I will first review the broader literature on international dimensions of democratisation and international engagement in democratic state-building. This will add value to the study of the EU’s impact on democratisation as well as promote more general theoretical and comparative analysis.

To begin with, democracy promotion and international state-building are viewed in this research as complementary goals, despite the tension that may exist between national policies of political reforms and international engagement. State-building as understood by the international community refers to the set of actions undertaken by national and/or international actors to establish reform and strengthen state institutions (Caplan, 2005). Key goals of state-building include provision of security, establishment of the rule of law, effective delivery of public goods and services and provision of political legitimacy for the state institutions (Brinkerhoff (ed.), 2006). It is worth of noting that strengthening state institutions does not mean establishing repressive and authoritarian state machinery. Rather, as Francis Fukuyama (2004, pg. 22) suggests, the strength of

state power or institutional capacity implies state's "...ability to enact statutes and to frame and execute policies; to administer the public business with relative efficiency; to control graft, corruption, and bribery; to maintain high levels of transparency and accountability in governmental institutions; and most importantly, to enforce laws cleanly and transparently." The present study, as explained below, measures democracy according to the elements that are intrinsic to state-building process, such as prevailing institutions ensuring free, fair and contested elections, access to accurate information, political plurality and legitimate separation of executive, legislative and judiciary powers. Thus, state-building and democracy promotion can be considered interrelated terms as they share a concern about similar issues.

Joel Lazarus ("Neo-liberal State Building and Western 'Democracy Promotion': the case of Georgia", St Anthony's College, University of Oxford, 2010, pg. 5) in his recent paper "Neo-liberal State Building and Western 'Democracy Promotion': the case of Georgia" states that "...the Western democracy promotion organizations share the neo-liberal institutionalist conceptualisation of political change, meaning that top-down reforms to a political institution, such as the constitution or electoral code, will produce changes in the underlying political culture. Thus, it is the state that delivers democracy by implementing and enforcing the necessary institutional reforms. Its autonomy must be constrained by a pluralistic institutional structure, which in the last ten years, has been widened to incorporate political parties alongside civil society (Doherty, 2011; Carothers, 2006). Of course, political institutions usually take the form they do because they serve the interests of powerful individuals and groups. The goal, then, according to many democracy promoters, is to convince intransigent incumbents of the need for and benefits of reform. This is the strategy of 'political democracy promotion' that Carothers (2009) associates predominantly with the governmental organisations that dominate the Western democracy promotion apparatus." (pg. 5).

Scholarly debate about democratic state-building and transfer of institutions to developing countries focuses on some major questions: How do international actors provide democracy? What are the limitations of international democracy support? How can democratisation programs be improved? Etc.

Larry Diamond (1995, 2008), a leading contemporary scholar in the field of democracy studies, states that international players offer political assistance of various kinds. Such assistance may be of a financial or technical nature, but its goal is political and implies the development of democratic institutions, practices, and capacities. According to Diamond, political assistance entails assistance in developing political institutions, local governments and political parties, legal and

judicial assistance, election assistance and aiding civil society. Diamond notes that economic assistance can also make a difference, if one presumes that economic development ultimately encourages democratisation, and that economic improvement is at some point necessary to legitimate and sustain a new democracy. Yet, Diamond posits that a major aid instrument that states have at their disposal and are increasingly inclined to use is conditionality – tying desired forms of aid to democracy or political liberalization. States may also threaten or persuade other regimes through diplomatic pressure and may employ sanctions if diplomatic threats and appeals fail.

Diamond sees the limitations of democratic aid programs in the lack of their coordination as well as their coherent and consistent structures adjusted to the needs and specificities of countries. Therefore, for the effectiveness of democracy promotion efforts he suggests that international actors should better communicate and coordinate their aid programs and ensure that the programs are consistently and coherently applied in a specific country cases.

Thomas Carothers (1999, 2004, 2009), a leading authority on democracy promotion and democratisation worldwide examines democracy aid programs relating to elections, political parties, governmental reform, rule of law, civil society, independent media, labour unions, decentralization, and other elements of what he describes as a "*universal democracy template*" (1999, pg. 88) that policy makers and aid officials apply around the world. He also contrasts "political democracy promotion" with a "developmental" approach that in his words: "rests on a broader notion of democracy, one that encompasses concerns about equality and justice and the concept of democratisation as a slow, iterative process of change involving an interrelated set of political and socioeconomic developments. It favours democracy aid that pursues incremental, long-term change in a wide range of political and socioeconomic sectors, frequently emphasizing governance and the building of a well-functioning state." (2009, pg. 5). Thomas Carothers posits that the developmental approach is associated far more with European democracy promotion organisations.

Carothers (1999, 2000), like Larry Diamond, argues that through the aid programs democratisation strategies, or "*universal democracy template*" – as he names it, are applied worldwide regardless of local variations. Norms and institutions are directly exported without country specific theoretical logic or analysis. Carothers criticises such programs and argues that democracy assistance can contribute at the margins to democracy building and that such projects should take into consideration specificities of target countries.

Levitsky and Way (2002, 2010) point to five distinct mechanisms of international influence: (1) *diffusion*, or the "relatively neutral transmissions of information" across borders (Whitehead



1996b: 5), via either “demonstration effects” in neighbouring countries or modelling on successful democracies; (2) *direct democracy promotion* by Western powers, via diplomatic persuasion, threats, or military force; (3) *multilateral conditionality*, in which external assistance or membership in international organizations is linked to countries’ democratic or human rights performance; (4) external *democracy assistance*, which implies funding for civic education programs, electoral assistance, legal and legislative reform, and independent media and civic organizations; and (5) the role of *transnational advocacy networks* – international attention and response to human rights violations, electoral fraud, and other violations of international norms.

Levitsky and Way (ibid) also organize the post-Cold War international environment into two dimensions: *Western leverage* and *linkage to the West*, which imply a set of defining factors. In short, *Western leverage* implies governments’ vulnerability to external democratizing pressure. This includes both (1) regimes’ bargaining power vis-à-vis the West, or its ability to avoid Western action aimed at punishing autocratic abuse or encouraging political liberalization *and* (2) the potential economic, security, or other impact of Western action on target states. As for *linkage to the West*, it means the economic, political, diplomatic, social, and organizational ties and cross-border flows of capital, goods and services, people, and information between particular countries and the U.S., the EU, and Western-dominated multilateral institutions. Levitsky and Way (ibid) argue that the democratising impact of Western leverage varies with linkage. In the absence of linkage, the effects of leverage are too limited and too inconsistent to contribute in a significant way to democratisation. Where linkage is high, however, more rigorous monitoring, more systematic sanctioning, and greater domestic pressure for international norm-abiding behaviour raise considerably the cost of autocratic abuse – making authoritarian rule more difficult to sustain. In such a context, external pressure is often highly effective in bringing down autocratic governments. Moreover, transitions in high linkage cases are more likely to result in stable democratisation.

Thus, milestone scholars in democracy promotion identify political-economic assistance tied to conditionality, diplomatic pressure and transnational advocacy as well as linkage (or socialisation) with the West, as major instruments available for international actors seeking to promote, foster or support democracy worldwide. The major shortcomings in democracy promotion and aid programs relate to their failure to develop a so called ‘tailor made’ approach and tackle domestic context and needs of target countries. In addition, the programs shall develop a more coherent and consistent structures and need to be effectively coordinated worldwide.

## 2.4 Definition of the concepts and constructing hypotheses

Three major concepts – *democratisation, conditional incentives and socialisation* – are the building blocks of the present study. In order to convert these concepts into feasible and measurable variables it is important to operationalise them. Operationalisation involves the identification of the attributes that are constitutive of the concept under consideration. Such identification is a critical task, since the specification of the meaning of the concept forms the epicentre around which all subsequent decisions regarding theory, data collection and analysis are taken. Accordingly, the attributes that are constitutive of the concept under consideration have to be defined carefully, which means neither minimally nor with such overburdened detail rendering it of little analytical use.

A concept represents a technical or symbolic language of the study (Blaikie, 2000, pg. 133). This technicality may cause ambiguity and uncertainty in the research process. In order to avoid such ambiguity, the technical language of the concepts is converted into more simple and clear empirical language (ibid). To do so, first I turn these concepts into variables and then apply operationalisation of those variables. Operationalisation implies to explain what the abstract ideas behind the concepts are represented in the real world and how they are to be measured (Blaikie, 2000, pg. 133; Bryman, 2001, pg. 66). To measure the variables, indicator or indicators that stand for them are identified. By using indicators variables that are not quantifiable and require qualitative measurement, or in other words interpretation, are more easily located (Bryman, 2001, pg. 66).

***Democratisation*** is the major concept applied in this research. It is, therefore, essential to review relevant literature in order to organize analysis around the definition of the term. Despite the fact that there have been extensive efforts to conceptualize the notion of democracy, the same concept has different implications across the literature as well as across nations. Moreover, the term has often been defined in relation to the specific context to which it applies. Although the body of scholarship has not reached a universal consensus with respect to defining democracy, it is necessary to discuss the fundamental parameters of democracy in order to determine the democratising impact of the EU as an international actor. Below I will present the review of the works of several landmark authors regarding democracy. Based on this review I will then offer my own path of conceptualisation of the term.

Joseph Schumpeter is best known for advocating a procedural definition of democracy. In his “Capitalism, Socialism and Democracy” (1942) Schumpeter challenges the "classical doctrine" of democracy. He disputes the idea that democracy was a process by which the electorate identified

the common good, and politicians carried this out for them. He argues that free and fair elections are essential for democracy, but this may not be sufficient condition as people's free will may in fact be largely manipulated by politicians, who set the agenda. Schumpeter argues that this makes a 'rule by the people' concept both unlikely and undesirable. Democracy, according to Schumpeter, is not rule by the people, but rather rule by politicians, who compete freely for the people's vote. The "democratic method," he says, "is that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people's vote" (ibid, pg. 269). Thus, Schumpeter puts forward a minimalist model of democracy (influenced by Max Weber) which defines the concept in terms of competition between political leaders. This model acknowledges that the general public gives legitimization of the government on the basis of competitive elections and keeps it accountable. Nonetheless, people's participation in the actual policy making is very limited. The policy is primarily derived from the decision making of the actors in the government. So, Schumpeter's definition of democracy is very much based on the importance of multiplicity of political actors along with free and fair elections through what they are brought in power.

Similarly to Joseph Schumpeter, Robert Dahl in his book "Democracy and Its Critics" (1989) argues that no modern country meets the ideal of democracy, and that the latter is a theoretical utopia. In order to reach the ideal form of democracy five major criteria shall be met: effective participation; voting equality at the decisive stage; enlightened understanding; control of the agenda; and inclusiveness – everyone has legitimate stake within the political process. Instead of these ideal criteria, Dahl calls politically advanced countries, acquiring highest level of democratic governance, "polyarchies". This concept is well elaborated in his famous book "Polyarchy" (1971), where he offers the "procedural minimal" conditions that must be present for modern political democracy, or as he names it "polyarchy". These are seven criteria: control over government decisions about policy is constitutionally vested in elected officials; elected officials are chosen in frequent and fairly conducted elections; all adults have the right to vote in the election of officials; all adults have the right to run for elective offices in the government; citizens have a right to express themselves without the danger of severe punishment on political matters; citizens have a right to seek out alternative sources of information, which actually exist and are protected by law; and citizens also have a right to form relatively independent associations or organizations, including independent political parties and interest groups. Based on these broad criteria, Dahl, similarly to

Schumpeter, describes democracy as a form of government in which political power is acquired through free, fair and contested elections and in which power is vested in multiple political actors.

In addition to Dahl's conditions for sufficient definition of democracy, Juan Linz and Alfred Stepan in "Toward Consolidated Democracies," (Journal of Democracy, April 1996) argue that "the necessary, but by no means sufficient, condition for democratic transition is the holding of free and contested elections (on the basis of broadly inclusive voter eligibility) that meet the seven institutional requirements for elections in a polyarchy that Robert A. Dahl has set forth." (pg. 3). However, they posit that such elections are not sufficient to complete a democratic transition. They suggest that, in many cases in which free and contested elections have been held, "the resulting government lacks the de jure as well as de facto power to determine policy in many significant areas "because the executive, legislative, and judicial powers are still decisively constrained by an interconnected set of reserve domains, military prerogatives, or authoritarian enclaves." (ibid). Therefore, political regimes cannot be considered democratic unless its political leaders rule democratically. According to Juan Linz and Alfred Stepan "If freely elected executives (no matter what the magnitude of their majority) infringe the constitution, violate the rights of individuals and minorities, impinge upon the legitimate functions of the legislature, and thus fail to rule within the bounds of a state of law, their regimes are not democracies." (pg. 1)

Samuel Huntington (1991, 1993) also shares the views of Schumpeter, Dahl and others that free and fair elections are the essence of democracy, but he too posits that defining democracy only in terms of elections is a minimal definition. "Governments produced by elections may be inefficient, corrupt, short-sighted, irresponsible, dominated by special interests, and incapable of adopting policies demanded by the public good" (Huntington, 1993, pg.10). For a genuine democracy to prevail he too calls for free, fair and contested elections to be supported by political pluralism and the system of checks and balances in the government.

After a careful review of the scholarship on democracy, this research will depart from a purely political conception of democracy that asserts the most essential preconditions such as: competition, which is associated to political plurality and multiparty system within the government; participation, implying people's participation in politics at large by free and fair elections; to be able to participate effectively in elections voters need access to accurate and balanced information, which stresses the importance and the role of independent media; and a political system of checks and balances entailing de facto and de jure division of powers among the state institutions.

The rationale behind choosing this definition is that the implications of the term are also obvious in and can be clearly extracted from the EU's ENP Action Plan – the most recent policy tackling political reform and democracy promotion mechanism. The Action Plan for Georgia sets a special section on 'Democracy' (the EU Action Plan for Georgia, 4.1.1). Under this section, a number of subcomponents are identified and jointly agreed by the EU and Georgia. These subcomponents include: participation in political life, an enhanced role for civil society, encouraging decentralization measures, strengthening democratic institutions, guaranteeing judicial independence, and promoting human rights, fundamental freedoms and respect for the rule of law. This is a broad definition used for the purpose of assessing EU policy. Therefore, endorsement of all components for this particular study is neither manageable nor necessary.

Therefore, choosing few factors as major indicators for measuring democracy is appropriate. Based on the literature review above, these indicators are: *free and fair elections, independent media, political plurality (multiparty system), and separation of powers between the state institutions: government (executive power), parliament (legislative power) and court (judicial power)*. The concept of democratisation is viewed as subject to manipulation by the EU's conditionality and socialisation. Therefore the associated elements serve as dependent variables.

Although having a clear definition of the notion of democracy, this study acknowledges that existence of democratic institutions does not necessarily produce democracy. As Levitsky and Way (2002, pg. 58) posit "Authoritarian governments may coexist indefinitely with meaningful democratic institutions. As long as incumbents avoid egregious (and well-publicized) rights abuses and do not cancel or openly steal elections, the contradictions inherent in competitive authoritarianism may be manageable. Using bribery, co-optation, and various forms of "legal" persecution, governments may limit opposition challenges without provoking massive protest or international repudiation." Therefore, while measuring democracy with the help of the above listed indicators, their context shall be carefully analysed.

Another concept involved in the analysis of the EU's external political impact on democratisation is *political conditionality*. This work explains that the EU's political conditionality is an incentive-based strategy. This mechanism corresponds with a rationalist set of assumptions that define actors as cost-benefit-calculating, utility-maximizing actors. Put in another way, domestic actors follow norms if the benefits from the EU rewards exceed the domestic adoption costs (Schimmelfennig & Sedelmeier 2004, pg. 662). Conditionality is the EU's most powerful instrument for dealing with the candidate and potential candidate countries. The aim of conditionality is to

strengthen the EU's promotion of reforms by attaching criteria to the EU-granted benefits. Conditionality is particularly effective when the EU offers a credible political and/or economic incentive and when the incumbent government does not consider the domestic costs of compliance that may be threatening to its hold on power (Kelley, 2004; Schimmelfennig, 2005; Schimmelfennig & Sedelmeier, 2005; Vachudova, 2005).

The concept of conditionality considers linking perceived benefits, such as political support, economic aid, and membership in the EU, to the fulfilment of a certain program, in this case the advancement of democratic principles and institutions in a target state. According to the model, the EU follows a strategy of conditionality in which it sets rules as conditions that non-member countries have to fulfil in order to receive a reward. The reward consists of assistance and institutional ties ranging from trade and co-operation agreements via association agreements to full membership. In order to affect the democratic transition process, the EU ties the delivery of its technical and financial aid very firmly to the implementation of internal reforms in a target country. Under this strategy, the EU offers a reward in exchange of a target government's compliance with its norms and rules and provides impetus for democratic change. If the requirements under proposed policy programs are not met, the reward is withheld or it is replaced by a penalty, which is usually associated to reduced or discontinued aid and assistance, or ultimately distancing the country from the EU membership perspective. The EU conditionality and related body of academic literature is discussed in detail in the previous sub-chapter 2.2.

The preliminary assumption in this research is that for the political elites of a target country (in this research Georgia) to embark political-economic change domestically and proceed with respective reforms, the EU's incentives as well as enforcement mechanisms must be sufficiently credible and consistent to affect recipient behaviour. The EU programs, association or prospective membership, as well as the possible costs of undelivered reforms should outweigh the cost of democratic reforms in the country.

The EU conditional incentives represent independent variables in this study. Two variables are attached to the concept of conditionality: EU rewards and enforcement structures. Reward ranges from political-economic support, financial and technical assistance to the ultimate form - membership. Enforcement mechanisms are linked to EU's monitoring and application of penalty in case its requirements are not met. However, EU conditionality is usually positive, meaning that the EU offers and withholds carrots but does not carry a big stick (Smith, 2001; Youngs, 2001, pg. 192).

What penalties imply is that countries that fail to meet the requirements are simply denied assistance, association or membership.

**Socialisation** represents another concept in this research project. The point of socialisation, similarly to conditionality, is to ensure rapprochement of partner countries to the EU's values and norms, but by different means. In contrast to the incentive-based strategy implied by the EU conditionality, the EU socialisation aims at shaping domestic context of the Union's partner state with the help of various social channels. The notion of socialisation is embedded in social constructivist theory. This framework explains the process of the EU's norm transfer to non-member countries, which is a constitutive part of the transition to democracy. It includes a broader set of socialisation processes such as social influence or persuasion (McDonagh, 2009, pg. 145). In contrast to conditionality, no concrete incentives are linked to behaviour. Socialisation relies only on the use of norms to either persuade, shame, or praise domestic actors into changing their policies (Kelley, 2004, pg.428). A detailed discussion of the concept of socialisation in the light of relevant academic literature is provided in sub-chapter 2.2.

Socialization and related elements are also viewed as independent variable in the process of EU's conditionality effects on democratisation. To measure causal effect of socialisation on democratisation, this research uses Pridham's (2005) three level analysis. These are: *the elite level* (this is often referred to as 'political dialogue'), *the intermediary actors' level* (transnational party and non-governmental organisation linkages), and the broader *society level* (various educational exchange programmes, the participation of the country in question in Community programmes, people-to-people contacts, etc.). The different levels of socialisation are thoroughly analysed in the next chapter.

In the view of this research, conditionality and socialisation are not contradictory but complementary processes the coexistence of which results in a certain degree of impact on democratic transition in non-member states. As the study develops, different levels of impact of the EU's socialisation and conditionality on democratisation are revealed in the case of Georgia.

The review of theoretical and empirical literature with respect to the EU foreign policy, democratisation and international promotion of democracy helps to put together the hypotheses corresponding to the major research questions set in Chapter 1. The answer to the first, descriptive question is discussed in the literature review itself. External actors, such as EU, can use various policy strategies, instruments and tools to promote democracy in non-member countries. These policy strategies and instruments as overviewed above are special policy mechanisms, such as PCA,

ENP, Action Plan, Eastern Partnership, etc., as well as various normative instruments associated to democratic value exchange through the channels of various levels of socialisation. This research studies these mechanisms and provides thorough analysis of the respective policies and instruments.

To correspond to the second research question, this project looks at democracy promotion by the EU from the point of view of two democracy promotion strategies discussed above: conditionality and socialisation. The study contends that *the EU's level of impact on democratisation in Georgia is determined by the size and the credibility of the EU's conditional incentives (rewards and enforcement structures) offered to Georgia, as well as by the intensity of the EU socialisation with Georgia.*

## **Conclusion**

Explaining the EU's external political impact with respect to democratisation is the main purpose of this study. Therefore, a detailed analysis of the landmark literature has been offered to lay down the foundation of the proposed research. This chapter has tried to put together the works of the major authors in the field of the EU foreign policy with emphasis on the issues of the EU's international actor capacity and its ability to influence other actors in international politics. A large part of the chapter has been dedicated to the review of the theoretical literature involving analysis of the EU's external political impact on democratisation of non-member countries from social constructivist and rationalist perspectives. In addition, this section has discussed broad literature on international efforts in democratic state-building. The chapter has concluded with the discussion of the major concepts that emerge as cornerstones of this thesis. The definitions of the concepts are further elaborated in the next chapters, vis-à-vis a detailed outline of the case study on Georgia.



## **Chapter 3**

### **Overview of the EU-Georgia Relations in the Prism of Democratisation:**

#### **Early Cooperation: From Tacis to PCA**

This chapter reviews how the EU's relationship with Georgia commenced and evolved in the early years of cooperation and to what extent it has affected democratic change in the country. The first part of the chapter discusses the beginning of diplomatic relations between the EU and Georgia as well as the first programmes and aid provided to the country.

The next section reviews early cooperation mechanisms between the EU and Georgia covering the period from 1992 to 2003. This part of the chapter discusses the EU programmes and financial assistance provided to Georgia by the EU in the scope of the Technical Assistance to the Commonwealth of Independent States (Tacis) and the Partnership and Cooperation Agreement (PCA).

The following section offers overview of the financial aid extended to Georgia by other major donors during the same timeline and, to this end, provides a comparative narrative of the EU and other actors' engagement in the country.

The next part examines the state of democratisation (according to major variables defined in the earlier methodological chapter of this research) in Georgia since the beginning of cooperation with the EU. It is argued that PCA and its preceding cooperation framework – Tacis were important tools in terms of helping the newly independent Georgia to start building its state institutions through development, technical assistance and humanitarian aid, but it provided insignificant programming and disproportionately low financial support to the country's democratisation agenda. In addition, the intensity of the EU-Georgia socialisation in the scope of Tacis and early years of PCA was rather low. These mechanisms primarily contributed to building of the knowledge of political elites' on democratic values and norms, but it had an insignificant impact on raising the awareness of 'intermediary actors' and 'societies' at large.

The chapter concludes that at the early state of the EU-Georgia cooperation the EU's Tacis and PCA programmes did not result in a significant advancement of the country's nascent democracy. The present chapter bases proposed arguments on the empirical analysis of the EU's narrative and financial record for all of the development programs with particular focus on democracy support in Georgia.

### **3.1 Launch of the EU-Georgia diplomatic relations and first programmes**

Relationship between the European Communities (EC) and Georgia started in 1992 just after Georgia regained its sovereignty in the wake of the breakup of the Soviet Union. The EC recognized Georgia on 23 March 1992, and established diplomatic relations on 21 December of the same year. The Georgian diplomatic mission in Brussels was established in June 1993. The Commission opened a delegation in Tbilisi on 12 December 1994.

Since 1992, the EC/EU has supported Georgia through a range of instruments. During 1992-2003, the EC/EU provided assistance in grants through the following main instruments: ECHO humanitarian assistance: (€ 94.25 million); Food Security Programme (€ 85.25 million); Tacis National Programme (€ 84 million); Exceptional financial assistance (€ 25 million); the European Initiative for Democracy and Human rights (EIDHR) (€ 5.5 million), Rehabilitation in Conflict Zones (€ 27.5 million), etc. (Country Strategy Paper 2003 – 2006, Tacis National Indicative Programme, 2004 – 2006, Georgia, pg. 40).

The Commission's support through these programmes focused on the main objectives of poverty reduction and rehabilitation as well as promotion of transition towards market economy and democracy. The latter mainly implied raising awareness on liberal democratic values and norms, building institutional capacity, training Georgian public service employees, introducing new approaches and facilitating the government decision-making through Tacis projects.

For the period of 1992-2002, in the scope of these programs and assistance instruments, EC/EU in total allocated € 395 million in grants (See Table 3.1) to Georgia, not including Tacis Regional or member states' assistance (*ibid*). In addition, Georgia benefited from assistance provided under the Tacis Regional Cooperation Programme (Interstate program) such as Traceca (Transport Corridor Europe Caucasus Asia), Inogate (energy technical cooperation program between the EU, Eastern Europe, Caucasus and Central Asia), and the Regional Environmental Centre for Southern Caucasus in Tbilisi. Traceca financed projects of technical assistance studies as well as investment projects for the rehabilitation of infrastructure. It also financed projects aimed at improving road and rail links in the Caucasus. For Georgia, participation in Inogate was crucial in order to assert its role as a transit country for oil and gas transportation from the Caspian and Central Asia to Europe. Due to the significant level of investment required to develop the pipeline system, Inogate aimed at acting as a catalyst for attracting private investors and promoting the involvement of international financial institutions (*ibid*).

In the same period, EC/EU also allocated small grants under the EIDHR namely for supporting civil society development and strengthening the role of NGOs, but these programmes at that time were of relatively insignificant financial value (as already pointed above – € 5.5 million) and programming impact (ibid).

**Table 3.1**

**Total EC/EU grants to Georgia 1992-2002 (Million €)**

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 2003	Total M €
<b>Humanitarian Aid:</b> ECHO		11.78	17.81	27.45	10.20	5.80	6.41	6.93	2.62	1.05	4.20	94.25
FEOGA				41.0	21.55							62.55
Exceptional Humanitarian Aid		6.0										6.0
Aid against effects of Russian Crisis								4.0				4.0
<b>Food Security Programme</b>					18.25	16.0	14.0	12.0		25.0		85.25
<b>Tacis National Allocations</b>	<b>9.0</b>	<b>4.0</b>	<b>4.0</b>	<b>6.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>11.0</b>	<b>4.0</b>	<b>14.0</b>	<b>84.0</b>
<b>Rehabilitation in Conflict Zones</b>						3.50	6.50	7.50		10.0		27.5
<b>Exceptional financial assistance (disbursed)</b>							10.0	9.0		6.0		25.0
<b>CFSP</b>									1.09	0.25	0.1	1.44
<b>EIDRH</b>										0.23	5.32	5.55
<b>TOTAL M€</b>	<b>9.00</b>	<b>21.78</b>	<b>21.81</b>	<b>74.45</b>	<b>58.00</b>	<b>33.30</b>	<b>44.91</b>	<b>47.43</b>	<b>14.71</b>	<b>46.53</b>	<b>23.62</b>	<b>395.54</b>

Source: Country Strategy Paper 2003 – 2006, Tacis National Indicative Programme, 2004 – 2006, Georgia

In the scope of EIDHR, the EU aimed at reinforcing democratisation and human rights through small-scale Tacis technical assistance, such as Bistro, SSTA and LIEN. The Bistro programme focused mainly on private sector, human resources and small infrastructure development. LIEN Program encouraged the development of exchanges and cooperation between NGOs from Georgia and NGOs based in the EU Member States. It aimed at contributing to the development of civil society by strengthening the capacity of Georgian NGOs. Some main targets of EIDHR initiatives also were: training for human rights monitoring, building NGO capacity to combat trafficking in human beings, assistance to penitentiary reform and to strengthen judicial and non-judicial human rights protection mechanisms, such as the ombudsman institution in line with European standards (ibid).

### **3.2 From Technical Assistance to Commonwealth of Independent States (Tacis) to Partnership and Cooperation Agreement (PCA), 1992-2003**

From all the above discussed EC/EU programmes and aids, direct support to the transition towards democracy in Georgia was mainly considered in the Tacis National Program. The Tacis Program was launched by the European Communities (EC) in 1991 and provided grant financed technical assistance to twelve Eastern European and Central Asian countries (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan). At the meeting of the European Council in Rome in December 1990, the EC decided to support the authorities of the former Soviet Union in their effort to bring about economic reform and recovery. It was agreed that such EC support would be provided through a programme of technical assistance in selected priority sectors (Presidency Conclusions, Rome European Council, 14 and 15 December 1990). That was the starting point of the Tacis programme. Tacis was supporting the respective countries' efforts to build up a market economy and the skills needed for its operation, and a democratic society. Based on this principle, in July 1991, the Council adopted a Regulation (EEC, EURATOM) No. 2157/91, which provided the legal basis and implementation mechanisms for the 1991/1992 Tacis programme.

After the disintegration of the former Soviet Union, an adjustment of the existing Tacis programme was required. Therefore, in February 1992, the Commission signed a "Protocol d'Accord" with the representatives of the CIS and Georgia in which the basis for future cooperation was laid down. Regulation No. 2157/91 expired on 31 December 1992. Accordingly, a new

regulation (EEC, EURATOM 2053/93) was adopted by the Council. Thus, in the beginning of 1993 a new Framework Agreement relating to the implementation modalities of this Technical Cooperation was signed by the EC Commission and the Authorities of the beneficiary states, including Georgia (Europa Press Release RAPID, “The European Commission Approves A Series of Tacis Programmes for Armenia, Azerbaijan, Georgia and Mongolia”, IP/96/1115, March 12, 1996).

Tacis operated in Georgia from 1992 to 2007. As stated above (see Table 3.1), for the period of 1992-2002, the EU committed € 84 million in funding through the Tacis National Programme for Georgia. Up until 2000, Tacis actions in Georgia envisioned contribution to the transitional reforms of the country, namely: strengthening of central government, supporting the private sector and economic development; addressing the social consequences of transition; developing infrastructure networks; supporting enterprises and agricultural reform and development of small and medium businesses; promoting environmental protection and management of natural resources; development of the rural economy, transport and general policy; legal and institutional framework reform for the market economy (Country Strategy Paper 2003 – 2006, Tacis National Indicative Programme, 2004 – 2006, Georgia).

Tacis contributed to legal and regulatory reform in a number of sectors, such as financial services, agriculture, energy, civil service reform. In the framework of judicial reform and the fight against corruption, the Tacis projects aimed at the training of judges and supporting the procuracy and reform of the penitentiary system. Moreover, Tacis was engaged in structural reforms in the energy sector, tourism strategy development, construction of bridges and railway ferry links, system for communications, development of trans-border cooperation, the rehabilitation of gas distribution networks, assistance to Department of Statistics, etc. Tacis also financed setting up and operation of the Georgian-European Policy and Legal Advice Centre (GEPLAC), which served as a key instrument for building a deeper and more extensive policy dialogue between Tacis and the government of Georgia (ibid).

GEPLAC provided advice on the World Trade Organization (WTO) accession and on harmonization of Georgian legislation with European legislation (on standards and certification, customs and statistics, and other disciplines necessary for WTO compliance); it also published independent reviews on Georgian economic trends and legal developments. In addition, through the Tempushigher education programme, Tacis targeted a contribution to the improvement of higher education by

introducing modern curricula, teaching materials and methodologies, textbooks, by improving university management, and by helping to integrate Georgian universities into the international academic community (ibid).

The objectives of the initial 1992 Tacis Programme in Georgia were development of local skills and know-how required for economic reform through provision of relevant advice and practical experience, and encouragement of conditions favourable to private investment and the development of the private sector. Under the programme, technical assistance for Georgia totalling European Currency Unit (ECU) 9 million covered following four main areas (see Table 3.2).

**Table 3.2**  
**1992 Tacis Programme Georgia**

<b>Area/Project</b>	<b>Total Area (ECU million)</b>
<i>1. Government Advice, including policy advice on energy</i>	2.75
<i>2. Support to Enterprise</i>	3.5
<i>3. Food Production, Processing and Distribution</i>	1.5
<i>4. Human Resources Development</i>	1.25
<b>TOTAL</b>	<b>9.0</b>

*Government Advice, including policy advice on energy (ECU 2.75 million)* – Policy advice was provided to assist high-level macro-economic management, including tax reform, budgetary procedures, debt management, and the financial aspects of trade, exchange controls and international payments systems. Ministries, including Labour, Social Security and the Electricity Board, were assisted in the development and adaptation of sector policies to reflect the new economic environment (Niehus G., Larsimont D., Slotboom H., “On Tacis 1992 – Summary of Indicative Programmes 1993-1995”, TACIS Information Office, Commission of the European Communities).

The advice was also given on port and airport development and management. *Support to Enterprise (ECU 3.5 million)* – In this area Tacis provided institutional support and legal advice to

the Committee for Privatization with the aim to develop a comprehensive "privatization model". There also was assistance for the establishment of retail food shops and bakeries and of related professional associations. Tacis supported the establishment of an SME Development Agency to help the growth of the private sector. The Agency provided information, consultation, training and exchange services. A Business Communication Centre was also set up. In addition, Tacis gave assistance through the training of trainers and the production of video training programmes to reach the largest number of bank personnel at lowest possible cost (ibid).

*Food Production, Processing and Distribution (ECU 1.5 million)* – Tacis provided technical assistance for the formulation of a legal and institutional framework for the transfer of agricultural land and assets. The Ministry of Agriculture was assisted in the reorientation of its role to one of service and support for the private farmer (ibid).

*Human Resources Development (ECU 1.25 million)* – Assistance under the TACIS programme targeted the Tbilisi Business School to offer accounting training for the banking sector and management and commercial law for the enterprise economy. Manuals and other teaching materials were adapted into Georgian. Training programmes for teachers and bank staff was carried out in Europe and Georgia. In addition, assistance was provided to enhance regional cooperation in the areas of transport, energy, telecommunications, agriculture and environment (ibid).

**Table 3.3**  
**Tacis Assistance in grants during 1993-1995**

Sector	1993	1994	1995	Total (ECU million)
1. <i>Public administration reform, services and education</i>	0.0	1.8	1.3	3.1
2. <i>Agriculture</i>	0.0	1.8	0.0	1.8
3. <i>Energy</i>	0.0	0.0	2.3	2.3
4. <i>Transport</i>	0.0	0.0	0.0	0.0
5. <i>Policy advice</i>	0.0	0.0	0.0	0.0
6. <i>Telecommunications</i>	0.0	0.0	0.0	0.0
7. <i>Humanitarian aid</i>	6.0	0.0	0.0	6.0
8. <i>Other sectors</i>	0.0	0.8	0.5	1.3

<b>TOTAL</b>	<b>6.0</b>	<b>4.4</b>	<b>4.1</b>	<b>14.5</b>
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According to the 1993-1995 Tacis Indicative Programme for Georgia, basic principles of the technical cooperation during these 3 years was support to the macroeconomic and sectoral policies established by the authorities of the beneficiary country. The programme objectives implied assistance in the following main areas: Enterprise Restructuring and Development; Food Production, Processing and Distribution; Human Resources Development; Assistance to the Government in establishing mechanisms to promote competition within an appropriate legal framework and to support groups of enterprises in their restructuring efforts; Support to the agricultural sector so as to increase production of basic food commodities and strengthen the development of value-added production for export; Contribute to the transformation of the economy by supporting the reform of public administration and by strengthening the reorganization of social safety nets. The three year programme grant amount equalled ECU 14.5 million (See table 3.3).

The 1996-1999 Tacis Indicative Programme for Georgia offered a relatively increased grant budget of ECU 32 million. This included following selected areas of cooperation: Development of Infrastructure networks; Private sector development; and Government and public sector reform. This Indicative Programme was divided into two separate Action Programmes. The first two-year Action Programme for 1996-1997, (funded through a grant of ECU 16 million) was approved in 1996. It placed emphasis on the development of infrastructure, private sector development, including agriculture and assistance in implementing, through domestic legislation, the international commitments which Georgia took on. These included those contained in the Partnership and Cooperation Agreement which was signed in April 1996, and the obligations Georgia would assume after accession to the WTO. In addition, important projects were launched aimed at further strengthening the institutional capacity of the Georgian Parliament and supporting the reform of the Georgian civil service (European Commission: The Tacis Programme Annual Report 1996, Brussels 25.07.97, Com (97)400 final). For detailed breakdown see Table 3.4.

According to the Annual Report, during 1996-1997, Tacis programme was actively involved in government and public sector reforms. Tacis advised the government on restructuring the civil service and set up an in-service training centre for civil servants. The Public Administration College (PAGT) trained 800 civil servants by the end of 1996. The project was extended and provided training for a further 1,000 civil servants in 1997. The project also worked closely with the State Chancellery Personnel Unit and Reform Unit and undertook reviews of the organisation,



functions and tasks of six key ministries (ibid). In parallel, the Tacis programmes provided for the government's work with non-governmental organisations (NGOs) dealing with the development of civil society (such as: civilian confidence-building measures, the strengthening of youth organisations, training for television and radio journalists, the development of the NGO network, and assistance for trade union reorganisation).

**Table 3.4**  
**1996-1997 TACIS Action Programme**

<b>Funds allocated by sector</b>	<b>In ECU million</b>
<i>1. Nuclear safety and environment</i>	0
<i>2. Restructuring state enterprises and private sector development</i>	4.85
<i>3. Public administration reform, social services and education</i>	1.5
<i>4. Agriculture</i>	0
<i>5. Energy</i>	3.5
<i>6. Transport</i>	0
<i>7. Policy advice</i>	0
<i>8. Telecommunications</i>	0
<i>9. Facilities</i>	4.58
<i>10. Other</i>	0.57
<b>TOTAL</b>	<b>16.0</b>

In 1997, the Tacis Programme started helping the parliament to bring all of Georgia's legislation into line with the European standards. Tacis also provided training for the parliament's staff. In addition, during 1997, Tacis extended support to Georgia's bid for WTO membership by providing training in adapting its trade, standards, state aid regime and intellectual and industrial property legislation to meet WTO rules. The country's business community was also prepared to face up to new circumstances through an extensive smaller businesses

supportprogramme. Assistance was also given in developing an appropriate regulatory framework for a securities market (European Commission: The Tacis Programme Annual Report 1997, Brussels 03.07.98 Com (98) 416 final).

The second Tacis Action Programme for Georgia (dated 1998-99) included the following projects: assistance to improve accounting and financial management of the domestic gas distribution sector; training the Poti and Batumi port management as well as ensuring maritime safety, by preparing feasibility study on rehabilitation measures in the Poti Port; restructuring large enterprises; establishing a sound and efficient banking sector; promoting Georgian exports; developing an agricultural credit system; promoting the growth of the tourism sector; continuation of Tacis support for the post-privatization managerial support centre – the Centre for Enterprise, Management and Restructuring (CERMA); support to accounting reform in commercial banks; assistance to farmers' associations by further development of rural credit schemes, building on the success of the Rural Agricultural Reform Programme (RARP); training of private tourism entrepreneurs; a project on training of judges reforming the customs service in order to improve tax collection, reduce opportunities for illegal activities and implement trade commitments undertaken in international agreements such as the PCA; at GEPLAC a library was set up and a Law Review on Georgian and European legislation initiated.

**Table 3.5**  
**1997-1998 TACIS Action Programme**

<b>Funds allocated by sector</b>	<b>In ECU million</b>
1. Transport and telecommunications	1.0
2. Energy	1.5
3. Human resources development	4.0
4. Support for enterprise	3.5
5. Food production, processing and distribution	1.0
6. Bistro	0.5
7. Small-scale technical assistance (SSTA)	0.2
8. Small project programmes	3.8
9. Reserve	0.5
<b>TOTAL</b>	<b>16.0</b>

It focused on assisting in the approximation of EU legislation; training democratically elected deputies and officials working in the local administrations in the principles of democratic local government and local government management; reforming the statistical system in key areas (Report from the Commission, the Tacis Programme Annual Report, 1999). The 1998-99 programme grant budget was € 16 million (see table 3.5).

After the EU signed the Partnership and Cooperation Agreement (PCA) with Georgia in 1999, the Tacis programme became main instrument through which the EU supported the PCA implementation. PCA, the EU's first major partnership and cooperation instrument with Georgia, covered various aspects of relations between the EU and Georgia including political cooperation, trade, human rights, democracy, science and technology, education, customs, fight against corruption, transport, energy, communication, environment and culture. PCA paved way to future cooperation schemes between the EU and Georgia. While its immediate priority was Georgian legislative approximation with the EU, the PCA stipulated four main objectives in the framework of the EU-Georgia relationship such as promoting democratic principles, trade, investment and harmonious economic relations with the EU and strengthening basis for legislative, economic, social, financial and cultural cooperation (PCA Georgia 1999, pg. 5).

After the launch of PCA, the relationship between the EU and Georgia developed into a much more formal and active political format. When Tacis was launched, technical assistance was a stand-alone activity, but in the scope of PCA the programme turned into a part of more complex and faster evolving relationship with Georgia, aimed to respond to the priorities of the deeper political relationships. After 1999, in the framework of PCA, the Tacis National Programme relatively strengthened its focus (financial aid and technical assistance) on supporting institutional, legal and administrative reforms in Georgia.

In 2000-2001 the Tacis National Programme allocated € 15 million to the following priority areas: infrastructure development (Railwaysrehabilitation programmes); support for the private sector and economic development (Support export promotion agencyand investmentcentre, Supportto SMEs, Support to Agro- BusinessBank, etc.), as well as institutional, legal and administrative reforms (support to GEPLAC; support to judiciary / penitentiary reform; policy advice). See table 3.6 for the list of specific projects carried out in the scope of the programme.

**Table 3.6**

**Tacis projects under the 2000-2001 Action Programme (total € 15 million)**

<b>Project</b>	<b>Institutional, legal and administrative reform</b>	<b>Private sector and economic development</b>	<b>Development of (energy) infrastructure networks</b>
<i>1. Support GEPLAC</i>	X		
<i>2. Support judiciary/ penitentiary reform (anti-corruption strategy)</i>	X		
<i>3. Support export promotion agency and investment centre</i>		X	
<i>4. Support to SMEs</i>		X	
<i>5. Batumi rail ferry</i>			X
<i>6. Railways rehabilitation</i>			X
<i>7. Development of gas sector</i>			X
<i>8. Support to Agro-Business Bank</i>		X	
<i>9. Policy Advice</i>	X	X	X
<i>10. TEMPUS</i>	X		
<i>11. Institution Building Partnership Programme</i>	X	X	X

The subsequent Tacis National Programme for the period of 2002-2003 allocated € 14 million (see table 3.7) in Georgia in order to deal with institutional reforms (Tacis Action Program for Georgia 2002). Three initiatives were proposed for support to institutional, legal and administrative reform: support to GEPLAC, support to strengthen the financial management capacity of the Ministry of Agriculture (tying in with EC support through the Food Security Programme), and support to the Georgian State Border Guard service (in total € 3.7 million). Activities in the area of social consequences of transition were focused on the development of an

integrated community primary health care system (€ 5 million). In addition, Assistance was provided for the Development of Infrastructure Networks (€ 2.5 million) and through the following small project programmes: Tempus, Statistics, and Policy Advice (€ 2.7 million).

**Table 3.7**

**Tacis Action Program for Georgia 2002-2003**

<b>Area/Project</b>	<b>Total Area (€ million)</b>
<b>1. Support for Institutional, Legal and Administrative Reform</b> - Georgian-European Policy and Legal Advice Centre (GEPLAC) – Phase IV - Increase of financial management capacity within the Ministry of Agriculture and Food - Support to the Georgian State Border Guards	<b>3.7</b>
<b>2. Support to addressing the Social Consequences of Transition</b> - Integrated Community Primary Health Care – Support to the Kakheti Region	<b>5.0</b>
<b>3. Assistance for the Development of Infrastructure Networks</b> - Goresha Bridge Construction	<b>2.5-0</b>
<b>4. Small Project Programmes</b> - TEMPUS (1.0) - Policy Advice (1.2) - Statistics (0.5)	<b>2.7</b>
<b>5. Reserve</b>	<b>0.1</b>
<b>TOTAL</b>	<b>14.0</b>

The review of the EC/EU's first programmes and financing structures, extended to Georgia since the beginning of diplomatic relations up until 2003, lays down a good base for further analysis of the EU's impact on democratisation in Georgia. The given description of the EC/EU programmes as well as detailed account of financial assistance for the first 10 years of EU-Georgia relations shows that the EU's engagement in the newly independent country was primarily humanitarian and developmental. It mainly aimed at vitalising the country's economy and building its infrastructure and institutions.

In the beginning of the relations with Georgia, democracy agenda certainly was not the EU's priority. This is obvious first of all from the analysis of the context of the programmes. As it is described above, the programmes were mostly focused on the transition and rehabilitation projects and economic development. The EU's low level of primacy of democracy agenda in Georgia is also evident by examining the figures of the EC/EU's financial assistance to Georgia throughout these years. Budget from the overall assistance devoted to institutional, legal and political reforms in all programmes is very small, both proportionally to the overall EU assistance budget, as well as in relation to the scale of democracy reforms needed in the country at that time.

### **3.3 Assistance provided to Georgia by other donors**

Since gaining independence, Georgia has been receiving financial assistance from various state and non-state actors. The country has been receiving multilateral assistance from various international organisations, such as the International Monetary Fund (IMF), World Bank (WB), United Nations Development Programme (UNDP), United Nations High Commissioner for Refugees (UNHCR), United Nations World Food Programme (UNWFP), the World Health Organisation (WHO), International Fund for Agricultural Development (IFAD), the Food and Agriculture Organisation (FAO), United Nations Volunteers (UNV), the United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF), United Nations Development Fund for Women (UNIFEM), International Organisation for Migration (IOM), European Bank for Reconstruction and Development (EBRD), the Organisation for Security and Cooperation in Europe (OSCE) and the Black Sea Trade and Development Bank (BSTDB), others. Moreover, Georgia has been beneficiary of bilateral aid from USA, Germany, Netherlands, UK, Japan, Switzerland, Sweden, China, Greece, Canada and Turkey and others. In addition, many international non-governmental organizations rendered assistance to Georgia and implemented aid projects, such as: Accion Contra el Hambre, CARE, HALO Trust, International Red Cross and Red Crescent Movement (ICRC), Médecins Sans Frontières (MSF), Mercy Corps, Open Society Foundation, OXFAM, United Methodist Committee on Relief (UMCOR), World Vision, etc. (Donor Matrix in the Country Strategy Paper 2003–2006, Tacis National Indicative Programme, 2004 – 2006, Georgia, September 23, 2003).

Considering the multiplicity of actors engaged in the country with the development programmes and aids, including democratisation projects, it is interesting to compare the level of the EU's financial assistance in the areas of democratic programmes in Georgia with the contributions of several other major state and non-state actors operating during the same period in the country.

Since 1992 the IMF has been actively supporting poverty reduction in Georgia. Only in the year of 2002, IMF disbursed in the country one tranche of two planned tranches of \$30 million for poverty reduction and economic growth. In 2001 IMF financing of Georgia was \$ 37 million, in 1999 – \$ 45 million and in 1998 – \$ 37 million (Georgia: IMF Country Report No. 03/346, 2003, pg.34).

The WB started its operations in Georgia in 1991 and by 2003 provided 31 loan credits for a total amount of US\$714 million. The World Bank has been involved in nearly all these sectors. A large share of the funding (25%) has been in support of law and public administration (Country Strategy Paper 2003–2006, Tacis National Indicative Programme, 2004 – 2006, Georgia, September 23, 2003).

The UNDP gave technical assistance worth of \$30 million to Georgia from 1997–2002 focusing on poverty alleviation, good governance and environmental activities (ibid).

Since 1994 to 2003 the EBRD has disbursed loans worth of € 265 million targeting the financial sector, industry and the transport sector (ibid).

Only in 2002 the United States of America rendered assistance in the amount of \$87 million. In addition, the US rendered military assistance to Georgia totalling \$64 million through its "Train & Equip Programme". Germany rendered €31 million assistance to Georgia in 2002–2003 (ibid).

Loans and grants were given by the Kreditbank für Wiederaufbau (KfW) and technical assistance through the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). German aid was focused on creating a land registry, creating employment, fighting corruption, energy and municipal infrastructure (ibid).

The Netherlands assisted Georgia with €8.5 million in 2002 focusing on macro-economic assistance, good governance, human rights, economic sector and a small projects programme. Further an exceptional aid package of €9.1 million was decided to improve Poti Port (ibid).

The United Kingdom granted Georgia £6 million in assistance and \$248,000 through small projects for the period of 2000–2005. The UK's activities were focusing on good governance, conflict resolution, rural livelihoods and health & welfare (ibid).

Japan assisted Georgia with \$55 million from 1998–2002. Japanese aid was aimed at the energy sector, the food sector and healthcare (ibid).

Switzerland granted Georgia assistance accounting for SFr 2.4 million during 2001–2002 aiming to improve governance, promote peace and the sustainable management of natural resources (ibid).

Further to its national programme Georgia also benefited from the Swiss regional aid programme. Sweden’s aid cooperation with Georgia amounted to €4.4 million in the period of 1995–2002 and was aimed at enhancing economic growth & social equality, economic & political independence, environmental protection and gender equality (ibid).

China assisted Georgia’s private sector development and dedicated \$4.7 million from 1999 to 2008. Greece rendered humanitarian assistance and technical assistance worth €405,000 in 2002 (ibid).

Turkey was a major source of humanitarian assistance and some technical assistance, particularly in the beginning of the 1990s. Turkey also rendered military assistance to Georgia. The latest Turkish assistance programme expired in July 2002. Since 1992 to 2002 Turkey supported Georgia with assistance accounting for \$ 24.3 million (ibid).

**Table 3.8**

**Donor Assistance in 2002**

<b>Donor</b>	<b>Amount</b>	<b>€ amount</b>
USA	\$ 89,000,000	€ 82,000,000
World Bank <sup>3</sup>	\$ 60,000,000	€ 55,000,000
EBRD	€ 33,000,000	€ 33,000,000
IMF	SDR 22,500,000	€ 29,000,000
Germany	€ 15,000,000	€ 15,000,000
Netherlands	€ 8,600,000	€ 8,500,000
Japan	\$ 9,100,000	€ 8,000,000
UK	£ 1,200,000	€ 2,000,000
UN Agencies	\$ 3,000,000	€ 3,000,000
Switzerland	SFr 1,242,810	€ 1,000,000



Others	€ 5,000,000	€ 5,000,000
<b>Total</b>		<b>€ 241,300,000</b>

**Table 3.9**

**Georgia-activities of other donors during 2002**

Organisation	Type of assistance	Amount	Sector
IMF	Loan	SDR 22,500,000 (a second tranche of SDR 22,500,000 was withheld)	Poverty reduction and economic growth programme (PREGP)
World Bank	Loan	\$ 69,000,000 (+ \$ 3,000,000 committed, but not yet disbursed)	Agriculture; culture; education; energy; financial sector; forestry; health; judicial; municipal development and decentralisation; poverty reduction; private sector; protected areas; roads; social infrastructure; transport and communications
UNDP	Grant	\$ 15,700,000 (+ \$ 15,000,000 cost-sharing contributions) all figures 1997-2002	Poverty alleviation; good governance; environmental management and conservation
UNHCR	Humanitarian assistance	\$ 2,110,000	Refugees; internally displaced people
UN World Food Programme	Humanitarian assistance	\$ 14,470,657 (2000 - 2003)	Food aid to vulnerable groups; food to refugees; food for work in vulnerable groups
WHO	Grant	\$ 292,000 (2000 - 2003)	Health sector; social protection
IFAD		\$ 9,200,000 (2002 - 2009) of which \$ 1,200,000 co-financed by the Georgian government	Poverty reduction
FAO	Grant	\$ 616,000 (2001 - 2002)	Agricultural sector
UNV	Grant	\$ 800,000 (2001 - 2003)	Civil society; media; minorities; IDPs
UNFPA	Grant	\$ 443,000 (2000 - 2003)	Health; social protection
UNICEF	Grant	\$ 9,000,000 (2001 - 2005)	Health care; social protection

UNIFEM	Grant	\$ 1,400,000 (from Armenia, Azerbaijan & Georgia)	Conflict prevention
IOM	Grant	\$855,621	Social protection
EBRD	Loan	€ 265,000,000 (since 1994)	Financial sector; transport sector; industry
OSCE	Grant	€ 6,566,646 + (\$ 95,924 in ODHIR & HCNM)	Democratisation; rule of law; human rights; gender; freedom of religion; human trafficking; national minorities; media; humanitarian aid; border monitoring; small arms collection; conflict resolution
BSTDB	Loan	\$4,000,000	Financial sector
Germany	Loan & grants	€ 31,000,000 (2002 - 2003)	Employment creation under GSIF; land registry; energy distribution; fighting corruption; strengthening municipal infrastructure.
Netherlands	Macro-economic assistance & grants	€ 8,576,000 (+ exceptional € 9,100,000 for Poti Port)	Macro-economic assistance; Good governance, human rights & peace building; economic programme; small projects programme; Poti Port.

Taking into account that there is no comprehensive overview available of assistance provided by other donors since Georgia's independence, the above figures vary in date, most of the figures refer to amounts budgeted or implemented by these donors in 2002 (with few exceptions that also provide data on disbursements in 90s). Total assistance of all donors stands at €241 million only in 2002, as it is summarised in the below table 3.8, followed by detailed breakdown of state and non-state donor activities in Table 3.9 (ibid).

The review of international donors' programmes and financial engagement in Georgia shows that the EU was not the sole actor assisting Georgia during its early years of political, economic and institutional evolution. It is also apparent that the EU was not a dominant actor, as its financial contribution to the development programmes in the country was far below the other state and non-state actors input. This once again demonstrates that during the period discussed in the present chapter (1992-2002), the EU's engagement in Georgia and its impact on democratic transition processes in the country was marginal and inadequate. To provide a clearer and more reliable

analysis, the following part of this chapter will offer a detailed account of the state of democracy in Georgia during the given decade.

### **3.4 The state of democracy in Georgia during Tacis and PCA operation, 1992-2003**

Although Tacis Action Programme and PCA stipulated support to progress in the areas of legal and administrative reform, during the period of 1992 to 2003 Georgia showed very uneven progress towards democracy. Mainly this was due to Tacis emphasized development assistance more and proved to be an ineffective policy mechanism in terms of promoting democratic transition in Georgia. Besides, the overall financing of the democracy programmes as discussed above was rather small compared to the total funding disbursed to Georgia during these ten years by the EU. In addition, as the preceding discussion and figures have shown, the EU's assistance was even less significant when compared to other donors' assistance and engagement in Georgia during the same period (see tables 3.8 and 3.9). It is not surprising then that throughout this cooperation, no significant reform in the areas of democracy was undertaken in the country.

The Commission's Monitoring and the EU Country Reports also provide enough evidences of the non-progress in the field of democracy during the early years of EU-Georgia cooperation. For example, Tacis Interim Evaluation Synthesis report, produced by the Evaluation Unit of the European Commission, provides assessment of the Tacis contribution to the direction and pace of reforms in the Newly Independent Countries (NIS) during 1992-1997.

To obtain the views from the NIS on the contributions from Tacis to the reform processes, the Evaluation Team designed a formal eight-page questionnaire for the Tacis National Coordinators and Directors of Coordinating Units (Tacis Interim Evaluation Synthesis Report, July 1997, European Commission). The analyses of the collected data vis-à-vis the question 'In which field did Tacis have a major influence in your country?' in the case of Georgia shows 'medium' and 'low' levels of assessments, where reforms in the area of 'democracy and civil society' is evaluated as 'low' (Report from the Commission, The Tacis Programme Annual Report 1999, Brussels, 20.12.2000, COM (2000) 835). For details refer to Table 3.10.

The results of the questionnaire for the Tacis National Coordinators shows that in Georgia (as well as in most of the countries listed), relative impact of Tacis projects were noticed mainly in the economic fields, such as transport corridor planning and energy sector development,

agricultural policy, bank training and the development of enterprise restructuring approaches and SME promotion centres. In a number of these fields, Tacis contributed positively to the reforms of policy development and implementation. However, the impact of Tacis involvement in the areas of democracy and civil society appears low.

**Table 3.10**

**In which fields did Tacis have a major influence in your country?**

	Armenia	Belarus	Kazakhstan	Azerbaijan	<b>Georgia</b>	Kyrgyzstan	Tadjikistan	Ukraine	Turkmenista
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Sector:									
Nuclear safety	H	M	L					M	
Energy	H	L	M			H		M	M
HRD	M	L	H	M	<b>M</b>	H	H	L	M
Food & Agriculture	L	0	M	M	<b>L</b>	M	H	M	H
Transport and Telecoms	M	0		M	<b>M</b>		M	L	M
ERD-Financial Services	M	L	M	L	<b>M</b>		M	L	M
ERD- Restructuring	0/L	0	M	L	<b>M</b>		M	L	M
ERD – SME support	M	0/L	M	L	<b>M</b>				
Cross cutting themes									
Policy formulation	M	L		M	<b>M</b>		M	L	M
Public sector development	0/L	0		M		L	H	L	L
Private sector development	M	L		M	<b>M</b>		H	M	M
Education and Training	M	M	M	M	<b>M</b>				L
Social welfare/well-being	M	M		M	<b>L</b>				M
Technology transfer	0/L	0/L	M	L	<b>M</b>	L		L	M
Investment promotion	0/L	0/L		L	<b>L</b>				
Environmental protection			M	L	<b>M</b>			L	L
<b>Democracy and civil society</b>	L		M	L	<b>L</b>			L	

H=high impact; M=medium impact; L=low impact; 0=zero impact.

Source: TIE, CU questionnaires

Furthermore, the Mid Term Evaluation of Tacis Activities in Georgia (January 1998) states that the Tacis actions in Georgia overall contributed to the transitional reforms of the fledgling country. According to the document, the Tacis activities were highly relevant to the needs during the

country's transition, and effective in helping Georgia to move its reform program forward. The programme made a real impact in structural reforms of several sectors, namely in the areas of agriculture, civil service and transport. In privatization and financial markets, energy and SME development Tacis was a highly instrumental during the early and in mid 90s and laid down foundations for further reforms.

The Evaluation extends similar acclamation towards the Tacis engagement in environment and human resources support projects. However, the role of Tacis in democracy promotion and its engagement in the respective areas of institutional and legal reforms is not considered of having a great value. Following the Country Strategy Paper 2003 – 2006, Tacis National Indicative Programme, 2004 – 2006, Georgia (23 September 2003), despite Tacis supported progress in some areas of legal and administrative reform, the implementation of law, and therefore the rule of law more generally, remained weak. “The lack of adequate capacity, trained staff and appropriate budget allocations by the government constitute an additional challenge to public administration reforms” – the Paper posits (pg. 16). “Progress was hampered in part by weak governance and law enforcement in most state institutions, in particular the procuracy, and by the prevalence of corruption. The weakness of revenue collection and tax administration and the low level of training in state institutions (police, prison officers and the prosecuting authorities) also contribute to corruptive practices and weak law enforcement. The effectiveness of GEPLAC's work in the field of law harmonisation has been limited due to the lack or slow adoption of laws and recommendations, as well as their poor implementation.” (ibid)

In addition, Mid Term Evaluation of Tacis Activities in Georgia (January 1998) extends substantial criticism toward the programme operation, namely that effectiveness of Tacis suffered from project-focused (rather than an overall programme approach), weak project identification mechanisms and delays between project programming and mobilization. Tacis was becoming “more and more a generally disjointed portfolio of implementation oriented projects” and that it needed considerable improvements in “project identification, selection, and screening to improve resource allocation” (pg.0-1). According to the report, Tacis was not able to engage sufficiently in dialogue with the Government on certain policy implications of the transition process. The evaluation of Tacis Programme concluded that “Tacis through technical assistance has not been able to engage sufficiently deeply with the Georgian government in policy implications of the reform process; effectiveness of projects has suffered from

too little policy content or a policy dialogue at too low level with the government. Insufficient conditionality in projects' design has led to too little attention being paid to gaining "in-principle" agreement with GoG [Government of Georgia] on key steps to be taken for project success. As a result, excessive focus was put on meeting activity targets within projects as substitutes for good definition of project outcomes and performance measures."— the report states. Moreover, the impacts of projects were limited in cases where support has ended too early or the relevant strategies and projects have not been able to facilitate further investment. Based on the report, overall, at its early stage Tacis served as the EU's initial instrument for providing humanitarian and technical assistance to a newly born state of Georgia. This programmes involved fragmented efforts for advancing transitional reforms in the country, mostly in the field of economy and with smaller emphasis on the democracy and rule of law.

In order to lay down a comprehensive analysis of the state of democracy in Georgia and the impact of the Tacis involvement during the years of 1992-2003, this part of the chapter will next discuss all indicators of democracy as defined in earlier chapters of the research, namely free and fair elections, independent media, political plurality (multiparty system), and separation of powers between the state institutions: government (executive power), parliament (legislative power) and court (judicial power).

### *The system of checks and balances*

As Jonathan Wheatley explains "In the republics of the former Soviet Union where the rule of law was subordinate to the arbitrary exercise of power and where social subsystems independent of the state played little or no role in political life, establishing balance of power principle proved difficult to be achieved." (Constitutional/Political Reform Process in Georgia, in Armenia and Azerbaijan: Political Elite and Voices of the People, 2005, pg. 23). Georgia was no exception. According to the Evaluation of the Phare and Tacis Democracy Programme during the period of 1992-1997, which provides main features of Substantive Democracy in all Tacis countries for the reporting period (see Table 3.11), during the Tacis operation in Georgia the rule of law was weak, mainly because of widespread criminality and weak law enforcement and justice.

With respect to the separation of political powers the report posits that the functioning checks and balances system was not fully established both because of the strong role of the President

and because of the weakness of the judiciary. “The Constitution of 1995 [the first post-Soviet democratic constitution] provided for a division of powers between a strong President, a unicameral parliament and an independent judiciary. The President, elected by popular vote for a five-year term, held executive power, and - in the absence of a post of Prime Minister – was both the head of state and the head of government. Hence Georgia had a very strong presidential system of government.” – The report says.

There are similar assessments of the state of democracy in Georgia by the Freedom House Report – Nations in Transit 2003 – which scored freedom, civil liberties and political rights in Georgia from 4 to 5 (using a scale from 0 to 10, where 1 represents the maximum freedom). According to the report since independence up until 2003 the level of democratic freedoms enjoyed in Georgia was uneven. The report too posits that the Georgian Constitution of 1995 called for the separation of powers among the executive, legislative, and judicial branches of government, but in practice the country faced an increasingly strong presidential system, in which the executive was a dominant political institution taking control over the legislative and judicial branches. The loyalty of the legislative to the executive during the period in question was practically inescapable given that the ruling party – Citizens Union of Georgia, enjoyed majority of the seats in the parliament. Besides, the Constitution provided excessive powers of the executive over the legislative. The parliament had no power to introduce any changes to the president's budget; rather, it accepted or rejected it in its entirety. Parliament could only confirm or reject the president's ministerial nominations but had no power to initiate bills on the structure and regulation of the executive. The judiciary too was not independent as the courts were influenced by pressure from the executive branch. In the justice system, control of the executive over the judiciary was actually supported by the Constitution. The President presided over the Council of Justice and could appoint and dismiss judges. According to Article 90 of the Constitution, "The Chairman and judges of the Supreme Court of Georgia, on the President's nomination are elected for a period of not less than ten years by the Parliament by the majority of the total number of deputies." Out of nine Constitutional Court judges, three were appointed by the president, three – elected by the parliament, and three – appointed by the Supreme Court. The common-law judges were appointed by the president upon the nomination by the Council of Justice, a consultative body whose members were appointed and elected in equal numbers by the president, parliament, and the Supreme Court. In majority of cases the courts decisions were made out of the government pressure or by the payment of bribes to judges. Thus, despite having a formal division of political powers, in practice the country had an



executive control in all instances, including the parliament and the judiciary (The Freedom House Report – Nations in Transit 2003).

Strong presidential system may not necessarily be damaging for state building. Quite contrary, centralisation of authority can be crucial for successful implementation of political and economic reforms in transition countries (Haggard Stephen & Kaufman R. Robert, 1995). Granting excessive presidential powers to Eduard Shevardnadze in 90s, when Georgia was politically fragile, fragmented and economically weakened country, was perhaps the best way to stabilize and revive it. At that time, the president certainly needed a strong fist in order to overcome rampant corruption and fight uncontrolled authorities in various parts of Georgia (yet despite enjoying extensive political authority, Shevardnadze and his government were not successful in surmounting these problems). Nonetheless, concentration of excessive power in the hands of executive seriously endangers the development of democracy (Stephen F. Jones, 2012). Unfortunately, in the case of Georgia this proved to be a true pattern. As a result of consolidation of power in the executive all other branches of the government were weakened, judiciary controlled and opposition parties suppressed.

### *Elections*

While measure the state of democracy in the country another important element is elections and the extent to which they are held in a free and competitive environment. During the period in subject fraud was observed in all elections. According to the OSCE Office for Democratic Institutions and Human Rights (ODIHR) Final Report (7 February 2000, Warsaw), the 1999 parliamentary election was the third multiparty parliamentary election since Georgia's independence. The conduct of this election represented a step towards Georgia's compliance with OSCE commitments, although the election process failed to fully meet all commitments. The document reported a large number of irregularities, such as fraud, ballot stuffing, voter intimidation and violence, dominant position of the ruling party in the election administration at all levels, biased media coverage in favour of ruling party, etc. Due to high number of irregularities and debated results, this parliamentary election was held with repeated rounds in several constituencies.

Concerning the Presidential elections in 2000, ODIHR concluded that fundamental freedoms were generally respected, but problems were, amongst others, identified in different areas, such as “interference by state authorities in the election process, deficient election legislation, unreliable voter registers, lack of professionalism and independence of the Central Elections Commission,

appropriate access of candidates to the media, control of vote counting, and international observation of the electoral process, etc.” (ibid). The report continues that the freedom of expression in the country was weak considering that the television was state-dominated and the regional press was under the control of regional governors, etc.

According to the Final Report of the OSCE/ODIHR Election Observation Mission of 9 April 2000 presidential elections, during the pre-election period the authorities did not behave impartially and gave strong support for the election campaign of the incumbent. Besides, there was no clear dividing line between State affairs and the incumbent’s campaign. In addition, both the State and private media failed to fulfil their obligations to provide balanced reporting on the candidates and gave the incumbent a clear advantage in time, space and quality of coverage.

The OSCE/ODIHR report states that other important concerns related to the accuracy and transparency of voter lists, location of election commission premises in local government buildings and a number of ambiguous, vague and sometimes contradictory procedural provisions of the election legislation. The report also notes that the election process deteriorated after the close of polls. Counting and tabulation procedures lacked uniformity and transparency. While in some polling stations the law was properly implemented, in others it became apparent during the counting that ballot box stuffing had taken place (OSCE/ODIHR Final Report on the 9 April 2000 Presidential Elections of the Republic of Georgia, Warsaw, 9 June 2000).

Freedom House, Nations in Transit, 2003, Report on Georgia also indicates to serious electoral fraud, “including inflated voter turnout figures and an unrealistically wide margin of victory for the incumbent, President Eduard Shevardnadze” during the 2000 presidential elections.

The November 2003 parliamentary elections also fell short of international standards for democratic elections. The elections were monitored by 450 observers from OSCE. They confirmed a number of anomalies in the election (incomplete or missing electoral lists, a shortage of voting slips, disregard for voting rules within some polling stations etc...). These anomalies "reflect a lack of collective political will and administrative ability to organise an election", declared Julian Peel Yates, head of the observers' delegation at the OSCE. (“Georgian parliamentary elections marred by confusion over voter lists” OSCE Press Release, 3 November 2003).

Important is also to note that in November 2003 National Democratic Institute (NDI) released statement on the Crisis surrounding Georgia’s parliamentary elections. According to the statement, “the Republic of Georgia was thrown into a political crisis as a result of the failure of the November 2, 2003 parliamentary election process to produce preliminary official election results

that accurately reflected the will of the Georgian electorate”. The report posited that “the findings of nonpartisan Georgian and international observers documented significant disenfranchisement on election day, due to large-scale problems with the voter registry. They also noted intimidation, ballot box stuffing, changing of tally sheets and other major irregularities. Major violations were particularly evident in Ajara, Kvemo Kartli and certain other areas.” Georgian NGO – International Society for Fair Elections and Democracy (ISFED) showed significant gap between official results and parallel vote tabulation and stated that preliminary official election results did not accurately reflect the will of those who were able to cast votes.

To summarise, during the period discussed in the present chapter, all elections in Georgia were characterised by numerous and serious irregularities, including systematic and widespread fraud, excessive use of administrative resource by the authorities, stuffing of ballot boxes, inflated voter turnout figures, and a strong pro-Shevardnadze bias in the state and private media. It is apparent that the country fell short of a number of international standards for democratic elections.

### ***Political parties***

The development of political parties is one of the principal factors in, as well as indicators of the consolidation of a stable democratic system in a country. Therefore, the issue of political plurality is the subject of discussion of this research. Political parties are crucially important entities that ensure connection and communication between a government and its citizens. According to National Democratic Institute (NDI) “By competing in elections and mobilizing citizens behind particular visions of society as well as through their performance in the legislature, parties offer citizens meaningful choices in governance, avenues for political participation, and opportunities to shape their country’s future.”(<https://www.ndi.org/political-parties>).

According to Matthias Catón (“Political parties: necessary for democracy?The crucial role of party assistance for strengthening democracy”, IDEA, 2007) political parties fulfil several major functions that provide solid foundation for democracy. First of all, they develop policies and programmes and thus ensure that there are different choices in the political marketplace – not only in terms of candidates but also in terms of ideas. Second, political parties represent different societal groups and interests. Parties are able to discuss and evaluate these issues and shape human needs into policy alternatives. In so doing they are an important part of the political process. Third, parties either oversee or control government depending on whether they are in government or

opposition. Therefore, political parties, as essential components of democracy, are subject of discussion in the context of Georgia.

In the Georgian case, the development of stable democracy was (and remains) inconceivable without a system of viable and sustainable political parties. During the period reviewed in this chapter, political parties in Georgia were governed by the constitution of 1995 and the Law on Political Associations of Citizens (1997). Both provided a high level of negative freedoms and imposed only limited restrictions on the functioning and formation of political parties. The law prohibited the creation of regionally-based parties (IDEA and CSS Country Report based on Research and Dialogue with Political Parties, 2005).

During the period in question, Georgia's political field was plentiful with political actors. According to the Central Elections Committee ([www.cec.gov.ge](http://www.cec.gov.ge)), in the 1999 parliamentary elections, 50 political parties took part; in the 2002 local elections – 41 parties; in the 2003 parliamentary elections – 22 parties. The number of political actors was not small, but it was gradually decreasing in the subsequent years. Despite the multiplicity of actors, there were few important players with the highest profile in the public: United National Movement; New Rights; Industry will Save Georgia; Labour Party; and Republican Party of Georgia. However, the ruling coalition led by the Citizens Union of Georgia (CUG) held the majority in the parliament since 1995. Thus, despite the diversity of political actors, the ultimate decision making power vested on a single actor – the ruling party. Such legislative base and prevailing practice was ultimately limiting political plurality and participation.

According to the Freedom House Nations in Transit 2003 Report, organizational weakness, rather than state repression, was the main problem facing political parties in Georgia. The report states that parties were usually created as vehicles for personalities or small groups to gain power and lacked distinct agendas or ideologies. As a result, they were “highly unstable and weakly anchored in the broader public”. The report also posits that the coalitions among parties were “purely opportunistic” and did not last long. The party landscape was traditionally changing dramatically before elections.

As the discussion above shows the development of political pluralism in Georgia during the period in question was very limited that again indicates to underdeveloped democratic conditions in Georgia.

**Table 3.11**

**PTDP Evaluation Report**

***Substantive Democracy: Main Features***

	<b>Belarus</b>	<b>Estonia</b>	<b>Georgia</b>	<b>Hungary</b>	<b>Kazakhstan</b>	<b>Poland</b>	<b>Romania</b>	<b>Russia</b>	<b>Slovakia</b>
<b>Rule of Law</b>	Large numbers of prisoners Terrible prison conditions	Criminality Weak law enforcement	Corruption Police brutality Criminality Weak courts	Increased criminality	Old-style stability Control by police. No independent Judiciary	Increased criminality	Increased criminality Effective police Distrust of justice	Big increase in criminality Dominance of mafia Weak poorly financed law enforcement	Gov. disregard for rule of law, e.g. kidnapping, pressure on courts
<b>Political Parties</b>	All outside parties. Part of opposition weak and fragmented	Weak party structures, corporatist tendencies	Personality based	Consolidating	Personality based . Facade opposition. Other opposition parties not registered	Consolidating. Divisions between post-Communist / post-Solidarity, pro and anti-Church, pro and anti-economic reform	Small, client list with little mass support	Large numbers of small parties. Many include Communists, Lebed's party, and Zhirinovsky's party	Leading party is personality based movement held together by power. Other parties weak but engaged in coalition
<b>NGOs and Representative Structures</b>	Strong NGO community esp. trade unions Gov. tries to control them	Extensive growth of NGOs. 30-40% rural. More dynamic outside Tallinn	Growing last Mainly in Tbilisi	Very active. Some 50,000 NGOs registered	Very few, mainly cultural and trade unions. New opposition alliance 'Azamat'	Many and active; some 45,000 registered	Active and lively, 12,000 registered 10,000 outside Bucharest	Growing; independent trade unions, human rights groups, Soldiers Mothers	Impressive, well-organised, growing
<b>Media</b>	Total State Control	Pluralistic	TV still state dominated Physical abuse of journalists	Pluralistic	State control but can listen to Russian media	Pluralistic, lively	Many private radio and TV stations	Central press doesn't reach everywhere. Regional press under control of governors Pluralistic electronic media	Mixed. Gov. monopoly over electronic media Press pluralism

<b>Human Rights</b>	No Freedom of Assembly Police Brutality	No active policy	No active state policy Restrictions on Assembly	No active state policy	No active policy	Generally good.. No action against prostitution and trade in women	mainly related to minorities and weak justice	Widespread torture in prisons, especially against minorities, e.g. Chechens. Arbitrary arrests in Chechnya	Problems related to Gov. disregard for rule of law Good legislation and human rights education by NGOs
<b>Minorities</b>	Attacks on Poles and Ukrainians Harassment of gays and lesbians	Discrimination against Russian minority	No role in political life apart from secessionist states preferential treatment for traditional religion	Discrimination against Roma and foreign students	Ethnically mixed - balance maintained. Ban on homosexuality	Anti-Semitism without Jews	Minority rights improved after Treaty; still problems with Roma.	Discrimination against Caucasians especially	Conflict with Hungarian minority persists, stalling over language laws
<b>Local and Regional Government</b>	Centralized control	Relatively decentralized. Democratic local Gov. Inadequate resources	No elected local bodies	Active local government	Centralised power	Active local gov'l. Needs middle tier of gov'l	Greatly increased autonomy	Consolidated federal structure. Lower levels elected but numerous violations in elections	Restrictions on power and competences of local authorities. Relatively high degree of centralisation
<b>Political culture</b>	Mixed	Polarisation of society between citizens and non-citizens. Absence of civic engagement beyond NGOs	Slowly changing. Collectivist authoritarian mentality persists outside Tbilisi	Increasingly tolerant and civic minded	Passive	Developing democratic culture.	Changing. But old attitudes persist	Widespread distrust of politics	Changing. Still authoritarianism and apathy

## *Media*

Another criterion with which democracy is measured in this research is independent media.

During the period in question, the legislation did not directly challenge media freedom. Article 24 of the Constitution stated that "the mass media are free" and that "censorship is impermissible." It also defended the rights of citizens "to express, distribute, and defend their opinions via any media, and to receive information on questions of social and state life." The Law on the Press and Other Mass Media of 1991 also regulated the media. Yet, the legislation contained some provisions that gave possibility to be misused against the media. For example, Article 4 of the law stipulated that "the mass media are forbidden to disclose state secrets; to call for the overthrow or change of the existing state and social system; to propagate war, cruelty, racial, national, or religious intolerance; to publish information that could contribute to the committing of crimes; to interfere in the private lives of citizens or to infringe on their honor and dignity." (Freedom House, Nations in Transit, 2003, Report on Georgia).

The media freedom was also significantly restricted with the state regulations on registration and licensing. For example, according to Article 7 of the Law media outlets were required to register and obtain a license from the state, and if the registration body considered the goals of the applicant to be in contradiction with the law, it could deny registration to the media outlet. On the same grounds, this article could apply retroactively and a licensed outlet's activity suspended for a year without any legal proceedings (ibid).

In addition, one of the major obstacles for independent operation of media was the problem associated with distribution and control. Although independent media dominated major segments of the market in Georgia, the government maintained control over strategic outlets such as television's Channel 1 and Channel 2 and the Georgian Radio. These were the only broadcasting companies with nationwide coverage. Despite the fact that NGOs and civil society actively promoted their transformation into public broadcasting corporations, no action was taken in this regard up until 2004 (after the rose revolution) when the Law on Public Broadcasting enacted (this will be a subject of detailed discussion in the next chapter). The regional press was under control of regional governors. While the country's independent press often published discerning and critical political analyses, economic difficulties limited the circulation of most newspapers, particularly outside the capital. Independent newspapers and television stations faced harassment by the authorities, while journalists in government-controlled media frequently practiced self-censorship (Final Report,

Evaluation of the Phare and Tacis Democracy Programme, 1992 – 1997, ISA Consult European Institute, Sussex University, GJW Europe, Brighton, Hamburg, November 1997).

The pressure on media became more vivid after the authorities' attempt to close down independent TV station Rustavi 2 in 1997. In 2001, the Ministry of Security carried out a raid on the offices of Rustavi 2, which led to a large public demonstration. The case also inspired political crisis which was ultimately resolved as a result of firing of the cabinet and the resignation of the Speaker of Parliament. In the following year, Tbilisi PresClub and the famous NGO Liberty Institute, were ransacked, and its members beaten several times. In other regions too, journalists, exposing official corruption, were often targets for physical assault and harassment, e.g. 2002 Bolnisi case, 2002 local television station raided by police in Zugdidi, abuse in 2002 in Kutaisi, Telavi, and elsewhere. (Freedom House, Nations in Transit 2003, Report on Georgia).

The number of independent newspapers was limited. But the circulation and influence of these limited editions were very low in the country. Many radio stations operated in Tbilisi and some in the regions. But, they offered musical programming with short news broadcasts (Reporters Sans Frontières (RSF) Annual Report 2003 – Georgia).

The most prominent case in the ordeal of the free media was the death of the famous Georgian journalist, Giorgi Sanaya. In July 2001, journalist Sanaya of the independent television station Rustavi-2 was found dead in his apartment. Interior minister Koba Narchemashvili announced on 18 July 2001 the closure of the investigation. However, it was widely believed that Sanaya's case was not truly investigated. The journalist's colleagues and family members maintained that Sanaya's murder was the result of his work at the station, which is known for its investigative reporting on corruption in Georgia. Thus, this brief overview of the media environment clearly demonstrates that the freedom of media was not prevalent in Georgia in the discussed period.

To conclude, the analysis of all major democracy indicators in Georgia shows that the state of democracy was rather low in the country. The above-discussed international reports too confirm this assessment as the country's democratic standing is ranked at low and medium levels.

### **3.5 Conclusion**

As the above discussion has shown, since 1992, more than ten years of EU's engagement in Georgia did not lead to significant advancement in the country's democratisation efforts. Georgia fell in the category of "reluctant democratisers" (Kubicek, 2003a), which significantly restrained



endorsement of European norms. Despite receiving the EU assistance, the Georgian government did not show the level of commitment to reaching the policy objectives linked to assistance which the EU expected. The progress of legislative and administrative reforms in Georgia during 1992-2003 as discussed above in the light of the EU programmes and assistance was not apparent for several reasons.

First of all, during these early years of state-building, the Government of Georgia was preoccupied not much with democratic consolidation, but with separatist conflicts, economic and social instability, as well as political upheavals, for which it strengthened executive powers and control mechanisms. The EU too was primarily targeting the assistance of first priority, such as technical and humanitarian aid, food programs, etc. The country's leadership was in cooperation with the EU mostly for maintaining political dialogue and financial support, which at that time primarily implied technical aid and development assistance. The reasons for the governing elite's reluctance to carry out democratic reforms was also to greater degree due to the absence of the EU's conditional mechanisms (enforcement structures) attached to the EU financial and technical assistance (rewards) to Georgia. Although monitoring of the EU programmes were carried out and reports were written from year to year, the Union showed rather meagre interest in Georgia and never gained the means to have much leverage on it either through effective monitoring of the programmes or by application of relevant benchmarking.

Furthermore, the EU lacked a targeted approach to democratisation processes in Georgia. Archil Karaulashvili<sup>5</sup>, Head of European Integration Coordination Department, Office of the State Minister for European and Euro-Atlantic Integration of Georgia provides a detailed account on the role of the EU in promoting democracy in Georgia in the face-to-face interview, where he posits: "At that time, the EC/EU did not have a clear strategy or an articulated foreign policy towards the emerging countries in the East. The goal of the Tacis and other programs provided to Georgia was not the promotion of democracy. This component was practically missing in the first years of the EC/EU-Georgia cooperation. Instead, the focus was predominantly on the technical assistance, humanitarian aid and development cooperation." (Archil Karaulashvili, personal interview, 26 February 2014, Tbilisi, Appendix II).

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<sup>5</sup>Archil Karaulashvili has been working in Georgia's public service since 1995 taking various leading positions at the Committee of Foreign Economic Relations (1995-1996), Ministry for Trade and Foreign Economic Relations of Georgia (1996-2000), Ministry of Foreign Affairs of Georgia (2000-2004), Office of the State Minister for European and Euro-Atlantic Integration of Georgia (since 2004).

Konstantine Zaldastanishvili<sup>6</sup>, incumbent Ambassador Extraordinary and Plenipotentiary of Georgia to the Republic of Austria, Permanent Representative of Georgia to OSCE and other International Organizations in Vienna (Head of the Georgian Mission to the EU during 1995-2000) states that the EU was always considering democracy and rule of law as its priority. Nevertheless, during the early years of cooperation the EU was more focused on humanitarian aid and technical assistance. The country experienced severe deficit of basic food products, and the state institutions were not properly established. Of course, the EU cared about the prevalence of democratic values and norms, but the first priority was building structures and creating basic knowledge on how to rule the country (Konstantine Zaldastanishvili, personal interview, 8 September 2014, Tbilisi, Appendix X).

Thus, the relationship between Georgia and EU back in 1992-1995 was based mostly on humanitarian and technical assistance. The EC was providing humanitarian aid, which Georgia most of all needed at that time. According to Zaldastanishvili, initially the “food aid” program implied provision of food products – a major food aid operation funded by the EU during 1994-1996. Since 1996, this aid was replaced with “food security program” which instead of food products provided direct financial assistance – direct installments were made to the state budget. Ambassador Zaldastanishvili explains that this was done with the aim to help the nascent state of Georgia to produce and buy the food independently. “The EC was not giving us “fish” any more, but was providing “fishing-rods” so that we could learn how to catch a “fish” ourselves.” – says Ambassador Zaldastanishvili (*ibid*).

Kakha Gogolashvili<sup>7</sup>, Director of the EU Studies at Georgian Foundation for Strategic and International Studies (GFSIS) considers that the early cooperation mechanisms, such as Tacis and

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<sup>6</sup>Konstantin Zaldastanishvili serves as Ambassador Extraordinary and Plenipotentiary of Georgia to the Republic of Austria, Permanent Representative of Georgia to OSCE and other International Organizations in Vienna since 2013. Prior to this position Ambassador Zaldastanishvili was Secretary General of the EU-Georgia Business Council (EUGBC). During 1998-2005 he served as Ambassador Extraordinary and Plenipotentiary of Georgia to the Benelux Countries, Head of the Mission of Georgia to the European Communities. During 1995-1998 Mr. Zaldastanishvili was Minister of Trade and Foreign Economic Relations of Georgia, and served as National Coordinator of the EU Technical Assistance Program – TACIS in Georgia. In the capacity of Trade Minister, Mr. Zaldastanishvili also served as Alternative Governor of the EBRD from the Georgian Side and Chairman of the Governmental Commissions for Georgian-German Economic Cooperation. In 1994-1995, Ambassador Zaldastanishvili served as Minister-Plenipotentiary of the Embassy of Georgia to Germany. During 1992-1993 years, he was Head of Division of International Relations in the Tbilisi City Municipality, Head of Division of Bilateral Economic Relations and International Economic Organizations of the State Committee of Foreign Economic Relations of Georgia, Head of Division of Foreign Investments and Credits of the State Committee of Foreign Economic Relations of Georgia, etc.

<sup>7</sup> Kakha Gogolashvili worked at the Ministry of Foreign Affairs of Georgia since 1990. From 1994 to 1996 Mr. Gogolashvili was engaged in official negotiations on Partnership and Cooperation Agreement between Georgia and European Communities. For the subsequent four years (1996-2000) he worked at the Mission of Georgia to the EU as a counsellor and later as a Deputy Chief of Mission. As a Director of the Department of EU Relations at the Ministry of

other technical assistance programs and later signing of PCA created the foundation for the reforms in the areas of democracy in Georgia. According to Mr. Gogolashvili, even though the first programs were focusing on humanitarian and financial assistance, also food safety and infrastructural programs, at the same time EU was trying to help Georgia to build a state and also to find its place in international communities. “In both of these directions [meaning PCA and Tacis], one of the major components was democratic development. The approach of the EU has always been that state building cannot proceed without upholding democracy and its major principles such as human rights and the rule of law. Therefore, the EU directly or indirectly was trying to put the country on this track. The supporting evidence of this deep cooperation was that the EU started to think about PCA with Georgia as early as in 1996 and ultimately putting it in force in 1999. The PCA preamble and all other chapters pay increasing attention to democratic principles (Kakha Gogolashvili, personal interview, 27February 2014, Tbilisi, Appendix III).

Yet, at that stage, effective instruments that could have provided democratic state building were not in place. Prior to enforcing major cooperation mechanism, cornerstone of the EU-Georgia relations – PCA, the EU and its member states were acting spontaneously vis-à-vis Georgia. The EU’s attention was mainly directed to exploring the inconsistencies of systemic and institutional arrangements in Georgia with the international system and was trying to fill such gaps with technical aid and programming assistance. At that stage, Georgia too was preoccupied with other serious problems than building democracy. These problems and concerns were: stabilization, security, development of market economy. Therefore, these were also within the list of priorities for the EU in its relation with Georgia (ibid).

After signing PCA, the EU elaborated more on the political outlook towards the post-Soviet countries, including Georgia. PCA helped the EU to define indicative programs and priorities for Action Plans and reform strategies in Georgia. Political reforms, including democracy and good governance, were defined as important dimensions within the assistance programs. By signing PCA, Georgia took soft obligations to advance in the areas of human rights and democracy overall and

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Foreign Affairs of Georgia, Mr. Gogolashvili, initiated establishment of a governmental Commission on PCA Implementation (2000) and during the following year he was a Secretary of that Commission. In 1999-2000 Mr. Gogolashvili held a position of a Secretary of the EU-Georgia Cooperation Council. In 2001 he chaired EU-Georgia Subcommittee on Trade and Legal Issues. Throughout the years he was actively engaged in organizing and holding official meetings between Georgia and EU on the high, as well as, on ministerial levels. He holds a diplomatic rank of Minister-Counsellor. For the last three years Mr. Gogolashvili has been working as an expert in EU-funded projects. Heworked in three EC supported projects on Economic Growth and Poverty Reduction Strategy. He was a Deputy Team Leader and in absence of the European Expert was in charge of the project activities in Georgia. During this period he continued to work on issues related to the EU integration and EU-Georgia relations. He published a number of papers and actively participated in conferences and seminars.

also to join various International Conventions and adoption of new legislation domestically in the same field. Reforms in the areas of police, procuracy, justice, elections, etc. were part of the PCA, which pushed the country towards respective institutional and legal reforms.” – states Kakha Gogolashvili (ibid).

Important is to mention that in the scope of Tacis National Programme and PCA the EU extended support to institutional, legal and administrative reform in Georgia, but the funding and support of democratic reforms (e.g. promoting free and fair elections, political plurality, independent judiciary, etc.) was rather limited. The low level involvement is clearly visible from the Tacis Indicative Programmes and Annual Report, where financial contribution to this particular field is clearly significantly smaller in comparison to other prioritised reform areas (see tables 3.2 to 3.8).

As discussed in the previous section of this chapter, the share of the EU programming and financing of democratisation reforms in the country was quite small (in most of the cases amounts 15-20% of the overall EU funding). According to a senior representative<sup>8</sup> of the European Commission (off record interview, 8 May 2014, the European Commission, Brussels) since the launch of the formal relations between the EU and Georgia the assistance scale has been growing and the technical assistance needs were covered. “However, the EU assistance has never been commensurate with the political processes and the level of required democratic reforms in Georgia. There has always been more need” – says the informed source.

It is also essential to state that the EU’s general reform agenda and assistance has been even less significant when compared to the funding of the democracy programmes by other large state and non-state actors. Instead of increasing support and strengthening its policy mechanisms and conditionality, the EU was slowly disengaging from the country (Kubicek, 2005, pg. 277-81). During these phase of cooperation, authoritarianism became more pronounced in Georgia. The country was swept away with wide spread, almost endemic corruption, economic crisis, growing numbers of human rights violations and suppression of mass-media. A part of the political elites also started to move their rhetoric from a pro-Western to pro-Russian rhetoric (Cremona, 2005, pg. 25-54). Under Shevardnadze’s regime, “the government's inherent weakness was exacerbated by a dysfunctional political system. There has been a very little progress in democracy and human rights. Parties appeared and disappeared. Elections were falsified. Corruption became endemic.” (Charles King, 2004, pg. 2).

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<sup>8</sup> The respondent is not identified upon the request for confidentiality. The off record interview was held on 8 May 2014 at the European Commission in Brussels.

Yet another reason for the EU's failure in pursuing its democratisation agenda in Georgia was its inability to establish strong institutional and social ties with the country at all levels. At 'elite' level political and policy dialogue between the EU and the government of Georgia was institutionalised only at a later stage, in 1999 and in 2000.

The EU-Georgia Parliamentary Cooperation Committee was established in 1999 with the task to consider all aspects of relations between the EU and Georgia and, in particular, the implementation of the PCA. The Bureau of the EU-Georgia Parliamentary Cooperation Committee consisted of the Chairman of the delegation of the European Parliament, the Chairman of the delegation of the Georgian Parliament, and two Vice-Chairmen of each delegation. The Committee was set to meet once a year.

In addition, the EU-Georgia Cooperation Council was established in 2000 to ensure proper implementation of the PCA and to support the approximation process. The Cooperation Council would meet once a year, supervises the implementation of the PCA, consisted of members of the Government of Georgia on the one hand, and of the members of the EU Council and of the European Commission. The Cooperation Council aimed to examine any major issues arising within the PCA and any other bilateral or international issues of mutual interest for the purpose of attaining the objectives of the PCA. In order to prepare the meetings of the Cooperation Council and ensure continuity between its meetings, EU-Georgia Cooperation Committee was further created that would meet once a year at senior civil servant level. However, the impact of the work of these newly established structures was not noticeable at this early stage of cooperation.

Over the period in question, the political elite of Georgia kept expressing its determination for legislative approximation and reforms that would ensure rapprochement of the country to the EU. But such rhetoric was never followed by real action that would have paved way to genuine democratic reforms. For more than a decade, under Shevardnadze's rule, Georgia suffered from rampant corruption, violation of human rights, disrespect of the rule of law and pressure on freedom of speech and mass media.

Furthermore, another factor for low profile cooperation between EU and Georgia was Georgian political elite's lack of experience in dealing with international actors and in engaging in effective communications. Konstantin Zaldastanishvili, Ambassador Extraordinary and Plenipotentiary of Georgia to the Republic of Austria, Permanent Representative of Georgia to OSCE and other International Organizations in Vienna (Head of the Georgian Mission to the EU during 1995-2000) states in his interview that during early 1990s, Georgia's main partner was the

European Commission. “We were not working with other EU Institutions. We used to approach the Commission with further aid and assistance through food aid, Tacis, and other programs. I was Tacis National Coordinator for three years. The Tacis National Action Plan was developed every year for which respective assistance was allocated according to agreed priorities. The EU funded projects were mostly useless and most of the times were dusted on shelves.” (Konstantin Zaldastanishvili, personal interview, 8 September 2014, Tbilisi, Appendix X).

In his interview, Georgia’s former Ambassador to the EU also adds that the work at the Georgia’s Mission to the EU at that time was often based on experiments. “We were not even receiving instructions from the Ministry of Foreign Affairs as such. My advantage was a knowledgeable staff” ... “When I arrived in Brussels in 1998 I realized that speaking only with the European Commission was not fruitful for us. Most of the decisions were made in the European capitals. Georgia was not considering European Council as a partner. So, we started to work with the European Council member states. I allocated the portfolios of 15 member states among my three colleagues at the Georgian Mission to the EU – 5 member states for each. Once a month, my staff was visiting their counterparts in respective states’ embassies in Brussels to inform about the current developments in Georgia. This was a very effective move. The European Commission decision-making relied heavily on the Council member states. Therefore, having close relations with them was important for us.” ... “To know how to work with any organization, it is first important to know the decision making process and institutional structures of that organization. Back in those years, this was not analyzed. Afterwards, we closely studied the process of decision making within the EU, the role of the EU member states, the role of the European Parliament. The Cooperation Council between the European Union and Georgia held its first meeting in Luxembourg in 1999. The Georgian Delegation was headed by Irakli Menagarishvili, Minister of Foreign Affairs of Georgia. The European Commission was represented by Gunther Burghardt, Director General.” (ibid)

It is noteworthy that during the period in question the EU spent considerable amount of financing on the provision of consultations, expertise and trainings for political elite and public service employees. Nevertheless, the consultations provided by the EU experts were not effective as they were not well aware of the reality on the ground. According to Archil Karaulashvili, Head of European Integration Coordination Department, Office of the State Minister for European and Euro-Atlantic Integration of Georgia, “In most of the cases, the trainings and education provided were not of any use. On the one hand, the experts themselves did not have understanding of the problems, difficulties and needs. The consultations and recommendations provided were not reflective of the

needs and problems on the ground. On the other hand, the recipients of the trainings (mostly public service employees) had no skills to absorb and utilize the consultations and trainings provided. Besides, the Ministries were both institutionally and financially weak, having no capacity to implement reforms (Archil Karaulashvili, personal interview, 26 February 2014, Tbilisi, Appendix II).

Yet, another problem was that in a large number of cases, the trained staff would be replaced by newcomers. The institutions had a serious lack of capacity to absorb the expertise and information for changes. The reports provided by the EU experts in majority of the cases were ending up on the shelves as the institutions had no qualified personnel who could read in English and understand the scope and the essence of the recommendations, nothing to say about their implementation. Quite often, project managers were only formally agreeing on the terms of the assistance, with the hope that it would provide couple of computers or other technical assistance to their departments, while the funding for purchasing computers could have count only small percent of the overall assistance. The main portion of which was coming on consultations and the provision of expertise. Training and exchange programs for public service employees also had marginal value. Even in the small number of cases, when Ministry staff was sent to EU for workshops, people would consider it as a possibility for travels and vocations rather than the opportunity to absorb new knowledge and bring it back in the country (ibid).

The above arguments of Mr. Karaulashvili are further supported by Georgia's former Ambassador to the EU, Mr. Konstantine Zaldastanishvili. In his interview, Ambassador Zaldastanishvili states that "financial assistance that Georgia was receiving annually was easy money. The government's attitude to this assistance was that this has to be spent somehow. No one was particularly interested for what purpose and how to do that. Projects were implemented; reports drafted and put on a shelf. I have seen the EU report on Georgia where Albania was used in place of Georgia, simply because the text was copy-pasted from another report." (Konstantine Zaldastanishvili, personal interview, 8 September 2014, Tbilisi, Appendix X). Mr. Zaldastanishvili also underlines a very low level of preparedness of European experts positioned in Georgia for trainings and consultations. "In most of the cases, these were low profile professionals in their own countries, who were given a job. We often hear people saying that Georgians have wasted the European assistance. In fact, the misuse of this financial assistance could not have been done without the involvement of foreign experts on the ground, as they were in charge of most of the funds and accounts." (ibid)

At ‘intermediary’ level, small projects (e.g. in scope of EIDHR’s € 5.5 million programme) served to advance the state of democracy by strengthening civil society and non-governmental organizations in the country. Nonetheless, this sector remained weak as the EU programmes lacked adequate and effective coordination and monitoring. The intensity of socialisation at the broader ‘society level’ was even weaker. Most of the educational exchange programmes, the participation of the country in Community programmes, people-to-people contacts, visa facilitation issues, etc. were launched in the following phases of the EU-Georgia relation, not to mention Tempus – a single instrument of co-operation in the field of higher education, launched in the scope of Tacis Action Programme in 2002 with € 1 million fund.

Thus, during this early stage of EU-Georgia relations, Tacis, PCA and other respective programmes discussed above were mainly devoted to technical assistance, development and humanitarian aid to a newly born independent state of Georgia. The programmes played important role in supporting the government of Georgia to build a new state, develop state institutions and respective policies. Tacis and PCA were also instrumental in providing consultations and expertise on democratic state building to the political elites and public servants. Nevertheless, their influence on major areas constituting democracy in the country was trivial. Therefore, the present chapter concludes that the EU’s engagement in Georgia from 1992 to 2003 did not produce significant results in terms of democratic change.



## Chapter 4

### **Overview of the EU-Georgia Relations in the Prism of Democratisation: The EU in Georgia after the eastern enlargement and the ‘rose revolution’**

The present chapter discusses the major policy instrument proposed by the EU to Georgia after the Union’s eastern enlargement in 2004. This part covers the period of the EU-Georgia relations during 2004-2008. It is stated that the cornerstone in the EU-Georgia relations, the European Neighbourhood Policy (ENP) and the Action Plan (AP) strengthened the institutional cooperation between the EU and Georgia by offering to the country relatively stronger commitments, rewards and enforcement mechanisms vis-à-vis democratic reforms. Compared to the PCA and the Tacis programmes, the ENP was more focused on upgrading EU-Georgia political cooperation, including in the areas of justice, rule of law and governance. Also, compared to the previous years, these instruments provided better intensity of the EU-Georgia socialisation. Nonetheless, they were unsuccessful to leverage democratic reforms in the country for several reasons.

First of all, the Georgian government under the administration of President Saakashvili was primarily oriented on the country’s modernisation and it paid little attention to genuine democratic reforms. Therefore, the process of legislative and institutional harmonisation with the EU was going slowly and ineffectively. Besides, the incentives (anticipated rewards) offered by the EU to Georgia in exchange of democratic reforms was not enough to encourage the government’s compliance with the EU requirements. In relation with the EU, Georgia expected nothing more than cooperation in political, economic and social fields. The prospect of membership was never a subject of the parties’ dialogue. In addition, the EU conditionality lacked consistent and credible enforcement structures, such as constant monitoring of the reforms and relevant benchmarking. With such lenient attitude, the EU only further encouraged the governments’ stagnant position towards democratic reforms. Moreover, the share of funding democratic reforms was very small compared to the overall EU assistance provided to Georgia, and it was also inadequate to the needs that country faced in the democratic transition process.

In terms of socialisation, the relationship between EU and Georgia mostly evolved at the ‘elite’ and to some extent at the “intermediary” (civil society) levels, while these channels were still poorly developed at the wider ‘societal’ level. The chapter, similarly to previous chapter, bases the

proposed arguments on the empirical analysis of the EU's narrative and financial record for all of the development programs with particular focus on democracy support in Georgia.

#### **4.1 Introduction of the European Neighbourhood Policy (ENP) and Action Plan (AP)**

In the beginning of the 2000s, the debate about the idea of the European Neighbourhood Policy (ENP) was mainly about borders and security. Such departures contributed to the EU's geopolitical vision of what it is about and how it aims to organize the broader European space. Interesting is to note that at the initial stage, when the idea of the ENP emerged in Brussels, Georgia was not even considered to be a part of it.

Konstantine Zaldastanishvili, Ambassador Extraordinary and Plenipotentiary of Georgia to the Republic of Austria, Permanent Representative of Georgia to OSCE and other International Organizations in Vienna (Head of the Georgian Mission to the EC during 1995-2000) recalls that at that time the Mission of Georgia to Brussels was the first to deliver official message about a new initiative on the ENP to official Tbilisi, namely to the Ministry of Foreign Affairs of Georgia. “[We] expressed concerns that Georgia [was] not considered to be its [ENP's] member. The reply of the Minister of Foreign Affairs was that this was obvious since Georgia had no border line with the EU. So, official Tbilisi did not even understand the meaning of the new policy.” – says the Ambassador (Konstantin Zaldastanishvili, personal interview, 8 September 2014, Tbilisi, Appendix X).

He also adds that in the beginning of 2000s, together with his colleagues at the Embassy, they drafted a document underlining the importance and implications of Georgia's membership in the ENP. This document was distributed to the member states' embassies and the European Commission. Official Tbilisi liked the document but followed with no further action. The European Commission found the document interesting and talks on Georgia's possible membership in the Neighbourhood started to emerge (ibid).

Mr. Zaldastanishvili states that the first official statements supporting Georgia's inclusion in the ENP were made as early as in 2001, when Louis Michel, Minister of Foreign Affairs of Belgium (1999-2004) together with Javier Solana (EU High Representative for Common Foreign and Security Policy during 1999-2009) and Chris Patten (Member of European Commission during 1999-2004) paid an official visit to Georgia. Things of course started to radically change after the Rose Revolution in 2003. The attention and interest of the EU towards Georgia and towards the

region as such was growing fast.” – says the Ambassador of Georgia and the former Head of the Mission to the EU. (ibid)

Georgia did not have a “democratic breakthrough” (Kubicek, 2005, pg. 269-292) until 2003 ‘Rose Revolution’ which took place after widespread protests over November 2003 disputed parliamentary elections. As a result, Eduard Shevardnadze resigned and Presidential elections were held in January 2004 with the victory of the opposition leader, Mikheil Saakashvili. The events in November and December 2003 in Georgia replaced Shevardnadze’s political regime with a new young and reformist government. The pro-Western orientation of the United National Movement (UNM) and its leader Mikheil Saakashvili was openly declared, aimed to situate the country in the Euro-Atlantic sphere.

After the revolution, Georgia’s new President proclaimed that the peaceful revolution in Georgia showed that the country was European not only geographically or historically, but also in terms of their shared values and democracy – the crucial component that was missing under the old administration (Address by Mikheil Saakashvili, President of Georgia, Parliamentary Assembly session: 26 – 30 January 2004, Strasbourg, 28 January 2004). This shift in the political power in Georgia in 2004 gave a new impetus to the EU-Georgia relations (Council of the EU, 2559th meeting on General Affairs/External Relations of 26 January 2004).

The ‘rose revolution’, empowering new political elite in Georgia, introduced new possibilities and challenges for the EU. The EU came to grips with a more democratic and Western-oriented leadership in Georgia (Kubicek, 2005, pg. 269-292). On 6 April 2004, Commission President Romano Prodi and Commissioner for External Relations, Chris Patten held a meeting with a newly elected Georgian President, Mikheil Saakashvili in Brussels. Before the meeting President Prodi said: "Following the peaceful and democratic political revolution in Georgia, the EU is determined to continue supporting Georgian efforts towards political and economic reform. This is the best way for Georgia to get closer to the Union." Commissioner Patten added: "Georgia is at a particularly crucial moment in its history. We have confidence that President Saakashvili will show the political will to lead the courageous Georgian people towards a bright and solid democratic future, in which the rule of law and a free market economy replace organised crime and corruption. The EU stands by Georgia in this quest." (President Prodi and Commissioner Patten meet President Saakashvili to confirm EU support for Georgia's reform process, 6 April 2004). Thus, the EU viewed the political change in Georgia in the end of 2003 as promising a stronger commitment of the Georgian government to democratic reforms, with the aim to enhanced political stability, rule of law

and economic normalization in the country. Therefore, as a 'reward' for the changes in the country, the EU intensified its help and efforts towards Georgia. As the EU Special Representative for the South Caucasus (during 2003-2005), Heikki Talvitie declared: "...suddenly the 'rose revolution' happened in Georgia and this accelerated things a lot. Georgia [became a] focus [for] international politics; Georgia got the priority on the agenda of many countries – including the US, Russia, Turkey, the EU, among others, and our member states. This meant that there was a sort of a push to our relations with the South Caucasus" (Ahto Lobjakas, "Caucasus: EU Increasingly Targeting Georgia Over Conflict-Stricken Armenia, Azerbaijan", Radio Free Europe Radio Liberty, 15 June 2004).

During the same period, things started to change within the EU too. On 1 May 2004, the enlargement of the European Union took place with the accession of ten new Member States. It has brought changes to the EU's political geography offering new opportunities to deepen existing relations between the Union and its neighbours to the East and to the South (ENP Country Report 2005). As a result the South Caucasus was considered a neighbouring region in the European Security Strategy issued in December 2003 ("A secure Europe in a better World, European Security Strategy", <http://ue.eu.int/uedocs/cmsUpload/78367.pdf>, May 2005). Later, in February 2004, the European Parliament presented to the Council and the Commission a report on the South Caucasus, lobbying for a more active and decisive policy towards that region and for its inclusion in the European Neighbourhood Policy (ENP) (European Parliament resolution "EU policy towards the South Caucasus", 26 February 2004).

As the EU-27 (at that time) brought Georgia closer to the Union's doorstep, it was within the EU's interest to have a stable and secure democracy in its neighbourhood. Therefore, more efforts were made to ensure stability and prosperity of the country. In addition, the EU saw Georgia as an important country due to its strategic geo-political location in the South Caucasus, transporting Caspian oil and gas resources to rest of the Europe. As such, it was within the EU's interests to maintain political-economic stability and democracy in Georgia. Moreover, the Russian factor was also considered. The country had (and still has) an ambition to regain its dominance in the post-Soviet space to counter-balance European and, in general, Western power. Again, it was within the EU's interests to promote democracy, stability and economic development within Russia's neighbouring countries, including Georgia (Mayhew & Copsey, 2005, pg. 7-16).

Based on the above considerations, after the 2004 Eastern enlargement, in addition to continuous PCA and Tacis programmes, the EU introduced a new and stronger cooperation

mechanism for its neighbouring countries – the European Neighbourhood Policy (ENP) (See table 4.1 for details). The objectives of the ENP were to spread the benefits of the enlargement of the EU by strengthening stability, security and well-being for all concerned. The EU’s objectives in promoting the ENP are summarized in the Commission’s papers, which talk about the creation of a ‘ring of friends’ around the Union’s borders (Communication from the Commission on the ‘ENP – Strategy Paper’ COM (2004), 373, pg. 5). Close relations with the Union’s neighbours, based on the Union’s fundamental values, promise a friendlier and stable environment on the EU’s eastern border.

**Table 4.1**  
**Summary of the EU programmes offered to Georgia during 2004-2008**

<b>Time</b>	<b>Programme</b>	<b>Details</b>
<i>May 2004</i>	<i>European Neighbourhood Policy (ENP)</i>	<i>ENP includes the EU’s eastern and southern neighbours.  It aims to deepen cooperation between the EU and its neighbours and avoid the emergence of dividing lines after the 2004 enlargement.</i>
<i>November 2006</i>	<i>Action Plan (AP)</i>	<i>The Action Plan follows up on the ENP and sets out a general agenda for eight priority areas:  1. the rule of law, democratic institutions, and human rights 2. business and investment climate 3. economic and sustainable development and poverty reduction 4. cooperation in the fields of justice, freedom, and security 5. regional cooperation 6. peaceful resolution of internal conflicts 7. cooperation on foreign and security policy 8. transport and energy</i>
<i>November 2006</i>	<i>European Neighbourhood and Partnership Instrument (ENPI)</i>	<i>The ENPI is the financial instrument for implementation of the Action Plan. Every country has a National Indicative Programme that specifies goals, indicators, and budgets for priority areas on the basis of the Action Plan. Georgia has four priority areas:  1. support for democratic development, the rule of law, and governance 2. support for economic development 3. support for poverty reduction and social reforms 4. support for peaceful settlement of Georgia’s internal conflicts</i>

Under the framework of the ENP, the EU endorsed the ENP Action Plan (AP) to Georgia at the EU-Georgia Cooperation Council in November 2006. The AP aimed at fulfilling the provisions of the PCA and contributing to a closer relationship with Georgia, involving a significant degree of economic integration and deepening the political cooperation. This covered political and economic reforms, cooperation in the area of justice, liberty and security, infrastructure networks and people-to-people contacts. The Action Plan was meant to bring into sharper focus the established cooperation, support and stimulate Georgia's fulfilment of its obligations under the PCA. It was a key element to reinforce the EU's relations with Georgia and to underpin political and economic reform (Communication from the Commission on the 'ENP – Strategy Paper' COM 2004, pg. 3).

It should be noted that the ENP and AP, with relatively stronger commitments, rewards and enforcement mechanisms vis-à-vis democratic reforms, was aimed to have an added value to the PCA and Tacis programme. According to Kakha Gogolashvili, Director of the EU Studies at Georgian Foundation for Strategic and International Studies (GFSIS), "launching of ENP added significant value to the previous efforts and commenced reforms. It added value to PCA in a way of offering concrete measures and ways of reforms in specific sectors. This crucial strategic part was missing in the PCA. The PCA was giving recommendations and legal obligations without specifying how to achieve or how to progress in the areas of required reforms. The ENP Action Plan outlined concrete steps, not only recommending the areas of legal and institutional reforms, but also providing pathways and guidance on how to achieve the required reforms. All measures on how to implement reforms were presented in the Action Plans." (Kakha Gogolashvili, personal interview, 27 February 2014, Tbilisi, Appendix III).

The revision of EC financial assistance to Georgia in 2004, following the events in 2003 and the change of leadership in Georgia was an opportunity for incorporating the lessons learned in the pre-2003 period into the revised Tacis 2004-2006. According to the EU assessments (Country Strategy Paper 2007-2013), the effectiveness of EC assistance had been hampered in the past by institutional and political instability, widespread corruption, severe budget constraints due to low tax collection and poor public finance management, and by a severe deterioration of governance. These negative factors added to weak public administration and a lack of motivation in the civil service, dramatically limiting Georgia's absorption capacity. After 2004, as a result of the strong commitment of the new Government to building democratic institutions, fighting corruption and promoting the rule of law, the situation somewhat improved in the country. The EU bounded these developments to have a positive effect on the formerly problematic absorption capacity.

Therefore, the ENP was designed to enhance and reinforce existing policies and instruments, including the PCA and Tacis, established by the EU with respect to the Eastern European countries. “The ENP [went] beyond the existing Partnership and Cooperation Agreement to offer the prospect of an increasingly close relationship with the EU, involving a significant degree of economic integration and a deepening of political cooperation” – says the European Neighbourhood Policy on Georgia (IP/05/241 Brussels, 2 March 2005). The Commission, in its May 2004 Strategy Paper, stressed this added value by arguing that compared to the previous partnership and cooperation mechanisms, Union’s policy under ENP would be “enhanced” and more focused. In addition, it stated that ENP would offer a greater degree of integration than envisaged in existing instruments, an upgrade in the “scope and intensity” of political cooperation, the definition of priorities and increased funding. Besides, the ENP claimed to propose an enhanced use of conditionality, which was a hallmark in the EU’s transformative power in non-member countries.

Thematic priorities for EU assistance under ENP among other areas were rule of law, good governance, human rights and democratic institutions (COM (2004) 373 final). The 2005 EU-Georgia Action Plan, laying down ambitious goals to be achieved in relation with Georgia for the next five years, included a substantive chapter dealing with “democracy and the rule of law, human rights and fundamental freedoms, strengthening the stability and effectiveness of institutions guaranteeing democracy and the rule of law in Georgia” (EU-Georgia Action Plan 2005). This primarily implied reform of the judicial system, civil service reform, fight against corruption, strengthening democratic institutions, ensuring respect for human rights and fundamental freedoms.

In terms of financial support, the Commission responded to the ‘rose revolution’ by providing some immediate assistance. In December 2003 the Commission decided to provide €2 million from the Rapid Reaction Fund for support, via the United Nations Development Program (UNDP), for the Presidential and Parliamentary elections of 4 January 2004 and 28 March 2004 respectively (Pardo, Oscar, “EU foreign policy towards Georgia: Just for the energy?” Working Paper del Observatori de Política Exterior Europea, No. 68, mayo 2006, Bellaterra (Barcelona): Institut Universitari d’Estudis Europeu). Moreover, at the Donors Conference on 16 June 2004, in Brussels, the European Commission announced a pledge of €125 million of the EU support to Georgia for the period of 2004-2006. The assistance was designed to support the Georgian government’s urgent needs of reforms in energy, governance, poverty reduction, including investments in child welfare and development, key infrastructure rehabilitation and food security. Together with humanitarian assistance, through the European Community Humanitarian Office

(ECHO,) as well as rehabilitation in areas of Georgia affected by the conflicts in Abkhazia and South Ossetia/Tskhinvali region, total EU assistance to Georgia for 2004-2006 amounted to €137 million (The Commission press-release: European Commission to pledge €125 million at Georgia Donors' Conference, Brussels, 16 June 2004). This represented a doubling of the EU assistance compared with the previous three year period from 2001 to 2003 (See table 3.1 in chapter 3).

**Table 4.2**

**Tacis National Action Programme for Georgia 2004-2005 – Part I**

<b>Area of Cooperation</b>	<b>Millions Euros</b>
<b><i>1 : Support to Institutional, Legal and Administrative Reforms</i></b>	<b>6.8</b>
<i>1.1. GEPLAC V/PCA-EDPRP Capacity Building</i>	
<i>1.2. Strengthening Procuracy Reform</i>	
<i>1.3 Strengthening of a probation department</i>	
<i>1.4 Strengthening Penitentiary Reform</i>	
<i>1.5. TA to the Ministry of Interior</i>	
<i>1.6. Support to NCU</i>	
<b><i>Area of Cooperation 2: Social Consequences of Transition</i></b>	<b>5.0</b>
<i>2.1. Support to PHC</i>	
<i>2.2. Support to SUSIF</i>	
<i>2.3. Pilot schemes/rural Development</i>	
<b><i>Other projects</i></b>	
<i>TEMPUS</i>	1.75
<i>Policy Advice</i>	1.45
<b><i>TOTAL</i></b>	<b>15.0</b>

In the scope of the ENP assistance package, support to institutional, legal and administrative reforms was provided through the continuous Tacis National Programme. Tacis Indicative Programme 2004-2006 covered the following two priority areas: (1) Support for institutional, legal and administrative reform and (2) Support in addressing the social consequences of transition. For 2004 and 2005 two Tacis National Action Programmes amounting to € 27 million were worked out. The first Action Programme, totalling €15 million (see table 4.2), funded the assistance in the implementation of the Partnership and Cooperation Agreement (PCA) and Economic Development



and Poverty Reduction strategy (EDPRP); reform of the procuracy; penitentiary system and probation service in the Ministry of Justice; support to the planned reforms in the Ministry of the Interior; Support to the National Coordinating Unit to improve and strengthen the planning and coordination capacities of the Georgian Government in relation to EU assistance; primary Health Care and pilot poverty reduction schemes in the regions (The 2004 Tacis National Action Programme, Part I).

The second Action Programme, totalling € 12 million (see table 4.3), aimed at supporting reforms in the following areas: Support to the Ministry of Justice in carrying out a comprehensive internal public administration and management reform; strengthening the institutional and human resources capacities of the Ministry; improving the recruitment procedures, merit system, professionalism and the working conditions of the employees of the Ministry; improving the relations between the Ministry of Justice, the Ministry of the Interior, and other Law enforcement agencies (including training institutions); increasing the Ministry's capacities in relation to EU instruments and legislation; and further support to the development and implementation of a centralized and one-step civil registration(The 2004 Tacis National Action Programme, Part II).

In addition, the programme provided support to the parliament of Georgia, namely in improving the professionalism and the working conditions of the parliament; improving the role of the parliament in the oversight of the executive; increasing the parliament's capacities in terms of EU policies and legislation; improving the relations between the parliament, civil society and interest groups; establishing a fruitful relationship between the Georgian parliament, parliaments from EU member states, Parliaments of neighbouring countries and the European Parliament (ibid).

The programme also assisted in customs and tax administration reforms in a way of capacity building in the Tax Administration Department and increase in public awareness, also building secondary customs legislation and risk assessment capacity (ibid).

Another programme component was support to child welfare reform, with overall objective to support the Government of Georgia in reforming the national child protection system. In addition, support to the State Department of Statistics of Georgia was provided with the main aim to provide support for the development of a sustainable statistical system (ibid).

Furthermore, in the scope of the programme, Institute for European Studies (IES) in the State University of Tbilisi was established in order to contribute to create the necessary human resources capacities in EU related issues in the legal and economic sphere as well as in research capacities (ibid). According to the IES mission statement, the Institute was created with the vision to "Embrace

Europe in Georgia”. On the one hand this was said to stand for “underlying the continuation of disseminating European values in Georgian society at large as well as emphasizes IES’ dedication and responsibility for contributing to intellectual development of the country by proposing high quality education corresponding to European standards on spot.” On the other hand, it stated “supporting the efforts of the Government of Georgia to build human capacity qualified to enhance integration into EU”. IES is aimed at directing its efforts to come up to the EU standards in order to support the idea of becoming regional centre with continuous flow of qualified experts, which will make valuable the initiation of public dialogue with Georgian society and contribute to the transformation of the EU-Georgian discourse into efficient policy-making process (Mission Statement of Institute for European Studies, Tbilisi State University, <http://www.ies.tsu.edu.ge/en/>).

**Table 4.3**

**Tacis National Action Programme for Georgia 2004-2005 – part II**

<b>Area of Cooperation</b>	<b>Millions Euros</b>
<b><i>1. Support to Institutional, Legal and Administrative Reforms</i></b>	8.8
<i>1.1. Legal and administrative reform</i>	7.5
<i>1.2 Centre for European Studies at the Tbilisi University</i>	1.3
<b><i>Area of Cooperation 2 : Social Consequences of Transition</i></b>	2.5
<i>2.1 Support to Child welfare reform</i>	2.5
<b><i>Others</i></b>	0.7
<i>Statistics</i>	0.5
<i>Reserve</i>	0.2
<b><i>TOTAL</i></b>	<b>12.0</b>

According to the above data, the total budget allocation for the Support only for institutional, legal and administrative reform in the scope of the Tacis National Action Programmes in 2004-2005 (I and II parts) was € 15.6 million (The 2005 Tacis National Action Programme). In 2004 the Programme allocated € 6.8 million, which implied support to the implementation of PCA and Economic development and Poverty reduction strategy, further support to Georgian-European Policy and Legal Advice Centre, GEPLAC, judiciary reforms: support to the reform of the procuracy, the penitentiary system and the probation service in the Ministry of Justice, support to the

Ministry of Interior, support to the National Coordinating Unit: further support to improve and strengthen the planning and coordination capacities of the Georgian Government in relation to EU assistance (The 2004 Tacis National Action Programme).

In 2005 the Programme allocated € 8.8 million, which implied support to the reform of the Ministry of Justice, support to the reform of the Parliament, support to Customs and Tax Administration Reform and setting up of the Centre for European Studies at the Tbilisi University to create the necessary human resources capacities in EU related issues in the legal and economic sphere as well as in research capacities (The 2005 Tacis National Action Programme).

**Table 4.4**

**The 2006 Tacis National Action Programme for Georgia**

<b>Area of Cooperation</b>	<b>Budget (€ million)</b>
<b><i>1. Support to Institutional, Legal and Administrative Reforms</i></b>	12.00
<i>1.1 PCA implementation / Quality control</i>	4.10
<i>1.2 Rule of law</i>	7.90
<b><i>2. Social consequences of transition</i></b>	7.00
<i>2.1 Primary Health Care Reforms</i>	7.00
<b><i>Others</i></b>	1.00
<b><i>TEMPUS</i></b>	1.00
<b><i>TOTAL</i></b>	<b>20.00</b>

In addition, responding to a request of the Georgian government the EU sent a Rule of Law mission EUJUST THEMIS to Georgia. The mission that started in July 2004 and comprised highly qualified experts, predominantly lawyers. They assisted the Government of Georgia in developing a horizontal strategy guiding the reforms in the criminal justice sector towards international and European human rights standards. The mission provided high level advice and monitoring as well as support to a co-ordination and priority setting among the authorities responsible for the top-level planning and management of criminal justice system (the EU Delegation website – <http://eeas.europa.eu/delegations/georgia>).

The 2006 Tacis National Action Programme provided € 20 million (see table 4.4), out of which € 12 million was spent on PCA implementation through GEPLAC, as well as € 7.9 million on rule of law reforms, namely to support the Ministry of Justice, Prosecutor's Office and the Ministry of Interior and border guards (The 2006 Tacis National Action Programme). The proposed phase of GEPLAC continued to promote PCA implementation and assisted in the approximation, application and enforcement of legislation as well as in the fulfilment of commitments agreed in the ENP Action Plan.

Moreover, the project assisted and advised on matters related to rights and obligations deriving from Georgia's accession to the WTO, the new Generalised Systems of Preferences (GSP) as well as pursued work in areas that were key for economic recovery, notably measures for a sound investment and business climate (ibid).

In addition, GEPLAC facilitated the establishment of a functioning monitoring system to ensure appropriate law enforcement and evaluation of the economic and social impact of legislative and institutional reforms. The Rule of Law programme had the following components: strengthening the institutional capacities of the Ministry of Justice; penal execution in the Criminal Justice system (penitentiary and probation); support to the establishment of a legal aid system; support to the establishment of a Civil Registry; support to the reform of the Office of the Prosecutor General; and support to the Ministry of Interior and Border Guards (ibid).

Since 2007 Tacis has been replaced by the European Neighbourhood and Partnership Instrument (ENPI) as a main source of technical and financial support to Georgia. Financial resources available to Georgia under the ENPI National Indicative Programme for the period 2007-2010 were put at € 120.4 million. During these three years support for democratic development, rule of law and governance was funded with € 31.5 million (see table 4.5). Specific objectives of this particular priority area were to: encourage full functioning of Georgia's democratic Institutions; ensure respect for human rights and fundamental freedoms, including in the economic and social sectors, in line with international and European standards; promote the involvement of citizens in decision-making processes and controls, including through civil society organizations; secure freedom of expression and freedom of the media; promote and enhance cooperation between governmental and non-governmental players, e.g. in the field of environment, education, rule of law, etc.; strengthen local government structures in line with the Council of Europe recommendations; foster active social dialogue between social partners as well as civil dialogue between private, public

and civil society stakeholders (European Neighbourhood and Partnership Instrument, Georgia, National Indicative Programme 2007-2010).

In addition, this component aimed to: encourage accountability and independence of the criminal justice sector institutions, such as police, prosecutor's office and judiciary; enhance the role and independence of Georgia's Public Defender/Ombudsman; build administrative capacity of the criminal justice sector institutions through training and technical assistance; promote further advancement of impartial, effective and independent criminal proceedings in line with international and European standards; ensure further development of forensics. Also, specific objectives were to improve the quality and efficiency of services provided by the public administration, including by fighting corruption and promoting transparency, and to further strengthen public finance management (ibid).

**Table 4.5**

**ENPI National Indicative Programme for Georgia for the period 2007-2009**

<b>Priority Areas</b>	<b>Budget(€million)</b>
<i>1. Support for democratic development, rule of law and governance</i>	31.5
<i>2. Support for economic development and ENP AP implementation</i>	31.5
<i>3. Poverty reduction and social reforms</i>	38.4
<i>4. Support for peaceful settlement of Georgia's internal conflicts</i>	19.0
<b>Total indicative ENPI allocation 2007-09</b>	<b>120.4</b>

In addition to the above discussed annual action programmes and disbursed financial assistance, the EU's political and financial support to Georgia was important during and in the aftermath of the August 2008 war with Russia. The war ended swiftly thanks to the EU mediation, particularly with the involvement of France (holding the EU presidency at that time) and then French President, Nicola Sarkozy. With the facilitation of the EU and President Sarkozy, Georgia and Russia signed a Six Point Ceasefire Plan<sup>9</sup>, which stopped the armed conflict. As a response to

<sup>9</sup>On 12 August 2008, in the aftermath of August 2008 War, with the facilitation of the EU and French President Nicola Sarkozy, Georgia and Russia signed a Six-Point Ceasefire Plan: 1. No resort to force;2. A definitive halt to hostilities;3. Provision of free access for humanitarian assistance;4. Georgian military forces must withdraw to the places they are usually stationed;5. the Russian armed forces will be pulled back on the line, preceding the start of hostilities. While

the August war, the EU set up a civilian monitoring mission (EUMM)<sup>10</sup> with 340 observers and provided a post-conflict assistance package of up to € 500 million from its budget. The EU's Civil Protection Mechanism (MIC) was mobilised in the aftermath of the conflict and facilitated the arrival and use of the civil protection assistance provided by the EU Member States (EU Delegation website – <http://eeas.europa.eu/delegations/georgia>).

#### **4.2 Assistance provided to Georgia by other major donors during 2004 - 2008**

Besides the EU, main international donors in Georgia during 2004-2008 included the US Government, World Bank (WB), the European Bank for Reconstruction and Development (EBRD), International Monetary Fund (IMF), Germany, Netherlands, UK, Swedish Government and UN Agencies. The donors' activities in Georgia were primarily focused on issues related to governance, economic reform and development and poverty reduction (see table 4.6). Considering the multiplicity of actors engaged in the country with the development programmes and aids, including democratisation projects, it is interesting to compare the level of the EU's financial assistance in the areas of democratic programmes in Georgia with the contributions of several other major state and non-state actors operating during the same period in the country.

According to the European Commission Country Strategy Paper 2007-2013 (Annex 5: International Donors Activity in Georgia), in 2005 the World Bank (WB) approved a new USD 143 million Country Partnership Strategy (CPS) for Georgia covering the period 2006-2009. The CPS focused on economic development and poverty reduction, and on emerging Government strategic thinking on the development framework. A key component of the CPS was a series of annual budgetary support Poverty Reduction Support Operations (PRSOs), complemented by a Public Sector Reform Support Programme. These operations underpinned and complemented the World Bank's investments in infrastructure and social sectors. The PRSO was linked to a number of conditionality: strengthening public sector accountability, efficiency and transparency; improving services; improving the environment for private sector development; and improving social protection, education and health care services.

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awaiting an international mechanism, Russian peacekeeping forces will implement additional security measures;<sup>6</sup> Opening of international discussions on security and stability modalities in Abkhazia and South Ossetia.

<sup>10</sup>In the aftermath of August 2008 Russia-Georgia war, the European Council decided, on Monday 15 September 2008, to establish an autonomous civilian monitoring mission in Georgia. The European Union Monitoring Mission (EUMM) in Georgia is an autonomous mission led by the EU under the EU Common Security and Defence Policy (CSDP).

In March 2006, the International Monetary Fund (IMF) Executive Board completed the third review of Georgia's Poverty Reduction and Growth Facility (PRGF) arrangement and approved a USD 20.2 million disbursement, bringing total disbursements under the arrangement to about USD 80.7 million. The IMF has been a leading international organization assisting Georgia in improving macroeconomic stability, pursuing fiscal reforms and designing monetary policy. In partnership with the World Bank, IMF contributed to the development of the financial sector, public expenditure management and civil service reform in Georgia (ibid).

**Table 4.6**

**Georgia-activities of other major donors during 2004-2008**

<b>Organisation</b>	<b>Type of assistance</b>	<b>Amount</b>	<b>Sector</b>
World Bank	Loan	USD 143 million	The CPS focused on economic development and poverty reduction, and on emerging Government strategic thinking on the development framework.
IMF	Loan	USD 80.7 million	Development of the financial sector, public expenditure management and civil service reform in Georgia.
EBRD	Loan	USD 401.3 million	Private sector development projects
US Government	Assistance	USD 66 million	Economic growth, energy and environment, democracy and governance, health and social development, and support for civil society.
Millennium Challenge Corporation	Grant	USD 295.3 million	Regional infrastructure rehabilitating and promoting local enterprise development
Germany	Assistance	EUR 240 million	Promoting democratisation, municipal development, economic reforms, market economy and development in the energy sector.
Sweden (SIDA)	Assistance	EUR 4.5 million	Democratic governance and agriculture development.
Netherlands	Assistance	EUR 4.9	Poverty reduction, promoting good economic governance, public sector development, democratisation and rule of law.

Georgia was part of the EBRD “Early Transition Countries” (ETC) initiative through which EBRD focused its efforts on private sector business development and selected public sector interventions. As of the end of 2005, the EBRD signed 49 investment loans in Georgia with cumulative commitments totalling USD 401.3 million. The portfolio included 33 private sector projects of which five were regional (ibid).

The UNDP arrived in Georgia in 1993 following Georgia's formal entry into the United Nations. Since then the UNDP provided targeted assistance in the areas of democratic governance, environmental conservation and governance, poverty reduction, crisis prevention and recovery. During 2004-2008 the UNDP was involved in the public administration reforms through its assistance to the Public Service Bureau. UNDP institutional capacity building assistance was also provided to individual institutions and agencies (the Georgian Parliament, Public Defender’s Office, Chamber of Control, Constitutional Court, Ministry of Justice, Ministry of Finance, etc.). The UNDP focused strongly on the promotion of economic growth and poverty reduction and assisted the Georgian government with planning its Economic Development and Poverty Reduction Programme (ibid).

The same report posits that the US Government assistance in 2006 was USD 66 million, of which USD 43 million was provided by USAID for projects mainly targeting economic growth, energy and environment, democracy and governance, health and social development, and support for civil society. In addition, the US Government provided a five-year USD 295.3 million grant through the Millennium Challenge Corporation (MCC). The programme included complementary actions for rehabilitating regional infrastructure and promoting local enterprise development (ibid).

The German Federal Government over the years developed a solid bilateral cooperation programme with Georgia. Since Georgian independence in 1992, Germany made in excess of EUR 240 million available for development cooperation and was a major bilateral donor, with assistance focusing on promoting democratisation and municipal development, economic reforms and market economy and development in the energy sector (ibid).

In 2005, Netherlands delegated funds amounting to EUR 4.9 million that mostly focused on poverty reduction, promoting good economic governance, public sector development, democratisation and rule of law, human rights and peace building efforts, plus further transition towards a functioning market economy. In addition, the Dutch Embassy allocated EUR 80 000 for funding civil society initiatives (ibid).



The Swedish International Development Cooperation Agency (SIDA) also had intensive operation in Georgia, with grants amounting in 2005 to about EUR 4.5 million, focusing primarily on democratic governance and agriculture development. Sweden doubled the volume of assistance to Georgia under its 2006-09 cooperation strategy (ibid).

During the same period (2004-2008) the UK Department for International Development with its programmes aimed to contribute to the Millennium Development Goals and the elimination of poverty. DFID funded technical assistance programs in health and welfare, sustainable livelihood, good governance and EU integration (ibid).

France was especially active in the education and cultural field. Scholarships were provided for Georgian students to study in France. France has also seconded a consultant to the Prime Minister's office to advise on ENP-related issues. France regional and municipal administrations provided assistance at local level, such as the Yonne/Kakheti partnership in the field of oenology and the Nantes/Tbilisi and Lyon/Kutaisi partnerships in education and in rehabilitation of small infrastructure (ibid).

The review of international donors' programmes and financial engagement in Georgia shows that the EU was not the sole actor assisting Georgia during its early years of political, economic and institutional evolution. It is also apparent that the EU was not a dominant actor, as its financial contribution to the development programmes in the country was far below the other state and non-state actors input. This once again demonstrates that during the period discussed in the present chapter (2004-2008), the EU's engagement in Georgia and its possible impact on democratic transition processes in the country was marginal and inadequate. To provide a clearer and more reliable analysis, the following part of this chapter will offer a detailed account of the state of democracy in Georgia during the given decade.

### **4.3 The state of democracy in Georgia since the 'rose revolution', 2004-2008**

The 2003 'rose revolution' changed the government in Georgia, but it did not instantly transform the country. The new political elites had a lot of reform ahead of them before they could bring the country to Europe's doorstep (The Economist, "Meet the Neighbours. A Survey of the EU's Eastern Borders", 16 June 2005). This challenge required both continuous EU assistance (already discussed above) as well as the country's willingness to use this assistance for ensuring an adequate reform process. Initially, the achievements of the Saakashvili administration were quite

impressive. Progress in tackling corruption and reforming the state administration was attained. Of great importance was the capability of the new administration to strengthen the state, combat corruption and regain control over the entire Georgian territory, especially Adjara, with the exception of the breakaway de facto states of Abkhazia and South Ossetia. The army and police were reformed and economic reforms were equally impressive (Pardo, Oscar, “EU foreign policy towards Georgia: Just for the energy?” Working Paper del Observatori de Política Exterior Europea, No. 68, mayo 2006, Bellaterra (Barcelona): Institut Universitari d’Estudis Europeu). However, reforms in the areas of justice and enforcement of democracy were quite slow. The conditions in these areas even worsened in the following years.

Implementation of PCA and ENP showed some progress, particularly during the first years of political administration under Saakashvili in 2004-2005, when certain reforms in the field of rule of law and democracy were launched by nascent political elite. Nevertheless, the EU Progress Reports on Georgia continually stated from year to year that the country was making less progress in the implementation of key objectives of the ENP AP, pointing out that balanced share between parliamentary and presidential powers, political pluralism, elections, media freedom, etc. remained areas of serious concern (ENP Country Report Georgia 2005).

To assess the state of democracy in Georgia during the given period (2004-2008) this part of the research will depend on the examination of the major democratic indicators as defined in the thesis (separation of powers between the state institutions: government (executive power), parliament (legislative power) and court (judicial power), free and fair elections, independent media, and political plurality (multiparty system).

### ***The system of checks and balances***

One of the first moves of the new political administration under Michael Saakashvili was changes to the country’s supreme law, the Constitution (in February 2004), as a result of what the balance of power was shifted in favour of the president. In 2006, just after two years of ‘revolutionary’ government acquiring political power, Freedom House reported that “the government’s numerous imbalances, most notably the domination of the executive branch over all other state agencies, [lead] to authoritarian tendencies in different spheres of public life and [prevented] Georgia from becoming a consolidated democracy (Freedom House, Nations in Transit, Georgia 2006). Similar assessments were made in the 2008 EU Progress Report, stating that during

the period in question, Georgia's democratic institution was characterized by a strong presidential system, a weak separation of institutional powers and an ineffective system of democratic checks and balances. The report posited that the recommendations made by the Council of Europe's Venice Commission in 2004 to deal with these inconsistencies were not sufficiently addressed.

The 2004 Constitutional amendments significantly weakened the parliament. For example, although the president needed to secure approval from the parliament to appoint the prime minister but he could dismiss him at will. Most importantly, the president acquired powers to dismiss the parliament in specific circumstances, such as in the event of three consecutive no-confidence votes delivered to the cabinet by the parliament. Thus, in practice, parliamentary independence decreased as a result of these changes (Freedom House 2007 Nations in Transit Report on Georgia). In addition, Saakashvili had enjoyed an overwhelming domination of the parliament by his single party (United National Movement) about 80 percent, when only two-thirds were required for a constitutional majority. This practically a one party makeup of the parliament further limited the legislative's independence.

In the area of judiciary Georgia significantly regressed since 2003. In the first years after the rose revolution, the new government launched several reforms in the system. The organisation of the judiciary was remodelled and put in line with systems in other European countries and a technical upgrading of the courts was made. The national strategy for criminal law reform was approved in 2005 and its implementation continued in the following years. The Constitutional amendments of February 2004 led in June to modification of the Law on Common Courts: the High Council of Justice was granted responsibility for disciplinary proceedings, recruitment, selection, training and dismissal of judges as well as financial and material provision for the judiciary (Implementation of the European Neighbourhood Policy in 2004, Progress Report Georgia, 2005). Criminal Procedure Code was adopted in October 2009. The Code came into force in October 2010, introducing a number of substantial changes to the existing system of criminal proceedings in Georgia, notably the introduction of jury trials in criminal cases. The new Code provided for a major change in the system of administration of justice in criminal matters, which presented a challenge in implementation and required continued and amplified training to judges, court personnel and parties to criminal proceedings (Implementation of the European Neighbourhood Policy in 2009, Progress Report Georgia, 2010).

Nonetheless, the major concern related to the independence of the judiciary remained unchanged. The High Council of Justice authorised with an oversight powers and functions, until

2007 was chaired by the President, which significantly limited the courts' independent decision making capacity. Although the High Council of Justice was reformed in June 2007, by removing it from under the President's responsibility and integrating it fully into the judiciary, the problem of independence remained as most of the judges were exposed to political influence and pressure from the ruling party. In the post-elections period in 2005 the Freedom House reported that "in 2004 the judiciary was less likely to withstand political pressure, and courts rarely disagreed with the prosecution's demands. The Constitution provides for the independence of the judiciary, but in practice it [was] often compromised (Freedom House, Nations in Transit, Georgia 2005). Next year, in 2006 Freedom House reported that "in 2005 the judiciary was still not able to withstand political pressure, and courts rarely disagreed with the prosecution's demands." It improved its rating for "judicial framework and independence" slightly, from 5.00 to 4.75 (where 1.00 is the best and 7.00 the worst), but stressed that this was only because of improvements on issues of torture and religious freedoms. The Commission Reports of 2008 and 2009 similarly posit that reform of the system, as regards the criminal justice sector, was advanced, but judicial independence remained a serious concern (Implementation of the European Neighbourhood Policy in 2008 and 2009, Progress Reports Georgia, 2009 and 2010). The UN Human Rights Committee, in its "Concluding Observations" on the most recent report by Georgia under the International Covenant on Civil and Political Rights (ICCPR), adopted on October 19 2007, similarly posited that it "remains concerned at interference with the independence of the judiciary."

In September 2008 (a month after the August war), in his address to the UN General Assembly, President Saakashvili recognized that the 'rose revolution' had only partially delivered on democratic reforms and announced a "new wave of democratic reforms", including "the strengthening of parliament's control over the executive, enforcing the inviolability of private property, improving freedom of the media, increasing the independence of the judiciary, and resuming the financing of opposition parties which decided to boycott parliamentary work" ("Saakashvili Speaks of 'New Wave' of Democratic Reforms", Civil Georgia, 16 Sep. 2008).

### ***Elections***

In 2003, unfair and falsified election was the primary reason for mounting street protests and political unrest, which ultimately resulted in the government overthrow. Since then, even though a young revolutionary government replaced Shevardnadze's political regime, the election

environment did not improve much, and later even exacerbated in the country. In the aftermath of the ‘rose revolution’ the presidential and parliamentary elections of 2004 were held practically in an uncompetitive environment. Although both elections were considered generally free and fair (though voter lists still were not fully complete) the level of political pluralism was very low as all major political groups failed to compete with Mikheil Saakashvili and his National Movement (Freedom House, Nations in Transit, Georgia 2005). The Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR) concluded that the Extraordinary Presidential Elections of 4 January 2004 were held in the absence of a truly competitive political environment (OSCE/ODIHR Final Report, Georgia, 28 February 2004). An inaccurate and incomplete voter register, as well as the lack of a clear separation between State administration and political party structures, and the ongoing tendency to misuse State administration resources were major shortcomings noted at these elections by OSCE/ODIHR. Thus, in the wake of the events of November 2003, the political life of Georgia was not fully normalized by the 2004 parliamentary and presidential elections. Therefore, the consolidation of the democratic election process would only be fully tested in a more competitive environment, after re-establishment of a genuine level of political pluralism in the country.

The presidential election of 2008 was held in a polarised political environment, following the civic unrest of November 2007<sup>11</sup> and the subsequent declaration of the state of emergency in Georgia. Therefore, this election was assessed by the international election observation mission – including ODIHR, European Parliament and the Parliamentary Assemblies of the Council of Europe and the OSCE – as the first competitive presidential election held in Georgia. Nonetheless, a number of serious shortcomings were noted, including “the misuse of State's administrative resources for campaigning purposes, unbalanced media exposure of candidates, reported acts of voters' intimidation, lack of clarity and detail in the election-day procedures, and irregularities in the counting and tabulation” (Implementation of the European Neighbourhood Policy in 2008, Progress Report Georgia, 2009). Extensive shortcomings were also observed by international monitors in the May 2008 parliamentary elections, including “intimidation of opposition candidates and state employees, lack of transparency and consistency in the tabulation process, and unclear distinctions

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<sup>11</sup>In September-November 2007, a series of mass street protests against the government of the President Michael Saakashvili took place across Georgia. Demonstrations were initially peaceful, but the protests turned violent on November 7 when the police dispersed demonstrators with the use of excessive force. On 8 November 2007, President Saakashvili announced a compromise solution to hold early presidential elections for 5 January 2008. He also proposed to hold a referendum to about when to hold parliamentary polls – in spring as pushed for by the opposition parties, or in late 2008.

between State and party with an apparent bias in favour of the ruling United National Movement Party. Further problems were noted in the treatment and investigation of complaints and reports of irregularities” (ibid). The May 2008 elections again gave an overwhelming constitutional majority to the ruling National Movement Party, which ultimately led the country to one party dominance and suppressed political pluralism.

### *Political parties*

Political pluralism is considered as a major democratic indicator requiring thorough analysis in this research. Political pluralism is a fundamental aspect of political systems of democratic states. As Robert Dahl suggests, the essence of this term (in his words “polyarchy”) is open competition of political groups for electoral support in exerting influence upon the decisions taken by the state. With this logic, political parties are main actors in competition for power and thus necessary for the functioning of modern democracy. In the Georgian case too, the development of stable democracy was (and remains) inconceivable without a system of viable and sustainable political parties. Therefore, the present research considers the degree of institutionalisation of a party system in Georgia as one of the measures of the strength of democracy in the country.

During the period in question in this chapter, the political party system was characterized as weak and underdeveloped and the low level of political competition has been the chief trait of the elections in Georgia. According to the Transparency International report (Political Parties in Georgia, Issue of Party Financing, January 2010, pg. 1) this weakness was demonstrated across several spheres in several interrelated ways. “The Georgian system [had] traits of a “loose multiparty” or dominant party system in which, while multiple parties [were] visible on the scene, only one [could] appropriately be characterized as strong. Characterization as a strong party is a result of electoral success – the winner takes all, quite literally, and captures the state apparatus. This ‘capture’, or merger of party and state, has been characteristic of Georgia since its very independence and is almost certainly the legacy of 70 years of communist rule.”

Similar conclusions are made by Ghia Nodia and Álvaro Pinto Scholtbach in “Political Landscape of Georgia. Political Parties: Achievements, Challenges and Prospects” (Eburon Delft 2006). The authors state that based on the experience of the last fifteen years, the Georgian political party system may be described as a dominant party system, in which a single political group achieves outright victory in parliamentary elections and takes full control of government agencies.

“There also exists an opposition that participates in elective bodies, raises political issues, and criticizes specific government actions. In this way it exercises a limited influence on the political process, but none of the opposition parties can be considered a viable contender for political power. Parties in such a system tend to form and dissolve coalitions and alliances easily and without adherence to firm principles.” (ibid, pg. 102).

Several years before the changes occurred in the political system and leadership of Georgia (from 2001 to 2003), strengthening of the opposition and a considerable increase in political pluralism was noticed in the country. Several opposition parties emerged as considerable players in the political field (following major ones can be named: The Conservative Party of Georgia, Industry Will Save Georgia, the Labor Party of Georgia, the New Conservative Party, the Republican Party and the United National Movement). Nonetheless, after “rose revolution” and the November elections, the political environment changed dramatically in the country as it led to the re-creation of a single dominant party. In 2004 parliamentary elections a total of 16 political parties and electoral blocs contested. However, the political bloc of the National Movement and United Democrats, which led the revolution, clearly became the winner of the elections (receiving 66.24 percent of the vote). Together with them only one other bloc, the New Rights Industrialists, overcame the 7 percent threshold for political parties, with 7.96 percent. The winners – National Movement and the Democrats – consolidated their executive power and joined forces. The Citizens Union of Georgia, the former ruling party, completely disbanded from the political scene. Opposition parties that did not side with the revolution (such as the Laborists and the New Rights) lost large segments of their supporters.

Consequently, the political opposition had low credibility and insufficient opportunities to influence the political process. There was no major political party that would compete with the skyrocketed popularity of Mikheil Saakashvili and his National Movement. As a result, once dominance of Shevardnadze’s political party was replaced with the dominant position of the Saakashvili’s political group in the parliament. The level of political pluralism was thus again sharply reduced (Freedom House, Nations in Transit 2005). With this respect, the Freedom House 2005 report interestingly notes that “The most substantive deficiency in the Georgian electoral system is the lack of strong and stable political parties competing at different levels.” It then continues saying that “There is a tradition of dominant political parties the Round Table from 1990 to 1991, the Citizens' Union of Georgia (CUG) from 1995 to 2001, and the Union of Revival of Georgia (URG)

in Achara from 1992 to 2004 that tend to merge with government structures.” This trait of one party dominance continued through the next elections.

The 2008 parliamentary elections were again won by the United National Movement (UNM), which gained 119 out of 150 seats (OSCE/ODIHR Election Observation Mission Final Report, 9 September 2008). One of the major impediments for promoting political plurality within the Georgian parliament was the issue of political parties’ financing. The Georgian state provided financial support for political parties. However, this support was rather symbolic and it did not play any important role in actual party financing. State financing was not sufficient for party activities, parties depended mainly on private donations. Yet, many of the political parties in opposition claimed that the existing domination by a single party in the country hampered their fundraising activities (Ghia Nodia & Álvaro Pinto Scholtbach in “Political Landscape of Georgia. Political Parties: Achievements, Challenges and Prospects”, Eburon Delft 2006). The political parties’ participation in the parliamentary life was further challenged by high threshold for allocation of parliamentary mandates. Despite the OSCE/ODIHR and PACE recommendation, lowering the 7% threshold was not introduced, again resulting in a dominant political party representation in the Georgian parliament.

### ***Media***

Free media is in many ways the cornerstone of democracy. On 25 May 2009 editors-in-chief and leading journalists from 19 European countries adopted and signed the "European Charter on Freedom of the Press" in Hamburg. In ten articles, the charter formulates principles for the freedom of the press from government interference – in particular for their right to gather and disseminate information, to be free of censorship as well as from any type of control of the state or state-controlled institutions (European Charter on Freedom of the Press, [www.pressfreedom.eu](http://www.pressfreedom.eu)). More than two centuries ago, the First Amendment to the U.S. Constitution made freedom of expression, media and press, as well as assembly the first and most profound rights in a free society to protect individuals from the “tyranny of the majority” represented by government power and authority or society at large. America’s founding fathers understood that to have a viable opposition, there must be a free press. Yet Georgia’s political leadership did not appear to have learned this important lesson.



Over the last decades, media independence has been a problematic issue for all political administrations in Georgia. Saakashvili's government, which was brought to power with active support and participation of the private TV station Rustavi 2, has not been any different in this respect. The government manipulated and used media as (both private and non-private, such as public broadcasting) an effective mechanism to shape and model popular perception and thereby to maintain control over the electorate.

According to the Reporters Without Borders 2008 Freedom Index Report, Georgia was ranked 120th among 173 countries for freedom of the press. Some other similar reports and experts in the field went even further, suggesting that there is no viable free press in Georgia: "That Georgia is on the road to democracy and has a free press is the main myth created by Georgia that the West has believed in," Sozar Subari, then Georgia's human rights ombudsman, told The New York Times in October, 2008. "We have some of the best freedom of expression laws in the world, but in practice the government is so afraid of criticism that it has felt compelled to raid media offices, to intimidate journalists, and to bash their equipment." - said Subari in the same interview. The Freedom House Freedom of the Press Report 2008 describes media environment in Georgia as legally progressive, but restrictive in many ways in practice. "The Constitution and the Law on Freedom of Speech and Expression guarantee press freedom, but these rights are often restricted. Press laws, as well as most other laws adopted by the government of President Mikheil Saakashvili, are very progressive. Libel has been decriminalized, and freedom of information legislation has been adopted.

However, in practice, the government's willingness to implement this legislation has decreased. As a result, the relationship between the government and the media has deteriorated recently. While legislation guarantees access to public information, other legislation limits this right." – The 2008 report says. The members of the media regulatory body, the Georgian National Communications Commission (GNCC), were appointed by the President. The GNCC was frequently criticized by media observers for its non-transparent operations and licensing procedures.

The Freedom Report also states that media observers noted a slight media improvement over 2006. The report explains this as a result of 2006 elections and economic growth. "Having secured a strong majority in local elections in 2006, the government took a more relaxed attitude toward the media in the first half of 2007. There was a decrease in indirect pressure on the media, and strong economic growth positively affected the media's financial position".

Nonetheless, during the November 2007 political crisis, the relationship between the government and media seriously deteriorated. One of the most prominent cases of media suppression in Georgia was the seizure by government authorities of Georgia's independent TV station, Imedi. In November 2007, following the crackdown by Georgian authorities on opposition protestors, two opposition TV channels, Imedi television station, co-owned by wealthy businessman (and then presidential candidate) Badri Patarkatsishvili and the independent local Tbilisi television station Caucasica, were taken off the air. The buildings of Imedi television and radio were stormed by armed members of security agencies before the announcement of the state of emergency and without prior notification, with part of the station's broadcasting equipment destroyed. The following day, President Saakashvili imposed a nine-day state of emergency that banned all local and foreign broadcasts except for public television. This was followed by Tbilisi court decision to suspend Imedi's broadcasting license and froze its assets on the grounds that its coverage of the events of 7 November 2007 amounted to incitement to overthrow the government. In addition, the Georgian National Communications Commission (GNCC) suspended Imedi's TV broadcasting license for three months, citing the station's violation of the law on broadcasting. In the post-November period, journalists were often the victims of intimidation and attacks (Freedom of the Press 2008, A Global Survey of Media Independence, Freedom House, pg. 139).

Through the end of the year, the media environment remained highly politicized. Pro-government stations such as Rustavi-2 and Mze provided positive coverage of the incumbent president, while independent stations grew increasingly pro-opposition in their editorial positions. The seizure of an independent privately held TV company by the authorities had significant international resonance. Both the Bush Administration and the U.S. Congress, despite their support for Georgia, immediately expressed strong concerns about the actions of the Saakashvili government. U.S. Deputy Assistant Secretary of State Matthew Bryza visited Georgia on November 10–11, 2007, and urged the Government of Georgia to reopen its private television stations, stating on Georgian state television that “A cornerstone of democracy is that all TV stations should remain open.”

The European Parliament Resolution of 29 November 2007 on the situation in Georgia also addressed this issue by expressing “its deep concern at recent developments that have taken place in Georgia, with the violent police crackdown on peaceful demonstrations, the closing down of independent media outlets and the declaration of a state of emergency for 15 days as the latest escalations.” The Parliament also called on the Georgian authorities “to respect the principles of

freedom of expression, freedom of assembly and freedom of the media” and it also reminded “the Government of its commitment to democracy, human rights and the rule of law”. Media freedom was also seriously hindered by the lack of media pluralism in the country. Even though nation-wide satellite broadcasting was granted to all TV channels, coverage did not increase as the prices of satellite licenses was not affordable for opposition minded TV channels (e.g. Maestro TV, Caucasia) struggling for funding and revenues from advertisements. The Georgian Public Broadcaster, having a country-wide coverage, remained an issue of major concern, where the television environment was reported to be highly polarized and biased. The GPB’s news coverage and political programs were criticized for lacking the impartiality required of a public broadcaster and being biased in favour of the ruling party.

#### **4.4 Conclusion**

A preliminary observation of the EU-Georgia relations in the given period leaves an impression that the EU significantly intensified and enhanced cooperation, political dialogue and socialisation, as well as funding of the democratic reforms in Georgia in the years following the revolution. However, the process of democratisation, as described above, was not going far, and it was even fading in the last several years in the country.

The CRRC survey carried out in 2009 (Georgian Public Opinion: Attitudes towards European Integration, Caucasus Research Resource Center (CRRC), October 23, 2009) well summarises the public opinion regarding the state of democracy in Georgia. According to the report, 42 percent of the respondents believe that Georgia is not a democracy yet, but developing in the direction of becoming a democracy, while 21 percent think it is not on a democratic track now; 23 percent believe Georgia is a democracy already, but acknowledge that there is room for improvement. A majority says they can express their opinions freely and can establish and join political parties or NGOs. Still, a lack of freedom in the media and the need for the court system to be fully independent remain problems in the views of almost half of the respondents. Overall, between 50 percent and 60 percent of the respondents say they would expect a better environment for fair elections, freedom of speech, independent courts, and the protection of property and minority rights from EU membership.

A deeper insight of the EU programmes and a careful analysis of the EU funding to Georgia (discussed above) provide certain explanation of this discrepancy. First of all, the new government brought into power as a result of the 2003 revolution inclined more towards the country’s

modernisation and it paid little attention to genuine democratic reforms. Georgia's democratic image portrayed abroad relied heavily on the political leadership's foreign policy discourse, depicting Georgia as a progressing and promising democracy, striving to European integration and sharing common values with Europe.

However, the rhetoric of the political establishment was hardly followed by a real action at home. The process of the legislative and institutional harmonisation with the EU was going slowly and ineffectively. Also, the incentive (anticipated rewards) offered by the EU to Georgia in exchange of democratic reforms was not enough to encourage the government's compliance with the EU requirements. The highest possible reward officially declared by the EU in its cooperation and strategy documents was close political cooperation and prospect of deeper economic relations. The ultimate form of reward – membership – was never discussed or considered. So, in relation with the EU, Georgia had never been motivated with the prospect of membership.

In terms of the EU programming, as discussed above, even though a large number of programmes and increased assistance was offered to Georgia, a very little focus was made specifically on democracy. As for funding, compared to the financial assistance before ENP, the budget of the Tacis programme nearly doubled in 2003-2004. Nonetheless, the share of the funding of democratic reforms (also discussed above) was very small compared to the overall EU funding provided to Georgia. It was also inadequate to the needs that country faced in the democratic transition process. This time too, more emphases were paid to rehabilitation, infrastructure development and on improving the overall economic performance, and not as much to the democracy reforms.

In addition to modestly appealing rewards, the EU showed rather meagre capacity of effective use of conditionality. The enforcement of the EU requirements had never taken place, nothing to say about application of penalties in case of unfulfilled reforms in Georgia. Although every year the EU's official reports pointed to backsliding in democratic reforms in Georgia, the EU's programmes and funding continued and political support maintained.

According to a senior representative of the European Commission, things started to look more promising under Saakashvili's government. "Finally, state started to consolidated, reforms were underway, United National Movement (UNM) started reforming state institutions. Georgia certainly was far beyond in its reforms than other Eastern partner countries. But, this does not mean, of course, that the system was flawless. The merger between the party and state did not take place under Saakashvili government. There were systemic problems, problems with the independence of

justice, human rights, ignorance of peoples' will. Things remained more personalized, personification of politics continued. In the light of these quasi-reforms people started to think about what actually the Western actors' role was, particularly when Saakashvili's reforms were praised in the west (e.g. Bush calling Georgia a "beacon of democracy", the EU too was not very consistent and conditional). The EU should have been more stringent" – says the source (off record interview, 8 May 2014, the European Commission, Brussels). "But, the factor of Russia of course was also there (ongoing aggression and war) creating the conditions in Georgia even more fragile. In such a fragile situation the EU was trying to protect what there already was, in order not to undermine its commitment to Georgia with its criticism." (ibid)

In terms of socialisation, since introduction of the ENP in 2004, relative progress was noted at 'elite' level socialisation. The intensity of cooperation and therefore communication (in a way of augmented EU-Georgia political dialogue, intense institutional cooperation through the structures established in earlier years (in 1999 and 2000), e.g. EU-Georgia Cooperation Council, the EU-Georgia Cooperation Committee, the Parliamentary Cooperation Committee and subcommittees on various issue-areas, trainings provided to the government institutions, etc.) advanced the level of political elites' awareness on democratic principles and the rule of law. Since 2007 EU also extended several programmes to support the efforts of Georgia to harmonize its regulations with the EU legislation and to provide technical assistance and information exchange (such as: Twinning, TAIEX and SIGMA).

This deepened political dialogue was reflected in political discourse, which compared to previous administration, was very much pro-European and pro-Western, and often built around common Georgian and European values and Georgia's ultimate goal of European integration. In many discussions of Georgia's political, economic, and social future, there are regular references to Europe. It is often argued that there is proximity of history, values, and culture across the Black Sea. Politically, the Georgian government has set a course of convergence with Euro-Atlantic institutions, including the European Union. Visually, this is expressed by the flag of Europe flying next to the Georgian national flag outside official buildings. However, it also has to be said that this discourse was not substantially grounded in respective democratic reforms.

At the 'intermediary' level, socialisation between EU and Georgia during the period in question was quite weak. The deepened elite dialogue did not have direct effect on the EU-Georgia socialisation at the "societal" or "individual" levels. After the 'rose revolution' a more intensive dialogue between the EU and Georgian civil society took place, but this never translated into

significantly more effective relations. Although support for civil society was included in the context of the ENP action plans for Georgia, it was not a significant focus of the dialogue between the EU and the Georgian government. The programmes and financial support to civil society and non-governmental organizations (NGOs) was significantly reduced after the ‘rose revolution’. International actors, including the EU, gave preference to supporting new government rather than strengthening civil society and supporting a local capacity of NGOs to oversight the actions of the government. Also, besides reduced EU funding, the civil society and NGO sector significantly weakened as a result of ‘brain drain’ – the ‘revolution’ government was mainly composed of the professionals from Georgia’s non-governmental sector.

As Martin Müller (“Public Opinion Toward the European Union in Georgia”, 2011) rightly posits, while the commitment of the Georgian elites to a European course is frequently reiterated, little is known about the orientation of the general public toward the EU. The EU’s engagement at wider ‘societal’ level was quite insignificant during this period. The idea of European integration was an uncontested foreign policy objective for political leadership and most societal groups in Georgia. Therefore, this gave the EU some traction with public opinion. The CRRC survey carried out in 2009 serves as a good baseline tool for assessing public knowledge and perceptions on European integration and provides rich in-depth analysis of the public opinion regarding the EU.

Findings show that Georgians are enthusiastic about Europe and European integration, with both high expectations and a realistic appraisal of the obstacles that need to be overcome. More than half the population think Georgians are Europeans, with 54 percent of respondents agreeing with the statement “I am Georgian, therefore I am European,” made by Prime Minister Zurab Zhvania in 1999. 79 percent of respondents would vote for EU membership in a referendum, and close to 70 percent believes that the majority of the public also supports this idea. Only 2 percent say they would vote against EU membership if there were to be a referendum. In general, Georgians have a positive perception of the EU, with 16 percent of the respondents rating the EU as “very positive” and another 35 percent as “somewhat positive.” A negative attitude accounted for just 4 percent. At a rate of over 50 percent, Georgians’ trust in the EU is the highest in the South Caucasus. (Georgian Public Opinion: Attitudes towards European Integration, Caucasus Research Resource Center (CRRC), October 23, 2009). Yet, the survey also reveals that there is limited information on the EU among general public. 66 percent of the respondents say they would like more information on the EU. In particular, a majority wants to know how the EU deals with conflict resolution. Around 30 percent are interested in the social protection system, rule of law, and trade issues with the EU.

Furthermore, EU salary rates (22 percent), obtaining an EU visa (13 percent), the job market (18 percent), as well as educational and cultural programs (16 percent and 8 percent, respectively) are the main points of interest. In addition, between 25 percent and 40 percent of the respondents say they receive no information at all on EU matters from the government, NGOs, education institutions, workplace, radio, or newspapers (ibid).

In addition, during the examined period there was a lack of channels through which EU norms and values could be diffused in Georgia. The same CRRC report states that most of the public still preferred TV and newspapers as sources of information on the EU. 10 percent of the respondents thought that they receive a lot of information on the EU from TV, while 60 percent considered this information as “some” or “little.” The report also posits that the newspapers failed to provide the majority with enough information on the EU, with 32 percent saying they provide “little” and 26 percent saying they offer no information. Around 20 percent of respondents said radio and Internet would suffice as sources, and fewer than 10 percent would like the government, EU information centers, posters, and friends to be more utilized. Only 5 percent was satisfied with using the Internet as a source of information on the EU.

Moreover, EU approximation at societal levels was significantly hindered by lack of mobility of Georgia population towards the EU and underdeveloped people-to-people and business to business contacts between the EU and Georgia. According to the CRRC report, Georgians want to have more freedom to move across EU borders. 30 percent of the Georgian population even say they would be interested in working in the EU. It must also be noted that the educational and student exchange programmes launched under PCA continued in the framework of ENP, such as Tempus, Erasmus Mundus and Youth in Action programmes. Also, reform of higher education continued with a focus on alignment and approximation to European standards in line with the principles of the Bologna Process. Nonetheless, neither volume (e.g. number of exchange students) nor the value (e.g. tangible reforms) of these programmes was considerable to provide the EU’s socialisation effects on democratisation in Georgia.

To summarise, since the “rose revolution” the EU’s political agenda and respective programs with Georgia somewhat more focused on democratisation reforms. Yet, the success for Georgia’s nascent democracy was never achieved nor ever translated into a major success for the democracy-promotion efforts of the EU. Despite having a new pro-Western political elite in power, the pace and direction of the democratisation efforts during this period was very slow. The ENP introduced in 2004 added value to the EU’s existing mechanisms of cooperation (PCA and Tacis) with Georgia.

Compared to previous cooperation schemes, ENP offered to the country relatively stronger commitments, rewards and enforcement mechanisms vis-à-vis democratic reforms. But this time too EU failed to encourage democratic reforms in the country for various reasons. First, the incentives offered to Georgia in the framework of ENP did not encourage the wave of reforms. Also, the EU's policy of unconditional support for Georgia's government, inconsistent and unfocused programming on democracy promotion, as well as lack of attention to the government's democratisation shortcomings once again called into question how serious the EU was about democracy-promotion in the country. Moreover, the share of funding democratic reforms was very small compared to the overall EU assistance provided to Georgia. In addition, the EU-Georgia socialisation at all levels was poorly developed and could not facilitate a better transition process.



## **Chapter 5**

### **Overview of the EU-Georgia Relations in the Prism of Democratisation:**

#### **The EU in Georgia after the launch of the Eastern Partnership**

This chapter engages in the review and analysis of the most recent policy instruments and respective EU assistance offered to Georgia since 2009 until 2013. During these years, the EU-Georgia cooperation has evolved through the Eastern Partnership (EaP), the EU's new regional initiative launched at Prague summit in 2009. In the framework of the Partnership, the EU opened negotiations with Georgia on Association Agreement (AA) and its integral part the Deep and Comprehensive Free Trade Area (DCFTA) only recently - in the beginning of 2012. The AA/DCFTA was signed in June 2014 and it is currently being implemented in Georgia.

The chapter concludes that the recent instruments have provided an enhanced and intensified policy dialogue between the EU and Georgia, but their capacity to leverage democratic processes in the country thus far has remained limited. There are various explanations. First of all, the AA/DCFTA is a relatively new mechanism and its possible effects cannot be fully assessed until the application of the terms of the agreement in the country. Preliminary analysis based on the agreement text suggest that the AA considers democracy related areas (mostly judiciary and rule of law), but its major focus is on the reforms related to trade and economic fields. In addition, the incentive that the EU offers to Georgia in the scope of the EaP does not provide the country with enough stimuli to comply with the EU requirements. Although the declared benefits of the AA/DCFTA look attractive (mainly linked to the prospect of accessing the EU market), they are not immediately reachable and require heavy and costly reforms in order to be attained. Moreover, over the past years, the EU conditionality has remained limited. In the framework of the EaP the EU has declared a so called 'more for more' approach to the eastern partners. Nevertheless, in practice, the EU's capacity to apply credible and consistent conditions and benchmarking in relation to domestic reforms in Georgia has been greatly constrained. Also, the funding of democratic reforms has remained proportionally low, even though the overall assistance budget has been considerably increased. As for the intensity of the EU-Georgia socialisation, similarly to the previous years, it has been more privileging 'elite' levels and less non-governmental and societal levels. Therefore, during the period in question, the condition of democracy in the country has remained stagnant. The chapter basis the proposed arguments on the empirical analysis of the EU's narrative and financial record for all of the development programs with particular focus on democracy support in Georgia.

## **5.1 Period covering 2009-2013 years: Cooperation in the framework of Eastern Partnership**

In 2009, the ENP was further supported by the EU's new regional cooperation mechanism, the Eastern Partnership (EaP). The EaP was launched in May 2009 at the Prague Summit and was the EU's reply to the challenges and aspirations of the EU's eastern partner countries (Georgia, Armenia, Azerbaijan, Belarus, Moldova and Ukraine) to deepen cooperation with the EU and to strengthen the implementation of the ENP in the eastern partner countries.

As Kakha Gogolashvili, Director of the EU Studies at Georgian Foundation for Strategic and International Studies states "The development of the EaP was determined by the potential of the eastern partner countries to be more perspective and progressive on the political reforms than those in the south neighbours of the EU. This was particularly true after the revolutions and peaceful regime changes in Georgia and Ukraine. This showed that potential for democratic transformation was possible in this geographical region." (Kakha Gogolashvili, personal interview, 27 February 2014, Tbilisi, Appendix III).

The EaP was initially a Polish-Swedish initiative, but it was taken over by the European Commission in December 2008 and endorsed by the European Council in March 2009 under the Czech EU Presidency. The EaP embodies the Eastern dimension of the EU's European Neighbourhood Policy (ENP) and Action Plans (AP) extended individually to the EU's eastern partners to help fulfil the provisions of the EU's earlier foreign policy instrument, the Partnership and Cooperation Agreement (PCA). Overall, the Eastern Partnership aims to promote democracy and good governance, sectoral reforms, encouraging people-to-people contacts, supporting economic and social development, offer additional funding for projects to reduce socio-economic imbalances and increase stability in the partner countries (The Delegation of the European Union to Georgia website - <http://eeas.europa.eu/delegations/georgia>).

In the framework of the EaP, in July 2010 EU launched negotiations with Georgia on the Association Agreement (AA) and in January 2012 negotiations on Deep and Comprehensive Free Trade Area (DCFTA), which was declared as an integral part of the AA, aimed at enabling Georgia to enter into a deeper engagement and gradual integration in the EU economy. In addition, in the framework of the EaP, in June 2012 EU launched with Georgia Visa Liberalisation dialogue aimed at gradual visa facilitation process to allow for easier travels from Georgia to the EU. Georgia took a step closer to the European Union at the third Eastern Partnership Summit in Vilnius in November 2013 when it initialled an Association Agreement (AA) with a Deep and Comprehensive Free Trade

Area (DCFTA). The agreement is to be signed in June 2014, provided that Georgia meets all necessary conditions.

The most recent EU-Georgia cooperation mechanism – AA, represents a bilateral dimension of the EU’s Eastern Partnership (EaP) initiative. The legal base for the conclusion of the AA is provided by article 217 of the Treaty on the Functioning of the European Union (TFEU) that states: “The Union may conclude with one or more third countries or international organisations agreements establishing an association involving reciprocal rights and obligations, common action and special procedure”.

When launched in 2010, the overall objective of the AA was to support the political and economic approximation to the EU of the latter’s six eastern neighbours, Georgia included. Structurally and policy-wise, the AA is the most advanced of the cooperation mechanisms that the EU has offered to Georgia (and to other eastern partners) over the past twenty years.

The weight of the AA lies in its relatively enhanced conditional structure, i.e., clear future benefits linked to the imposition of domestic reforms. This does not imply reactive enforcement, such as application of penalties or withholding political dialogue in case of non-compliance. Instead, it consists of clearly formulated benchmarks for the implementation of EU requirements, mostly related to the areas of trade and trade related practices.

Within the scope of the AA, the EU embarks on a so-called “more for more” approach, meaning that the EU offers concrete carrots in exchange for commitments to deep and comprehensive political reforms. Although the agreement does not open a possibility for accession to the EU, the benefits of the AA are still attractive: deepened and intensified political dialogue, full access to the EU market, and visa liberalization. However, as the discussion below will show, these benefits are not immediately accessible and require heavy and costly convergence reforms in order to be attained.

The EU-Georgia AA is a thick and comprehensive document of around 1,000 pages. The European Commission released the text of the agreement after its initialization at the EaP Summit at the end of November 2013. The AA is structured into three major parts. The first part focuses on political dialogue, association, and respective reforms; cooperation and convergence in the field of foreign and security policy; and convergence in areas of justice, freedom, and security. The provisions of the DCFTA, which is an integral part of the AA, are covered in the second (economic) and third (sectoral) parts of the agreement. This includes convergence and cooperation in fields such as: trade and trade-related matters, national treatment and market access for goods, technical barriers

to trade, sanitary and phytosanitary measures, customs and trade facilitation, intellectual property rights, and competition. In addition, the agreement covers sectoral areas, such as tourism, agriculture and rural development, consumer protection, cooperation on employment and social policy, public health, education, culture, sports, civil society, and cross-border and regional cooperation.

Economic dimension of the AA, DCFTA serves as a general frame for deepening the EU-Georgia trade relations. Compared to the existing EU trade scheme in Georgia, Generalised System of Preferences + (GSP +), the DCFTA envisages not only mutual lifting of all trade barriers but also harmonization of economic laws and regulations with those existing in the EU. Therefore, it has strategic importance for the countries interested to engage in free trade with Europe. Effective negotiations on DCFTA with the EU are very important for Georgia as far as the implementation of the future DCFTA is of key importance for gaining full access to the three freedoms of movement out of four: goods, capital and services. The fourth freedom of movement (people) is addressed by EU-Georgia Visa Facilitation Agreement (of 2011) and the Action Plan on Visa Liberalisation (of 2013) discussed later in this chapter.

The convergence reforms that the EU has set forth in the scope of the association process are complex and require serious domestic political and economic commitments and thus bears important implications. The political implications of the AA for Georgia are multifaceted. To begin with, the EU association process is a litmus test for Georgia's new political administration to demonstrate (domestically and internationally) its European way and commitment to fundamental democratic reforms. The country's previous ruling elite, under President Mikheil Saakashvili, proclaimed its European identity and made EU integration a major foreign policy objective. However, the government's public discourse was never consistently followed by an adequate level and quality of reforms necessary for European approximation. The previous administration was not enthusiastic about implementing the EU's "deep and comprehensive" regulatory reforms due to high convergence costs and risks. Instead of targeting long-term sustainable development and growth, Tbilisi proceeded with marginal reforms and used the possibility of EU approximation as a political tool to sustain EU support and financial assistance (Khuntsaria, *The Caucasus Social Science Review*, CSS, 2012).

Georgia's 2012 parliamentary election and 2013 presidential election brought a new administration to power. Over the past year, the new government has demonstrated a somewhat accelerated speed of reforms for EU approximation, the fruits of which were reaped at the Vilnius summit where the initialisation of the document took place, followed by the signature of the AA in

June 2014. Yet the government's main political challenge is still ahead. Now that the AA has been signed, it is time to commence implementation of its provisions. This means that the government has to embark on large-scale "deep and comprehensive" reforms both at legislative and policy levels, as well as at the institutional level. The AA's political section requires extensive convergence to EU norms and requirements in the field of justice, freedom, and security. Particular importance is attached to the consolidation of the rule of law and the reinforcement of institutions at all levels in the areas of administration in general, and law enforcement and the administration of justice in particular. Cooperation will notably aim at strengthening the judiciary, improving its efficiency, safeguarding its independence and impartiality, and combating corruption. Respect for human rights and fundamental freedoms will guide all cooperation on justice, freedom, and security.

The process of democratisation in Georgia is still at its beginning. The recent presidential elections marked further progress in Georgia's democratic credentials. However, it is vital that Georgia remain a pluralistic democracy with effective checks and balances and further strengthens its democratic institutions. Although elections are an important step, they are just a first step and need to be followed by substantial political reform. The ruling elite, among many important aspects of democratic consolidation, need to ensure that political power (that was fully concentrated in the hands of the executive over the last decades) is both *de jure* and *de facto* distributed between executive and legislative branches. For building genuine democracy, it is also crucial that the courts are freed from political pressure, media freedom is guaranteed, and the rule of law prevails.

Another implication of the AA is that closer association with the EU creates stronger international guarantees for the security and territorial integrity of Georgia. The EU is neither an influential nor a unitary international actor in power politics, particularly when confronting Russia. Yet, the EU's firm support for Georgia's territorial integrity and non-recognition of Abkhazia and South Ossetia is vital for the country's diplomatic efforts to resolve these conflicts and in its fragile relationship with Russia. The EU shall continue to remind Russia that it has to comply with the "six-point agreement. "Concerns regarding "borderization" activities along the administrative boundary lines have grown, and reiterated EU support to Georgia is one of the few diplomatic instruments with which the country may confront any aggression from Russia. It is in Georgia's interest that the EU remains fully engaged in conflict resolution efforts, using the variety of tools at its disposal (including the EU Monitoring Mission (EUMM), the Geneva discussions, pressing on the possibility of reopening the OSCE mission in Georgia, and political statements and support).

However, there is another side to the coin — an enhanced EU-Georgia dialogue and intensified “Europeanization” of Georgia provides an impetus for Russia’s expansionist appetite, which in turn endangers Georgia’s security and territorial integrity. To this end, it is worthwhile of noting that the signature of the EU-Georgia AA and consequent NATO summit in London in September 2014 had serious consequences: In November 2014, Russian president Vladimir Putin signed the agreement “on alliance and strategic partnership” with Georgia’s breakaway region of Abkhazia. The treaty implies coordination of Abkhazia’s foreign, defence, economic and social policy with Moscow. Besides, it mandates the creation of a joint Russian-Abkhazian military unit and a “joint information/co-ordination centre of the organs of internal affairs.” (Agreement between Abkhazia and the Russian Federation on Alliance and Strategic Partnership, <http://www.abkhaziagov.org/president/press/news/2014-11-19>). Therefore, in the process of association, the EU and Georgia should ensure that constructive dialogue with Russia prevails, making it clear that this is not a choice between Moscow and Brussels, and that both the EU and Georgia seek good relations and cooperation with Russia.

Finally, Georgia’s commitment to the EU has significant political implications for the future of the EU’s Eastern Partnership at large. The situation has dramatically changed since the 2013 Vilnius Summit. The idea of the Eastern Partnership has weakened and its future has become blurred as Armenia and Ukraine withdrew from the association process before the summit in favour of the Russian-led Customs Union. Belarus withdrew from the EaP even earlier – prior to the Eastern Partnership Summit in Warsaw in 2011. As for Azerbaijan, it has only been negotiating political part of the AA, without considering the economic reforms and endorsement of the most crucial part of the deal, DCFTA. Thus, the future of the EU’s engagement and political impact in the region is now in doubt. Among the original six EaP partners, currently only three – Georgia, Moldova and Ukraine (the latter made a U-turn on EU Association deal only recently, after the 2014 Ukrainian revolution) proclaim European integration as foreign policy priorities and expressed a readiness to conclude their association deals. To save the EaP and sustain its political levers in the region, it is important for the EU to take hold of Georgia (as well as Moldova and Ukraine) and strengthen programmatic and financial support. Having learnt a bitter lesson, the EU has put Georgia (and also Moldova and Ukraine) on the AA fast track (Conclusions of the European Council, EUCO 217/13, 19/20, December 2013). However, this unconditional acceleration of the timetable gravely limits EU conditionality concerning the required domestic reforms and may lead the quality and level of their democratic performance to stagnate.

As already mentioned above, the major part of the AA is its economic dimension, or so called DCFTA. One of the most important implications of the DCFTA for Georgia is the possibility of diversifying its export market by deepening trade with Europe. Export diversification has become vitally important for Georgia since Russia's 2006 embargo and 2008 war, which ultimately closed the vast Russian market for Georgians. Even as trade is reopened, it is probable that the market will remain unstable and unpredictable due to the existing political and security context. Therefore, for sustainable development of its exports, Georgia needs to penetrate the EU market, one of the world's largest, most stable, and strictly regulated. In addition, approximation to European norms in the long term offers the best chance of stable and incremental growth for the Georgian economy.

**Table 5.1**

**Total goods: EU Trade flows and balance, annual data**

Period	Imports			Exports			Balance	Total trade
	Value	Growth*	Share in	Value	Growth*	Share in		
			Extra-EU			Extra-EU		
	(Mio €)	(%)	(%)	(Mio €)	(%)	(%)	(Mio €)	(Mio €)
<b>2008</b>	735	60.3	0.0	1,214	11.4	0.1	479	1,950
<b>2009</b>	517	-29.6	0.0	878	-27.7	0.1	360	1,395
<b>2010</b>	567	9.6	0.0	1,153	31.3	0.1	586	1,720
<b>2011</b>	614	8.3	0.0	1,597	38.5	0.1	982	2,211
<b>2012</b>	584	-4.9	0.0	2,068	29.5	0.1	1,484	2,652

Source: Eurostat Comext - Statistical regime 4

Currently, the EU is one of Georgia's main trading partners. Nearly 26% percent of Georgia's external trade is with the EU (Geostat: [www.geostat.ge/cms/site\\_images/\\_files/english/bop/FTrade\\_06\\_2013\\_ENG.pdf](http://www.geostat.ge/cms/site_images/_files/english/bop/FTrade_06_2013_ENG.pdf)). However, total bilateral trade with the EU, Georgian exports in particular, is very low. According to Eurostat (Eurostat : [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113383.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113383.pdf)), EU exports to

Georgia increased by 29.5 percent in 2012, while exports of Georgian products to the EU decreased by 4.9 percent. In 2012, EU imports exceeded Georgian exports by more than 3.5 times, while the latest statistics of the second quarter of 2013 shows that the EU imports exceeded Georgian exports by about 2.5 times. See the table below for the import/export trends over the past 5 years.

Thus, there is need for further diversification of Georgian exports to the EU market, which can be achieved with the help of the DCFTA. Once fully implemented, the DCFTA is expected to have a significant economic impact in Georgia. According to a Trade Sustainability Impact Assessment study commissioned by the EU, the DCFTA can increase Georgia's exports to the EU by 12 percent and imports by 7.5 percent. In the long term, Georgia's GDP could increase by 4.3 percent (292 million Euros), provided that the DCFTA is implemented and its effects are sustained (Ecorys-Case, "Trade Sustainability Impact Assessment in support of negotiations of a DCFTA between the EU and Georgia and the Republic of Moldova," Final Report, October 2012).

Moreover, the DCFTA provides Georgia with an opportunity to reform and strengthen its trade-related legislation and respective institutions. Georgia has enjoyed its current trading scheme with the EU, the EU Generalized System of Preferences (GSP+), since 2005. This has implied removal only of tariff barriers, however, and does not deal with non-tariff barriers (such as strict food safety standards or sanitary and phyto-sanitary requirements). Correspondingly, it has not had the desired impact on growth of Georgian exports to the EU.

The economic impact of the DCFTA, however, will not be immediate. Time is needed to develop and stabilize the domestic business climate, ensure proper functioning of related state and non-state institutions, help business adapt to a new economic reality, and comprehend ways to explore emerging export markets. Ample financial resources and patience are needed to implement the reform package. The short-term effects of the DCFTA are associated with more challenges than gains, and the cost of the reforms is to be shared by state, business, and customers alike. Moreover, the government is likely to face social discontent as a result of the possible closing down of businesses in some sectors and job losses. Also, competition for foreign direct investment and the costs of modernization may be much higher than available investments, and companies (particularly SMEs) are likely to face transitional problems. In the view of some experts, the regulatory changes imposed by the European Commission in terms of development policy may be burdensome and equivalent to taxing Georgian production, endangering its growth and economic sustainability ("An Appraisal of the EU's Trade Policy towards its Eastern Neighbours: the Case of Georgia", Group D'conomie Mondiale Sciences PO Paris, Centre for European Policy Studies (CEPS) in Brussels



and New Economic School of Georgia, 2011). Customers will enjoy better quality and more diversified products and services on the market. However, these benefits may be accompanied by higher prices for goods and services, as well as an increased gap between the wages of skilled and unskilled labour, possible job losses, and potentially declining incomes.

The process of concluding the AA/DCFTA with the EU will be challenging for Georgia both politically and economically. EU approximation requires the government to undertake extensive reforms that may not be immediately popular among voters. On the security front, deepening political ties with the EU raises the risk of escalated tension and aggression with Russia. Notwithstanding these challenges, EU association is an irreversible strategic development route for Georgia, which has no better alternative. Above all, it promises the country long-term, stable, and sustainable development, an enhancing of its economy, and a strengthening of its democracy.

At the moment, there is time to prepare. To enter into force, the AA not only has to be signed, but also ratified by all 28 EU member states' parliaments (so far the EU-Georgia deal has been ratified by 10 EU countries: Romania, Bulgaria, Lithuania, Latvia, Malta, Slovakia, Estonia, Hungary, Sweden and Croatia), the European Parliament (pending in mid-December 2014), and by the Georgian parliament (already in place). This is a lengthy and complicated process. During these years, sustaining the government's political determination and firm commitment to the European perspective, as well as the EU's strong support, will be crucial.

In addition to the AA/DCFTA, during the period in question, EU-Georgia relations also evolved around the issues affecting the mobility of the Georgia citizens. In September 2008 the Extraordinary European Council called for visa facilitation measures (IP/08/1406). The visa facilitation and readmission agreements with Georgia entered into force on 1 March 2011. The visa facilitation agreement provides significant benefits as it significantly reduces visa fees for all Georgian citizens and waives fees for broad categories of visa applicants such as children, pensioners, students, people visiting family members living in the EU, people in need of medical treatment, economic operators working with EU companies, sportsmen and women, participants in cultural exchanges, or journalists. The visa facilitation agreement also accelerates procedures for assessing visa applications and sets the obligation of issuing multiple-entry visas with long period of validity for certain categories of frequent travellers (European Commission Press Release – The EU starts a visa liberalisation dialogue with Georgia, Brussels, 4 June, 2012).

On 29 May 2012 the Council welcomed the Commission's intention to launch a visa liberalisation dialogue with Georgia. The dialogue, aiming at examining all the relevant conditions

for visa-free travel of citizens of Georgia to the EU, was officially launched in Brussels on 4 June 2012. On 15 October 2012, the Council reaffirmed the EU's commitment to 'the shared objective of visa free travel in due course, provided that the conditions for well managed and secure mobility are in place. On 25 February 2013 in Tbilisi, the Commissioner Cecilia Malmström presented to the Georgian authorities the Action Plan on Visa Liberalisation (VLAP). The VLAP is structured around four blocks, namely (1) Document security, including biometrics; (2) Integrated border management, migration management, asylum; (3) Public order and security; and (4) External relations and fundamental rights. It contains two tiers of benchmarks: preliminary benchmarks concerning the overall policy framework (legislation and planning), which are to pave the way for meeting more specific benchmarks (effective and sustainable implementation of relevant measures) – First Progress Report on the implementation by Georgia of the Action Plan on Visa Liberalisation Brussels, 15.11.2013, COM (2013) 808 final. Georgia already satisfied the first-phase requirements of the visa dialogue. The second phase, where the Commission will be checking the implementation of all these benchmarks, was launched in November 2014 (European Commission Press Release – Georgia: One Step Closer to EU Visa Liberalisation, 29 November 2014).

## **5.2 The EU assistance provided in the scope of EaP and other donors in Georgia**

Ambassador Philip Dimitrov<sup>12</sup>, Head of the EU Delegation to Georgia during 2010-2014 posits that the EU has been trying to help the Georgian side by virtue of continuous communication, which is making clear what the standards and the provisions of the European Union are. According to Mr. Dimitrov, over the past years the EU has been providing a lot of technical assistance in number of fields, including establishment of democracy and economic development. Moreover, the Ambassador notes that the EU has helped in educating young professionals and public service employees. But, most importantly, the EU has been providing technical assistance. Also, the EU together with the member states, the US and international organizations has played important role in providing economic support, which was decisive to deal with the problems of internally displaced people (IDPs). Yet, there have also been help in different fields covering some things addressing skills, practical issues, e.g. technical assistance for border control has also put money into facilities

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<sup>12</sup>Ambassador Philip Dimitrov served on the position of the Head of the EU Delegation to Georgia from September 2010 to September 2014. Mr. Dimitrov is a Bulgarian politician, Prime Minister of Bulgaria during 1991-1992, MP in the 36th (1991-1994), 37th (1994-1997) and the 40th (2005-2007) National Assembly, and MEP from January 2007 to May 2007.

and equipment, etc. And last but not least, in the words of Mr. Dimitrov, “because EU believes that Georgia is a country which goes up-way, [it] has done a lot to provide political support. People who imagine political support only in the form of troops sometime say that Georgia has not got enough from European Union, especially as long as Georgia is provided with troops for NATO operations, etc. But it is not only matter of troops. Through all these years the EU has been supporting Georgia’s territorial integrity by the policy of non-recognition and engagement, including certain steps to convince other countries who have been hesitant to this issue.” According to Ambassador Dimitrov, other general support also includes the signature of AA, the common undertakings with NATO, and other expressions of support. As Ambassador notes, sometimes some people tend to say that this is not enough, but in fact one can imagine the situation of not having this support. (Ambassador Philip Dimitrov, personal interview, 6 June 2014, Tbilisi, Appendix IX).

**Table 5.2**

**ENPI National Indicative Programme for Georgia for the period of 2011-2013**

<b>Priority areas</b>	<b>Budget (€ million)</b>	<b>%</b>
<p><b>1. <i>Democratic development, rule of law, good governance</i></b></p> <ul style="list-style-type: none"> <li>- Sub-priority 1.1: Media freedom, political pluralism, human rights, civil society development</li> <li>- Sub-priority 1.2: Justice sector reform</li> <li>- Sub-priority 1.3: Public finance management and public administration reform</li> </ul>	45-63	25-35%
<p><b>2. <i>Trade and investment, regulatory alignment and reform</i></b></p> <ul style="list-style-type: none"> <li>- Sub-priority 2.1: Export and investment promotion, in particular through market and regulatory reform; preparations for a future deep and comprehensive FTA with the EU</li> <li>- Sub-priority 2.2: Sector-specific regulatory alignment and reforms in line with PCA/ENP AP priorities</li> </ul>	27-45	15-25%
<p><b>3. <i>Regional development, sustainable economic and social development, poverty reduction</i></b></p> <ul style="list-style-type: none"> <li>- Sub-priority 3.1: Social reforms and social protection</li> <li>- Sub-priority 3.2: Regional development and sustainable development, including environmental protection</li> <li>- Sub-priority 3.3: Education, skills development and mobility</li> </ul>	63-81	35-45%
<p><b>4. <i>Support for peaceful settlement of conflicts</i></b></p>	9-18	5-10%
<b>Total indicative ENPI allocations 2011-2013</b>	<b>€180.29</b>	<b>100%</b>

In more specific terms, during the past five years of the EU-Georgia relations, the ENPI has been the EU's main tool for providing assistance to Georgia. The new National Indicative Programme (NIP) 2011-13 for Georgia was adopted in May 2010 and has a budget of € 180.3 million (see table 5.2). The programme was aimed at supporting the achievement of key policy objectives as outlined in the EU-Georgia Action Plan (AP) and pursues four priorities: support for democratic development, rule of law and governance; support for economic development and ENP AP implementation; poverty reduction and social reforms; and support for peaceful settlement of Georgia's internal conflicts. Out of this total funding, estimated € 45 to 63 million (approx. 25%-35%) is allocated in support of democratic development including support to the following sub-priority areas: Democratic development, rule of law, good governance; Media freedom, political pluralism, human rights, civil society development; Justice sector reform; and Public finance management and public administration reform (ENPI National Indicative Programme for Georgia, 2011-2013).

As the table above shows, the support for democratic reforms, the rule of law and good governance was one of the priority areas of the EU-Georgia bilateral relations during the discussed period. According to the National Indicative Programme for Georgia 2011-2013, since the start of implementation of the ENP Action Plan priorities, and with the EU assistance under the NIP 2007-2010, some progress was achieved in this field. However, internal political developments, unrest and demonstrations by the opposition and criticisms of the conduct of the Presidential elections in January and the legislative elections in May 2008 showed the need for continuing democratic reforms, with the long-term aim of democratic consolidation. Therefore, compared to the previous efforts, with the latest assistance instrument, the European Commission paid more attention to the progress in developing fundamental freedoms, civil society, reform of the justice sector, public administration and public finance management. EU support in this area was aimed to build on ongoing interventions, such as the ongoing sector budget support programmes for public finance management and criminal justice sector reform, as well as targeted projects, technical assistance and twinning programmes. In the Sector Policy Support programme (started in 2008) for criminal justice reform, the basis for sustainable sector management was established by updating the Criminal Justice Reform Strategy and its related Action Plan and by establishing a sector management system, via the introduction of strategic planning tools, statistical instruments and monitoring structures. The expected long-term impact was the strengthening of democratic institutions and

greater political pluralism, widespread acceptance of democratic values, and lasting results in democratisation of the country (National Indicative Programme for Georgia, 2011-2013).

**Table 5.3**

**Sub-priority: Media freedom, political pluralism, human rights, civil society development**

Expected results	Indicators of achievement
Strengthened capacity of democratic institutions, including the Ombudsman and the Parliament.	Ombudsman and Parliament fulfil their constitutional and legal functions.
Enhanced respect for human rights (in particular women’s and children’s rights), including increased awareness within law enforcement bodies.	Improved and enforced legal administrative framework to secure freedom of expression and freedom of the media, also with regard to ownership and journalists’ rights.
Increased involvement of civil society in policy-making structures.	Improved electoral administration in line with international standards and better informed electorate.
Secured freedom of expression and freedom of the media.	Implementation of recommendations made in the Universal Periodic Review of Georgia by the UN Human Rights Council.
Improved quality of the electoral process and administration in line with international standards.	Functioning of the National Preventive Mechanism (NPM) under the Optional Protocol of the UN Convention Against Torture (OP-CAT).

Source: ENPI National Indicative Programme for Georgia for the period of 2011-2013

The NIP 2011-2013 priority area of Democratic development, rule of law, good governance was split into three sub-priorities (see table 5.2). The first sub-area – media freedom, political pluralism, human rights, civil society development – targeted improved division of powers, checks and balances, media freedom and respect for human rights and fundamental freedoms, in line with international and European standards. It also aimed at ensuring sustainability and success of democratic reforms with the cooperation and involvement of civil society actors in policy making and monitoring processes (table 5.3 lists the details of the programme’s expected results and indicators of achievement).

**Table 5.4****Sub-priority: Justice sector reform**

<b>Expected results</b>	<b>Indicators of achievement</b>
Increased public confidence in the judiciary and law enforcement authorities.	Regular updating and publication of relevant policy and planning documents, supported by enhanced monitoring capability and improved collection and analysis of data for assessment of the status and impact of reforms.
Improved access to justice and guaranteed access to representation for all, including women and vulnerable groups, and continued involvement of specialised civil society organisations.	Broadening of outreach activities, to facilitate access to justice, and expansion of the responsibilities and capacity of the Public Lawyer’s Service (legal aid).
Establishment of a comprehensive juvenile justice system in compliance with international standards.	Significant increase in the investigation of alleged politically motivated crimes and abuses by the law enforcement system indicating effective independence of the judiciary.
Improved detention conditions in line with the recommendations of the Council of Europe Committee for the Prevention of Torture (CPT).	Reduction in the numbers in prison (or at least in the growth of the prison population), in line with Council of Europe recommendations.
Strengthened capacity of justice institutions and other relevant Georgian services to apply / approximate / adhere to EU Standards in Justice and to cooperate fully with European partners in the area of justice, freedom and security.	Increased use of non-custodial sentences, community orders, probation and early release through parole, development of policies to address the causes of crime (poverty, social exclusion, lack of education and employment opportunities, drug dependency and so forth).

Source: ENPI National Indicative Programme for Georgia for the period of 2011-2013

The goal of the second sub-priority area – justice sector reform – was the development of a modern state oriented towards the needs of its citizens and increased public confidence in the justice system. The objective was to strengthen the rule of law and ensure more effective functioning of the judiciary, increasing public confidence in the judiciary in Georgia (table 5.4 lists the details of the programme’s expected results and indicators of achievement).

The third sub-priority area – Public finance management and public administration reform – had specific objectives of creating sound management of public finances, with internal and external control systems and public procurement rules in place. It also aimed at strengthening administrative capacity and increasing public accountability of government, as well as effective decentralisation of power (table 5.5 lists the details of the programme’s expected results and indicators of achievement).

**Table 5.5**

**Sub-priority: Public finance management and public administration reform**

Expected results	Indicators of achievement
Implementation of national administrative reform plans, including the strengthening of local government in line with the European Charter of Local Self-Government.	State budget preparation and MTEF processes are enhanced through expansion of the sectoral planning and costing capacities of line ministries and local self-governance units.
Improved management of public finances, in particular improvements in budget formulation, implementation and internal/external control.	Internal control and external audit functions are gradually developed and harmonised with internationally agreed standards (IIA, INTOSAI, IFAC) and methodologies.
Increased transparency of government expenditure, including public procurement.	Improved public trust in the management of public finances (demonstrated by improved ranking in the Transparency International corruption perceptions index and PEFA Assessments).
Improved public trust in the management of public finances (as demonstrated by improved ranking in the Transparency International corruption perceptions index and WB PEFA Assessments).	The legal and regulatory framework for public procurement is in line with the OECD-DAC 4 pillars.
Strengthened government capacity to lead and monitor the implementation of a cross-cutting reform agenda in the public sector.	An operational internal audit function and a risk-based taxpayers’ audit system are established within the revenue services. Improved access and quality of public services, including at local level.

Source: ENPI National Indicative Programme for Georgia for the period of 2011-2013

In addition to ENPI, in 2012 extra funding of EUR 22 million was made available for Georgia via the Eastern Partnership Integration and Cooperation (EaP) programme. Additional EaP funding was channelled to increase support for reforms in the justice sector and to improve migration and border management in view of the visa liberalisation dialogue. In 2013, € 27 million was granted to Georgia to be used to improve job market management and the offer of vocational education and training.

According to the representative of the EU Delegation to Georgia (off-record interview held on 18 March 2014 at the EU Delegation in Tbilisi, Georgia), throughout 2009-2013, apart from ENPI, EU supported democracy in Georgia through the following three instruments: European Instrument for Democracy and Human Rights (EIDHR), Instrument for Stability (IFS), and Development Cooperation Instrument (DCI). The European Instrument for Democracy and Human Rights (EIDHR) was extended to Georgia in 2011-2013, which identified as its Objective 2 "Strengthening the role of civil society in promoting human rights and democratic reform, in supporting the peaceful conciliation of group interests and in consolidating political participation and representation". Objective 2 covers country based support schemes. The country allocation for Georgia was € 1.2 million for the year 2010 to be implemented in 2011 (Source: The EU Delegation to Georgia). Since 2009 under the Instrument for Stability, EU has supported the following five projects (approx € 2.5 million in total) aimed at strengthening democracy:

<b>1. Media Strengthening Programme for Georgia</b>	<b>EU Funding</b>
<p><u>Implementer:</u> Association Mondiale des Journaux A.M.J./World Association of Newspapers W.A.N.</p> <p><u>Objective:</u> The project will support media of all sizes in becoming better information providers and in producing high-quality and relevant news. The programme will also focus on the creation of new media, with grants available for innovative projects proposed by media organisations. Finally, the programme will strengthen media associations in Georgia in the creation of more pluralistic information environment.</p>	€ 700.000
<b>2. Training for Activists of Political Parties and their Youth Organisations in Georgia</b>	<b>EU Funding</b>
<p><u>Implementer:</u> Friedrich-Naumann-Stiftung für die Freiheit</p> <p><u>Objective:</u> The project shall work to support a democratic multi-party system in Georgia by enabling the parties to conduct fair political competition with their opponents based on mutual respect. The main aims will be the strengthening parties' capacities to develop political programmes, to support the development of internal party democracy and to improve campaigning and electoral observation skills.</p>	€ 313.000



<b>3. Peoples' Manifesto – inclusive democracy does not mean only to elect but to make those who were elected to care people's plight</b>	<b>EU Funding</b>
<p><u>Implementer:</u> Georgian Young Lawyers Association</p> <p><u>Objective:</u>  The project will seek to promote the process of democratic development of Georgia through establishing the inclusive decision-making process at the local level. It will focus on increasing transparency and accountability of local government and candidates for election by raising the capacities of citizens to participate in decision-making. Main activities will focus on monitoring activities of local self-government bodies; monthly informational press-conferences on monitoring findings; dialogue between electoral subjects and local citizens.</p>	€ 688.000
<b>4. Promoting Dialogue and Capacity for Effective National Electoral Processes</b>	<b>EU Funding</b>
<p><u>Implementer:</u> UNDP</p> <p><u>Objective:</u>  The project will focus on the strengthening of the legislative framework for elections and supporting the increased professionalization and competence of election management. Finally, the project will promote information activities by raising the awareness of electoral issues targeting of a wide range of stakeholders, including media, judiciary, civil society and the public at large.</p>	€ 960.000
<b>5. Strengthening the Media's Role as a Watchdog Institution in Georgia</b>	<b>EU Funding</b>
<p><u>Implementer:</u> EURASIA-Georgian Partnership Foundation, Georgia's Young Lawyer's Association, Georgian Association of Regional Broadcasters.</p> <p><u>Objective:</u>  The project will contribute to build the capacity of the Georgian media in investigative journalism as well as to promote the Georgian media as a watchdog institution by increasing public access to high quality, professional, and independent information It will seek to increase the quality and amount of investigative journalism in Georgian national and regional media, strengthening the function of the Georgian Association of Regional Broadcasters (GARB), and protecting journalists' rights through a Media Legal Defense Centre.</p>	€ 529.000

*Source: The EU Delegation to Georgia*

Another instrument of cooperation during the period in question was Development Cooperation Instrument, through which the EU supported several projects in Georgia related to strengthening participatory democracy at the local level. For example, in 2008 approximately € 297 000 was granted to the Civil Society Institute Foundation for the implementation of the project – “Supporting Participative Development of Local Authorities in Regions of Georgia”; in 2012 around € 80 000 was granted to International Association CIVITAS GEORGICA for the implementation of the project – “Giving Voice to Community: Rural Parliaments on Local and

National Levels”, and other projects (EU Delegation to Georgia website – <http://eeas.europa.eu/delegations/georgia>).

Since 2009 Georgia was also receiving bilateral assistance of the EU member states and other countries in support of the reforms in the areas related to governance and democracy, rule of law and human rights as well as development of civil society. The donor matrix below shows the areas of reforms and specific country engagement.

**Table 5.6**

**Donor Matrix**

Action Plan area / sector identified for reform	European Union														Other non-EU donors	
	EC	AT	FI	FR	D	EL	IE	IT	LV	LT	PL	SL	SE	UK	Norway	USA
Political dialogue and reform																
Governance and democracy																
Rule of law (incl. judicial reforms)																
Human rights																
Cooperation with civil society																

Source: ENPI National Indicative Programme Georgia 2011-2013

*This matrix is based on the data provided at the EU-US donor conference in December 2007, supplemented with the input provided by the Member States for the Mid-Term Review in the summer of 2009. Donors have supplied the Commission with descriptions of their main programmes and activities, to ensure an optimal division of labour. The matrix forms the basis for the coordination of assistance activities from 2009 onwards with the various donors active in Georgia.*

### 5.3 The state of democratisation in Georgia during 2009-2013

Compared to the EU’s previous cooperation mechanisms with Georgia, the EU programming and aid provided to Georgia under the EaP put more emphasis on strengthening democratic institutions and enhancing the rule of law in the country. Specific objectives, as outlined in ENPI, included improved division of powers, and checks and balances. Within this specific area expected

results were strengthened capacity of democratic institutions, improved quality of the electoral process and administration in line with international standards (ENPI NIP Programme for Georgia 2011-2013). The Partnership also aimed at strengthening the rule of law and ensuring more effective functioning of the judiciary, increasing public confidence in the judiciary in Georgia.

In the words of Kakha Gogolashvili, Director of the EU Studies at Georgian Foundation for Strategic and International Studies (GFSIS) “the value of the Eastern Partnership lies in the fact that the EU equally successfully applies both regional as well as bilateral approaches with the participant countries. In this framework democracy is a number one priority – it is the first platform of the EaP. According to Gogolashvili, the role of the EU engagement in Georgia, particularly under this latest policy mechanism, has been crucial. “The EU has had important achievements: Election system was created, branches of the government were established, police and justice system reforms were carried out, human rights protection was advanced, media environment was opened, proper functioning of non-governmental organizations was supported, raise of citizen awareness about the EU and democratic systems was promoted, etc.” (Kakha Gogolashvili, personal interview, 27 February 2014, Tbilisi, Appendix III). In addition, the EU has been applying more socialisation at all levels. Moreover, it has enacted new form of conditionality – so called ‘more for more’ approach – implying that countries complying with the EU requirements receive more aid and assistance compared to those who will not do so (ibid).

Ivane Chkhikvadze<sup>13</sup>, Civil Society Program Coordinator, Open Society Georgia Foundation (OSGF) considers that under the Eastern Partnership instruments, the greatest step forward was the introduction of ‘legally binding’ clauses vis-a-vis Georgia. “Up until recent years (prior signing AA), the EU’s only legally binding document for Georgia was Partnership and Cooperation Agreement (PCA). This document was signed in 1996 and enforced in 1999 and obviously it was outdated. Besides, PCA did not include any particular legally binding measures that would trigger serious reforms in the country. So, prior to signing AA, the EU-Georgia relations were primarily based on PCA. ENP Action Plan, Eastern Partnership and its Road Map of 2012 were not legally binding documents. The implementation of the provisions stipulated in these documents depends on the good will of the government and there is not enforcement mechanisms attached to their

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<sup>13</sup> Ivane Chkhikvadze is Civil Society Program Coordinator, Open Society Georgia Foundation (OSGF). Before joining the Foundation, he worked for the International Organization for Migration Mission to Georgia (2010-2012); European Stability Initiative (2009-2010); Eurasia Partnership Foundation (2007-2009) and at the Office of the State Minister for European and Euro-Atlantic Integration (2006-2007), where he assisted in monitoring and evaluating implementation of EU programs in the field of economic integration, public awareness, capacity building, education and trafficking. Ivane also supervised the implementation of EU projects related to regional cooperation.

implementation. This has been the greatest shortcoming in the EU policy towards Georgia and the rest of the region so far. The Association Agreement, which replaces PCA, offers enhanced conditionality as its provisions and terms are more precise and concrete and are obligatory for implementation.” (Ivane Chkhikvadze, personal interview, 10 March 2014, Tbilisi, Appendix IV).

To assess the state of democracy in Georgia during the given period (2009-2013) this part of the research, similarly to the previous two chapters, will depend on the examination of the major democratic indicators as defined in the thesis (separation of powers between the state institutions: government (executive power), parliament (legislative power) and court (judicial power), free and fair elections, independent media, and political plurality (multiparty system)).

### *The system of checks and balances*

In 2009, in order to draft a new constitution, as outlined under “new wave of democratic reforms” declared by president Michael Saakashvili (“Saakashvili Speaks of ‘New Wave’ of Democratic Reforms”, Civil Georgia, 16 Sep. 2008), a State Constitutional Commission was established. The revised version of the constitution prepared by the Commission aimed at shifting the country’s political system from semi-presidential to a parliamentary model in 2012-13, ensuring a more balanced separation of powers, reducing the powers of the president so as to strengthen the parliament’s role, improving the system of checks and balances and reinforcing the independence of the judiciary. Yet, this new draft proposed a parliamentary system with a strong executive.

The Venice Commission extended several preliminary recommendations on the draft amendments to the Constitution of Georgia. The main criticism entailed that the new draft did not guarantee parliament’s oversight function as it made very difficult for the parliament to mount a vote of no confidence in the government, particularly that the ruling party held an absolute majority in the parliament, while the opposition was weak and had no levers to check the president. The Venice Commission therefore suggested (among other issues) to strengthen the role of the parliament with respect to the formation of the government (Venice Commission on Revised Draft of Constitution, Civil Georgia, 9 October 2010). Georgian President Mikheil Saakashvili "categorically disagreed" with the criticisms of the Venice Commission (Georgian President Rejects Venice Commission Criticism Of New Constitution, Radio Free Europe, Radio Liberty, 8 September 2010). The constitution was adopted by the parliament in October 2012 on the same day

that the final opinion of the Council of Europe (CoE) Venice Commission was published. Most of the amendments entered into force in 2013, after the presidential elections.

The European Commission shared the conclusions of the Venice Commission in its Country Report on Georgia - Implementation of the European Neighbourhood Policy in 2010, stating that “The new amendments do not guarantee parliament’s oversight function as they make it very difficult for parliament to mount a vote of no confidence in the government.” In addition, the report posited that “The process and pace of the constitutional reform were also criticised, as the constitution was adopted by the parliament on the same day that the final opinion of the Council of Europe (CoE) Venice Commission was published”.

The problems related to the separation of powers in Georgia during the discussed period is comprehensively described in the TI Georgia NIS Report 2011. According to the report, the Georgian National Integrity System was characterised by the dominance of the executive branch and the relative weakness of other key institutions. “The executive branch and the law enforcement agencies are the strongest institutions of the Georgian National Integrity System. These bodies are well-resourced and generally fulfil their respective roles with the NIS (including public sector management, anti-corruption reform and corruption prosecution) properly. At the same time, the accountability of these institutions is not achieved in practice due to the relative shortcomings of other institutions.” – the report reads. “The weaknesses of legislature and the judiciary are particularly notable vis-a-vis the executive branch. Like the majority of Georgia’s government agencies, parliament and the judiciary receive sufficient funding from the budget and have implemented a number of positive changes both in terms of law and practice. However, they still lack independence and are incapable of effectively fulfilling their important role of executive branch oversight. This undermines the entire setup of checks and balances in the country’s governance system.” – Further posits the report.

The Freedom House Nations in Transit 2012 also speaks about the asymmetrical political landscape in Georgia. According to the report, strong ruling party and weak opposition prevented the other branches of the government from developing into effective checks and balances. “As a result, the executive has retained its dominance over the legislative and judicial branches, and the strength of Georgia’s institutional framework is not equalled by its powers of implementation.” – the report states.

During the period discussed in this chapter, the role of the parliament, as of a main actor in overseeing the activities of the executive – was symbolic. The legislature was incapable of

effectively using the oversight powers set out in the law, mainly because of its composition, with few opposition party representatives and the parliamentary majority's association with the executive. Up until October 2012, Georgia's parliament was dominated by President Mikheil Saakashvili's United National Movement (UNM) party (80% of the seats). As the Freedom House 2013 Nations in Transit report says, "Although the Georgian government continually expressed commitment to developing democratic institutions, decision-making was concentrated in the hands of the president and his close circle of advisors, preventing the development of a reliable system of checks and balances. The UNM's parliamentary majority permitted the president to reshuffle his cabinet of ministers at will and pass laws with little or no public or parliamentary debate."

In 2010, the Georgian parliament adopted a revised constitution that aimed to shift the country's political system from a semi-presidential to a parliamentary model during the 2012 parliamentary and 2013 presidential elections. However, this new Constitutional model did not substantively improve the balance of power condition in the country. The parliament only gained the authority to elect the prime minister and cabinet by a simple majority. Otherwise, executive power remained in the hands of the government. The role of the president diminished (he remains head of state and commander-in-chief of the armed forces, but does not have the right to introduce the state budget, initiate laws, or hold an official post in a political party). Yet, this time, the Prime Minister has attained 'supreme authority' among the branches of the government, including the right of no confidence vote that makes it difficult for the parliament to remove him from the office. As for the parliament composition, a vast majority composed by the Georgian Dream Coalition replaced the previous majority rule of the UNM, thus sustaining the practice of dominant party decision-making within the legislative.

During the period in question the judiciary in Georgia remained institutionally weakened under the leverage of the executive. According to the Freedom House 2011 report, Georgia's judiciary was "...plagued by inconsistencies in interpretation and enforcement of legislation, weak institutional organization, and lack of judicial independence. The rate of acquittals in 2010 dropped to 0.01 percent, suggesting increased dominance of prosecutors in the court system" (Nations in Transit, Freedom House, Georgia, 2011). In 2012 too, the justice system suffered from inconsistencies in interpretation and enforcement of legislation. Public jury trials were introduced in courts in 2011, but this referred only to civil cases. Therefore, this move did not boost public confidence to the courts. The court system handled civil law cases with greater independence, but

the handling of many criminal cases was still influenced by the prosecutor's office (Nations in Transit, Freedom House, Georgia, 2012).

Thus, quite paradoxically, the poor division of powers between the branches of the government did not improve since the earlier phases of EU-Georgia cooperation, such as PCA and ENP. Despite having a formal division of political powers, in practice the country had an executive control in all instances, including the parliament and the judiciary.

### ***Elections***

During the discussed period three elections were held in Georgia: the Local elections of May 2010, in which the Tbilisi Mayor was directly elected for the first time, the Parliamentary elections of 2012 and the Presidential elections of 2013.

The Election Code was amended in advance of the local elections, including changes in the procedure for electing the Chairman of the Central Election Commission. International observers reported that the municipal elections marked progress towards meeting international standards. Nonetheless, serious shortcomings were observed in the pre-election and post-election periods, mainly with regard to abuse of administrative resources and the functioning of the complaints resolution mechanism. As OSCE/ODIHR reported “significant shortcomings remained including deficiencies in the legal framework, its implementation, an uneven playing field, and isolated cases of election-day fraud” (OSCE/ODIHR Election Observation Mission Report, Municipal Elections, Georgia, 30 May 2010).

The emergence of the Georgian billionaire Bidzina Ivanishvili as a political actor in Georgia in 2011 had significant impact on the political power distribution of a government, which had no powerful political challengers before. The political coalition ‘Georgian Dream’ led by Ivanishvili became a viable alternative to the National Movement. Therefore, the entry of Ivanishvili (regardless the reasons behind his decision) into Georgia’s political scene has dramatically changed the pre-election (parliamentary) environment in the country. Although the government applied different bureaucratic formalities (such as taking his citizenship to hinder his legal participation in politics), the elections were first time in Georgia’s history held in a genuinely competitive environment and concluded with a peaceful transition of power. Ivanishvili’s political coalition enjoyed wide popular support, but the victory of the ‘Georgian Dream’ was determined few weeks before the elections, when graphic videos emerged, showing the brutal abuse of prisoners by jail

guards. The footages seriously destroyed the ‘National Movement’s local and international image and diminished its credibility as a political power amongst the voters. Thus, the new government won the election partly because of the scandal, after promising to bring an end to such abuses and to restore justice in the country.

Nonetheless, the election did not proceed without violations. As the OSCE/ODIHR reported the pre-election environment “was polarized and tense, characterized by the frequent use of harsh rhetoric and a few instances of violence. The campaign often centred on the advantages of incumbency, on the one hand, and private financial assets, on the other, rather than on concrete political platforms and programs.” The evaluation of the actual election by the Georgian Young Lawyers Association (GYLA) states that among violations were: Flawed process of inking, casting of ballot in place of someone else, inaccuracies in voter lists, expulsion of observers illegally from the polling station, registration of civilians in special precincts, other procedural violations (Evaluation of October 1, 2012 Parliamentary Elections, GYLA, October 20, 2012).

Alongside with OSCE/ODIHR, GYLA, Transparency International (TI), International Society for Fair Elections and Democracy (ISFED) and other observers also note a serious incident in Khashuri district, where Special Forces units interfered in counting of votes in several precincts. As international organizations, including the EU, concluded, the 2012 elections marked a significant step towards the consolidation of democracy in the country (Council Conclusions on Georgia, Luxembourg, 15 October 2012). This assessment however referred to the actual outcome of the election– peaceful transition of political power (which as discussed above was determined by certain intervening factors, such as prison scandal and political demoralisation of then incumbent government). The pre-election processes, frauds and violations during the election-day, and post-election crisis caused by the difficulty in political cohabitation in Georgia can hardly be associated with democracy, nothing to say about democratic consolidation.

The Presidential election of 2013, in which Bidzina Ivanishvili’s handpicked candidate, Giorgi Margvelashvili (a former deputy prime minister and education minister) was headed to a decisive victory, was one of the successful elections held in Georgia. This was also the first election held under Georgia’s new electoral code. Freedom of association, assembly, and expression were generally respected throughout the campaign. The Presidential elections were assessed by monitors as predominantly fair and competitive. The OSCE/ODHIR reported that “Presidential election was efficiently administered and transparent, and took place in an amicable and constructive environment. During the election campaign, fundamental freedoms of expression, movement, and



assembly were respected and candidates were able to campaign without restriction. The media was less polarized than during the 2012 elections and presented a broad range of viewpoints. On election day, voters were able to express their choice freely. The electoral legal framework is comprehensive and provides a sound legal basis for the conduct of democratic elections.” (OSCE/ODIHR Election Observation Mission Final Report, Warsaw, 14 January 2014). Due to an overall improvement in the competitiveness and administrative conduct of the elections, Freedom House improved Georgia’s electoral process rating from 5.00 to 4.75.

### *Political parties*

During the period discussed in the present chapter (similarly to the previous decade), Georgia did not have a functioning multi-party system. The ruling United National Movement (UNM) won an overwhelming majority in the parliamentary elections in 2008 and subsequently controlled around 80 percent of seats in the legislature over the next four years, while also dominated all other government bodies both centrally and locally. Other political parties played no meaningful role in decision-making at any level. Given the lack of democratic decision-making in Georgian parties, including the ruling party, this meant that almost entire political power was concentrated in the hands of the president and several key members of his team.

The Transparency International (TI) 2011 NIS Report Georgia, describes the reasons behind the poor development of the multi-party systems in Georgia: “The weakness of political parties is the result of both their internal flaws (such as their inability to build a broad support base or to aggregate social interests), as well as the lack of a level playing field, especially with regard to financing and media access. Since there is no clear separation between the ruling party and the public administration in practice, the former essentially enjoys unhindered access to administrative resources during elections.”

In addition, the report posits – “...the political system is exclusive and driven by elites. The weak link between the political class and society at large undermines the strength of political parties and contributes to a general lack of pluralism in governance structures. The low level of citizen activism and participation also weakens political parties, while simultaneously hampering the development of a strong and effective civil society that is able to hold the government accountable.”

The 2012 Parliamentary elections replaced the majority rule of the United National Movement (UNM) by the Georgian Dream Coalition (GDC) and transformed the country to a new

constitutional system – a parliamentary republic. However, this political move certainly did not change the Georgia’s feckless pluralism. The GDC assumed nearly to the constitutional majority in the Parliament and quite similarly to the UNM’s tradition continued to control the decision-making process in the parliament. The GDC cannot be viewed as internally more pluralistic a political force than the UNM. Despite being a coalition of different political parties, the GDC tends to acts more as a monolith power purely controlled by the decisions made within the political leadership.

This practice is further supported by the new constitutional model, which while creating parliamentary republic, excessively strengthens the executive – the Prime Minister not the President this time. Thus, over the past five years, the lack of a functioning multi-party system has been another major flaw in the country, which significantly reduced the independence of parliament and undermined the system of checks and balances in Georgia.

## ***Media***

Media freedom and free access to information are key elements of functioning democracies. According to different reports and sources, during the past few years media in Georgia has suffered from political pressure and lack of editorial independence. Overall, the Constitution and other laws provided for freedom of speech and of media in the country. Nonetheless, a large number of observers noted in recent years that these freedoms were not fully respected and ensured. For instance, the Transparency International (TI) 2011 NIS Report Georgia stated that the external watchdogs, such as media and civil society were underperforming over the past years.

The report linked the problem with a lack of resources and the absence of a pluralistic governance system in Georgia that reduces civil society’s and media’s ability to hold the government accountable and to contribute to policy formulation through advocacy. “Most of the mainstream media, meanwhile, suffers from a lack of editorial independence and is thus incapable of informing the public on policy issues in an unbiased manner.” – the report reads.

Georgia was ranked 100th out of 178 countries in the latest Reporters Without Borders 2013 press freedom index. This index is better than in previous editions (120th position), which took into account the killing of four journalists in the framework of the 2008 conflict. According to the report, during the period in question, Georgia enjoyed broad media pluralism and a low level of state censorship, but the country still faced important challenges concerning media independence and the

working environment of journalists. “The latter are often in the firing line in highly polarized societies and treated as easy prey by a variety of pressure groups” – the report says.

Serious problems existed in the transparency of media ownership and funding sources. According to the Freedom House Nations in Transit 2012, Imedi TV had been pro-opposition before 2007, until the Government took it over on 7 November 2007 (after the October 2012 elections, ownership was returned to the widow of the main original owner). Rustavi 2 officially changed owners more than 20 times after the Rose Revolution. For the last several years owners of both Rustavi 2 and Imedi TV have been registered in offshore zones and managed, reportedly, by persons who were close to the previous Government.

In November 2011, the billionaire-turned-politician, Bidzina Ivanishvili announced his plans to buy Maestro television station. Greater transparency of media ownership and business or political ties is critical in a country where political actors tend to influence the media, and where television dominates the media landscape, with 84 percent of Georgians watching television news daily (Freedom House, Nations in Transit, Report on Georgia, 2012). Considering this, in April 2011, parliament adopted amendments to the Law on Broadcasting, banning broadcast media ownership by offshore registered firms. The amendments – which come into effect on January 1, 2012 – required broadcasters to submit information about the source of their funding with a detailed breakdown of revenue from advertisements, sponsors and donations to the National Communications Commission (NCC) (ibid). However, there were still difficulties in its implementation.

Television is the main source of news for almost 90 per cent of the population. According to a survey published in 2012, the main TV stations - Rustavi 2; Imedi TV and Georgian Public Broadcaster (GPB) Channel 1 – were then the only ones with national coverage and they had an editorial policy perceived as pro-governmental. Transparency International noted that the Government was “generally understood to have established control over the country’s most influential television stations through their acquisition by Government-friendly businessmen, forcing journalists employed by these stations to practice self-censorship”. Stations largely perceived as pro-opposition- Kavkasia, Maestro and Channel 9 - expressed views critical of the Government, but their audience was limited to Tbilisi because they had not been granted licenses to broadcast beyond. In July 2012, the cable network provider Global Contact Consulting and Maestro TV unsuccessfully attempted to increase their penetration by distributing satellite receivers. The authorities seized their satellite dishes and returned them only after the elections, despite heavy

criticism by civil society. (Georgia in Transition – Report on the human rights dimension: background, steps taken and remaining challenges Assessment and recommendations by Thomas Hammarberg in his capacity as EU Special Adviser on Constitutional and Legal Reform and Human Rights in Georgia, September 2013). In August 2013, the Prime Minister announced the closure of the Channel 9 owned by his family after unsuccessful attempts to sell it. He stated that the TV station “was creating an unhealthy environment especially during the pre-election period”, which was indeed a matter of criticism.

During the spring session 2013 the Parliament adopted important amendments to the media laws. The initiative was coming from the civil society Coalition for Media Advocacy and was supported by OSCE experts. The new law envisages a reformed and more democratic composition of the Board of the Public Broadcaster; measures for more financial transparency of television companies; and the expansion of the mandatory “must-carry-must-offer” principle from only pre-election period to permanent action. This helped small TV stations to enlarge their audience, even if only in the period of the pre-election campaign. Print media has been assessed as relatively free, though less influential (*ibid*).

Although the rights of journalists in Georgia were protected by law, a large number of cases of violence and obstruction of journalists prevailed over the past years. The cases of attacks on journalist and media overall was particularly increasing during electoral periods or mass rallies. As 2013 Thomas Hammarberg report posits, threats or blackmailing attempts against journalists to silence their voices were reported until very recently. Namely, prior to 2012 Parliamentary Elections in Georgia, “Journalists considered to be pro-opposition claimed that they had unequal access to governmental buildings, that they were receiving anonymous telephone threats, and that they were experiencing surveillance by unknown people.” – the report states.

Georgian Young Lawyers Association (GYLA) dedicated a special chapter to the media in its report on the dispersal of the May 26, 2011 protest. According to the report, 29 journalists were affected by different incidents, despite the fact that the police could differentiate journalists from protesters. In addition, there were nine cases of illegal detention of journalists and 24 cases of injured journalists. Arrests of four photographers (including the personal photographer of the President) in July 2011 was also linked with the dispersal of the May rally. According to unofficial version, the photographers were punished for taking and then internationally distributing the shots of the brutal crackdown of the protest. Officially, though they were arrested with the charges of espionage for Russia. Surprisingly, considering the seriousness of the charges, the Ministry of

Internal Affairs and the Prosecutor's Office never presented credible evidence to the public and fifteen days after their arrest, the photographers were given suspended sentences in a plea bargain. The journalists themselves later complained that they had been intimidated and threatened.

To summarise, the conditions for the freedom of media and press in the country has been quite alarming for the past several years, which again indicates to the deterioration of the state of democracy in the country.

#### **5.4 Conclusion**

Based on the above discussion, since launching the EaP and respective programmes in Georgia, significant progress in the major areas of democracy (such as power division, elections, political plurality and media) were not observed in the country. Quite contrary, in many cases there has been backsliding in democratic processes. As the expert on post-Soviet transitions and the former chief of party for the National Democratic Institute in Georgia, professor of Columbia University, Lincoln Mitchell states in his 2012 interview, "One of the defining characteristics of post-Rose Revolution Georgia is that while they have improved governance, reduced petty corruption, cut bureaucracy and the like, they have done little on meaningful democratic reform. The good work the Georgian government has done in the areas I mentioned should not be overlooked, but it is wrong to assume that those somehow make the country a freer and more democratic place. The consistent problems with media freedoms, abuse of state power and administrative resources, dominance by the executive branch, harassment of the opposition and the like have not changed in recent years." (Caucasus Context: Lincoln Mitchell on Georgian democracy by Michael Cecire, 23 January 2012, Evolutia.net).

The EU's engagement in Georgia's state building and institutional development has been significantly stronger under the EaP compared to the previous period of EU-Georgia cooperation. The recent instruments have provided an enhanced and intensified policy dialogue between the EU and Georgia, as well as provided technical and financial assistance to support the development of various areas, including democracy and good governance. However, as the analysis presented in this chapter show, their capacity to encourage democratisation processes in the country thus far has remained limited. There are several reasons. First of all, the most important policy instrument of the EaP currently being offered to Georgia, AA/DCFTA is a new mechanism and its possible effects cannot be fully assessed until the application of the terms of the agreement in the country. Preliminary analysis based on the agreement text suggest that the AA considers democracy related

areas (mostly judiciary and rule of law), but its major focus is on the reforms related to trade and economic fields.

Also, it is important to note that the implementation of the AA/DCFTA is not a simple process and it requires strong support and stimuli from the EU side to be properly rooted in local efforts for compound reforms. It's very easy to change something on a piece of paper, but internalisation of the complex EU norms and provisions at home is durable. Therefore, the implementation of AA/DCFTA is expected to take a lot of efforts and an extremely long time, particularly in a traditional country like Georgia, and particularly when it is going to have difficult effect or even negative effect in a short term perspective. In such circumstances, to bring about a substantial policy change domestically, the EU has to come with strong support mechanisms and credible incentive structures, which it has failed so far. The latest policies of the EU towards Georgia have been missing final objective or final goal. Several years after Georgia begun relationship with the EU, it is still not clear what the end result is going to be. And even now, when sides sign Association Agreement, it is still not clear after that what's going to happen.

Chris Kendall<sup>14</sup>, Team Leader Belarus, Azerbaijan, Armenia at European External Action Service(former Team Leader for South Caucasus, EU-Georgia Desk) at the European External Action Service (EEAS) assesses the role of the EU in Georgia as “powerful background role” as opposed to more “obvious role” (personal interview, 8 May 2014, Brussels, Appendix VII).According to Mr. Kendall, the EU's role as it is typical for the EU has been slowly transformative role by developing assistance programs and developing new contractual relationships. “We drive and create the path of reform. But, ultimately, obviously, it is locally owned, it's something which the partner – Georgia, chooses to take from” – says Chris Kendall. Thereby, he adds “...we find it hard to deliver really reform that runs right across the border, there are gaps and it's difficult in our relationship sometimes to be honest about the gaps. I know that Cooperation Committee meetings and Cooperation Council meetings we did address the issue of prison reform, justice reform, but we did not deliver or at least our pressure was not enough to bring results. When we look at other countries in the neighbourhood then again we can be critical about ourselves. We have the right instincts but we do not necessarily have the ability to... Our influence

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<sup>14</sup>Chris Kendall joined the European Commission in 1995 where he worked for five years at various positions in different Directorate Generals. During 2010-2012 Mr. Kendall served as Senior Policy Adviser on European Neighbourhood Policy at Foreign and Commonwealth Office. From 2012 until August 2014 he held the position of Team Leader South Caucasus (Georgia, Armenia, Azerbaijan) at European External Action Service (EEAS). From September 2014 Mr. Kendall holds the position of Team Leader Belarus, Armenia, Azerbaijan at EEAS.

does not go so far. The gaps and failure I think is connected to the lack of political will – this is my personal opinion. I think this is about what kind of incentives we are going to offer.” (ibid).

During the period in question in this chapter, the so called ‘conditional incentives’ (rewards linked to enforcement measures), that is one of the greatest tools that EU can use to influence policy and decision making in non-member states, has been weakly applied in Georgia. Conventionally, for successful use of conditionality it shall be linked to a credible and consistent application of so called “carrots and sticks”. In other words, the external promoter, such as EU, must be able and willing to realise and withhold the incentive in accordance to democratic performance of the target country. It is also important that the incentives offered are attractive. In the given context of the EU-Georgia relations, neither of these conditions has prevailed. In the framework of the EaP the EU has proposed a so called ‘more for more’ approach to Georgia.

Nevertheless, the proposed ways and forms of the EU approximation have never gained enough value among political establishments in the country to outweigh the costs and burden of convergence. Plus, the ‘carrots’ offered by the EU have never gone beyond political association and economic cooperation that helped to discourage the country’s leadership to proceed with democratic reforms. The incentive that the EU has offered to Georgia in the scope of the EaP has not provided enough stimuli to comply with the EU requirements, which are to carry out heavy and costly democratic reforms at home. It is going to be quite difficult for Georgia to actually implement the provision of the DCFTA and the Association Agreement overall.

In the framework of the EaP, the EU has enhanced policy dialogue with Georgia and pressured on the reforms, but it did not augment the reward structures. The latter has remained the same, such as close political and economic cooperation. Since 2009, in the framework of the EaP, the EU has offered renewed policy dialogue to Georgia. This implied specific rewards offered to the country in the form of AA and DCFTA promising closer political and economic relations, and visa dialogue envisaging easier travels to the EU.

Ambassador Philip Dimitrov, Head of the EU Delegation to Georgia explains in his interview that “To become a member of European Union is something which is very close, because even though you are not becoming member now, God knows what the situation will be in future. But you are getting closer and closer to something what I would call “quasi membership”. Yes, you won’t be sitting in the Institutions, you won’t be making decisions in the Council, you won’t send your members to the European Parliament, you are not having a Commissioner, but you have four great freedoms – movement of goods, capital, services, and hopefully movement of people, which is

to become realized soon with the Visa Liberalization. And, you have involvement into European affairs through these freedoms. So, you are coming very close.” (Ambassador Philip Dimitrov, personal interview, 6 June 2014, Tbilisi, Appendix IX).

Furthermore, Ambassador Dimitrov states that he is hopeful about Georgia’s democracy for various reasons. First of all, he states that since coming to power Saakavili’s government clearly declared the country’s pro-European course and carried out a number of successful reforms (namely, established functioning state institutions and advanced economy). Secondly, the new government under “Georgian Dream” shows future development by introducing further reforms, especially in the areas of judiciary and strong parliament. He then adds, “One thing I don’t like to create is an impression is that European Union is truly a beauty contest. We are estimating the achievements looking back and estimating the capacity for your achievement before. So, of course, there is a proactive element in this. But it is based on the things achieved. The Association Agreement is an important mindset factor. I’m sick and tired of listening to people in my country as well as in yours who go around and say that nothing has been achieved, we don’t consider this true. Otherwise, there would have been no Association Agreement.”(ibid).

However, these initiatives have added little value to the EU’s existing policy instrument - ENP, which also offered to Georgia close political and economic cooperation. The highest carrot in the form of membership or full scale economic integration, has never been discussed or considered, nor has Georgia shown enough progress to be regarded as a candidate. As Schimmelfennig (2005b) argues, these limited incentive structures when matched to ‘high adoption costs’ domestically, significantly limits the EU’s power to influence the country’s political elites to proceed with democratic reforms. Georgia falls into the so called “grey zone” (William Wallace, 2003) category of countries that are neither definitively excluded from the EU membership nor are they potential candidates.

In his survey of the EU’s eastern borders, published in the Economist, Robert Cottrell reasonably posits: “The Union spreads its values most effectively through peer-pressure for change, linked to the hopes of accession. Without such hopes, governments lose motivation. Aid, even market access, is no substitute.” (The Economist, June 25, 2005). The transformative power of EU engorgement is well recognized by the EU officials too. At the Vilnius Summit in November 2013, Commissioner Štefan Füle emphasized that the EU’s broader strategy in Eastern Europe (including Georgia) shall go beyond political and economic associations in order to bring necessary changes locally in those countries. “If you are serious about finishing the transformation of the European



continent, then the association accords are not going to be enough. Enlargement is the most important transformation instrument the EU has.”...“Difficult reforms can happen effectively and in a sustainable way only if they take place within the wider enlargement strategy” – Füle said (The Transformative Power of EU Enlargement: An Interview With Štefan Füle, Judy Dempsey, 28 November 2013, Carnegie Europe).

Konstantine Zaldastanishvili, Ambassador Extraordinary and Plenipotentiary of Georgia to the Republic of Austria, Permanent Representative of Georgia to OSCE and other International Organizations in Vienna (Head of the Georgian Mission to the EC during 1995-2000) considers that the EU’s all previous policy instruments towards Georgia were relatively motivational. “...in 1990s Tacis was the maximum that we could get. Yet, it was followed with ENP, then with EaP, AA and DCFTA. The level of EU-Georgia cooperation has significantly increased. The official meetings are more regular and the levels of these meetings are very high. When you are so engaged (when you are practically in the club) you feel more obliged and responsible to perform better at home.”- says the Ambassador (personal interview, 8 September 2014, Tbilisi, Appendix X).

However, he also posits that the major driving factor for reforms in the country is the idea that Georgia strives to European family. “If the EU gives us European perspective it would be a great motivation for us to do a better job at home. Take for example Visa Liberalization Action Plan for Georgia – it entails concrete goal and benefit and set of specific conditions. If you carry out this and that reforms you will have a visa free regime with the EU. So, we are motivated to undertake the required reforms. That’s why we say to the EU – if you don’t give us European perspective our motivation will simply fade.” (ibid).

Amanda Paul<sup>15</sup>, Policy Analyst and Senior Programme Executive at Brussels-based European Policy Center (EPC) considers that as long as Georgia does not have an objective and light in the end of the EU tunnel, it will be very difficult in a long term to sustain the transformation processes driven during the past years:“Of course, as EU often says, Georgia should be doing those reforms for itself, not for the membership in any international organization. It’s because we want to be an independent country and that we prefer those values. But, we all know that in reality this is not how it works. No country, so far, that has not had EU membership perspective has managed to make

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it to the end of the road and transformed itself. ... You can say that it is not clever either to not be honest with Georgians and not to say that you are not going to get into the EU and this is where the relationship ends. But, I think the fact that EU continues to give mixed messages, some people say ‘yes you can get in’, some people say ‘no, it does not look likely’ – you have to have ‘the door is not closed’ or ‘the door is not open’ policy. But, I think as long as you have that policy there is some possibility that the membership is in the end of it. I personally believe that Georgia should be part of EU because there is nowhere else Georgia should go.”(Amanda Paul, personal interview, 5 May 2014, Brussels, Appendix VI).

This opinion is further supported by Chris Kendall, Team Leader Belarus, Azerbaijan, Armenia at European External Action Service(former Team Leader for South Caucasus, EU-Georgia Desk) at the European External Action Service (EEAS), who states that if the EU chose to, it can really exert influence and leverage through, for example, membership perspective. “We have done that in the countries which are our members to achieve quite incredible change. So, by not offering (and there are some political reasons behind this) full membership perspective, we are not able to exert that influence. And, by the end of the day, our argument is true to say that what we are offering, what we are recommending and proposing ultimately we think is in Georgia’s interest to do this things for its own sake, not because of membership sake, because it’s worth of doing. But, you know, it means that Georgia’s politicians have to decide whether they want to do this or not. We can’t force them, we may want, but we can’t change the way they choose to act. So, I think there needs to be a little bit realistic account of what we can do or what we should do. Association Agreement is not as powerful incentive as the membership perspective. It is also not as powerfully transformative as membership.” (Chris Kendall, personal interview, 8 May 2014, Brussels, Appendix VII).

In addition, the funding of democratic reforms, similarly to the previous phases of the EU-Georgia cooperation has remained proportionally low, even though the overall assistance budget has been considerably increased. This fact leads to a reasonable doubt that democratic programmes do not represent a top priority in the overall EU agenda for Georgia.

In the view of Amanda Paul, the financial support that the EU has provided to Georgia in exchange of required policy and institutional reforms has been insufficient. “The amount of money that has been given in terms of what they [the EU officials] are asking Georgia to do does not much up. They are asking Georgia to make sort of pre-accession reforms that they asked to central and Eastern Europe or even to the Balkan countries. If you compare to the financial assistance that they

have given to Balkans it's so stately higher than what you get in Georgia. ... If you are really serious about the policy, if you are serious about the change that you want in that country, you need to support it effectively and that importantly means financial support.” (Amanda Paul, personal interview, 5 May 2014, Brussels, Appendix VI).

As for the intensity of the EU-Georgia socialisation, it has mostly developed at the ‘elite level’, but still heavily relied on the policy dialogue and consultative structures established back in 1999 and 2000: EU-Georgia Cooperation Council and EU-Georgia Cooperation Committee. New platforms for EU-Georgia cooperation was additionally created at the tenth meeting of the EU-Georgia Cooperation Committee in Brussels in 2010: EU-Georgia Cooperation Sub-Committees were set up on the issues of transport, energy and environmental protection and on the issues of employment, social security, public health, training, education and youth, culture, audiovisual policy, science, technologies and innovations. With the aim to discuss the bilateral cooperation, these institutions were set to meet once or twice a year and issue relevant recommendations to their respective governments. Earlier cooperation structure created in 1999 at the parliamentary level – The EU-Georgia Parliamentary Cooperation Committee – continued to work with the task to consider all aspects of relations between the EU and Georgia and, in particular, the implementation of the Partnership and Cooperation Agreement. In addition, programs such as TAIEX (Technical Assistance and Information Exchange), SIGMA (Support for Improvement for Governance and Management) and Thematic Programmes that provide expert missions, workshops and seminars and study visits, were carried out. Elite level socialisation was also intensive in the framework of the official negotiations on AA and DCFTA, involving top-level EU officials as well as bureaucracy from Directorate Generals (DGs) and the European experts in various issue-areas.

The ‘intermediary’ level communication has relatively expanded and depended since ENP and particularly after the introduction of the EaP. As Ivane Chkhikvadze, Civil Society Program Coordinator, Open Society Georgia Foundation (OSGF) states, “NGOs became more engaged in the scope of ENP. Reports assessing progress in reforms from non-governmental sector started to emerge during ENP. Such monitoring was not taking place during PCA years. The latest mechanism, EaP further upgraded this relationship. Formalisation of the civil society’s engagement in the EU-Georgia relations took place after launching the Partnership. EaP established civil society forum that now unites NGOs from the participant six countries as well as NGOs based in Europe.”(Ivane Chkhikvadze, personal interview, 10 March 2014, Tbilisi, Appendix IV).

The EaP has introduced a special dimension of dialogue with the civil society in the scope of the EaP's Civil Society Forum held annually in Brussels. Representatives of NGO's can participate in the discussion of the progress made in the scope of the ENP and currently negotiated AA. The civil society also continues to be engaged in the ENP international conference "Georgia's European Way" held annually in Batumi, Georgia. However, this conference has not provided a platform for useful discussions of the progress in the reforms. Rather, from year to year, it served only as a tribune for the government to praise its reform efforts and to attain the EU's political and financial support. It is also important to mention that the government has shown little willingness to engage civil society and non-governmental sector in the political negotiations on the adoption of the text of AA. For example, negotiations on the AA until the ratification of the agreed text of the document was confidential and was going behind doors not only not engaging but also not even informing civil society representatives. The official text of the document was revealed to the NGO sector only after it was ratified, leaving no room for civil society's participation in the negotiation process.

As for 'societal' interaction, the educational and exchange programmes launched under the ENP continued during the past years, but it has not reached out a large segment of the society. For example, Marie Curie Actions (People Programme) in 2011 funded 4 researchers; Youth in Action mobility programme in 2010 funded 359 students, while in 2011 – 408 students, Mobility under Erasmus Mundus in 2011 funded 46 bachelor, masters and doctoral students (The Commission ENP reference documents, Statistical Annex: [http://ec.europa.eu/world/enp/docs/2012\\_enp\\_pack/statistical\\_annex\\_en.pdf](http://ec.europa.eu/world/enp/docs/2012_enp_pack/statistical_annex_en.pdf)).

The EU-Georgia socialisation has also remained limited in terms of Georgian citizens' mobility. As discussed above in this chapter, in September 2008 the Extraordinary European Council called for visa facilitation measures (IP/08/1406). The visa facilitation and readmission agreements with Georgia entered into force on 1 March 2011. Nonetheless, the provisions of the visa facilitation agreement did not fully meet the Georgian public's expectations.

The "Baseline Study on Visa Facilitation between Georgia and EU", By Tamara Patariaia, Caucasus Institute for Peace, Democracy and Development Tbilisi, 2010 suggests that according to the agreement, the categories of persons eligible to use simplified procedures were limited and did not ensure that the wider public had better access to the EU countries and could travel intensively to the EU member states. In particular, the agreement simplified requirements for necessary supporting documents in visa application for certain categories of persons – close relatives who are visiting Georgian citizens residing in the EU, businessman, scientists, journalists, students, representatives

of non-governmental sector as well as some other civil society interest groups. The agreement offered visa exemption to only government officials holding diplomatic passports.

Also, the same study posits that the new procedures did not ease visa issuing process for those who travelled for tourism. According to certain opinions, the visa facilitation agreement had only legalized, not simplified, the already existing procedures for ordinary citizens which had been in effect in the last years in Schengen member countries' consulate offices in Georgia.

Besides, even though the agreements reduced the cost of short stay visas allowing citizens to travel to and throughout the EU, new arrangements could not ease financial burden on the Georgian citizens very much, because travel expenses to the EU were very high anyway because of geographic distance and limited transportation options for travel.

In addition to the above mentioned challenges Georgian citizens had difficulty in addressing any Schengen member state's consulate offices in Georgia. The visa facilitation agreement allowed Georgian citizens apply for a visa to travel to and within the Schengen area only in those consulate offices that were located in Tbilisi and represented a Schengen country. But unfortunately not all of them had representations and consular services in Georgia. It had been problematic already for years to receive visa for entry into Austria, Belgium, Denmark, Finland, Hungary, Luxemburg, Malta, Portugal, Slovakia, Slovenia, Sweden and Spain. In case a Georgian citizen wanted to travel to the above mentioned countries he/she had to obtain a visa from other country consulates, which also increases expenses for ordinary citizens, especially it becomes expensive for short term travellers. For example, to apply for visa to Belgium one had to visit the Belgium consulate office in Ankara, which made the travel more money- and time-consuming for local citizens (Timothy Chase, The issue of visa facilitation for citizens of Georgia to enter the Schengen Area of the European Union, EU-Georgia business Council, 2009).

The shortcomings of the EU's previous visa facilitation efforts have only recently been addressed. On 29 May 2012 the Council welcomed the Commission's intention to launch a visa liberalisation dialogue with Georgia. The dialogue, aiming at examining all the relevant conditions for visa-free travel of citizens of Georgia to the EU, was officially launched in Brussels on 4 June 2012. On 15 October 2012, the Council reaffirmed the EU's commitment to 'the shared objective of visa free travel in due course, provided that the conditions for well managed and secure mobility are in place. On 25 February 2013 in Tbilisi, the Commissioner Cecilia Malmström presented to the Georgian authorities the Action Plan on Visa Liberalisation (VLAP). The fruits of this Action Plan

are still to be reaped. It is anticipated that once fully implemented, visa-free travels will become possible between the EU member states and Georgia.

Another area linked to the measurement of ‘societal level’ socialisation is public opinion on the EU and the results of respective polls. There are several, relatively recent surveys on the attitudes of Georgian citizens towards the West and towards the European Union in particular. According to these polls, current Georgian public perceptions are very positive towards EU involvement in the country affairs.

General public supports the EU greater involvement in economic development, democratic institution building and establishment of the rule of law, reforms in security and defence sector, external policy, but in reality it has little knowledge about EU institutions and their policies. For example, Georgian Public Opinion Survey conducted in 2011 by Eurasia Partnership Foundation (EPF) and the Caucasus Research Resource Centre (CRRC) – Knowledge and Attitudes toward the EU in Georgia – produced the following results: Georgians have extremely positive views regarding the EU, with some four fifths (79%) of people supporting membership. Over the past two years, Georgians have become even more favourable towards the EU in many respects. Georgians believe themselves to be more ready to join the EU. Georgians are also almost unanimous when it comes to the importance of the EU’s support to Georgia. A massive 88% of Georgians consider EU support important or very important (41% say very important). However, while people are confident that EU support is important, there is a great deal less certainty as to what the EU actually does in Georgia. In general, there is a substantial lack of awareness about the way in which Georgia and the EU collaborate, as well as a growing lack of certainty as to what eventual EU membership would eventually achieve. This is striking, given the fact that 48% of Georgians say they receive quite a lot or a lot of information on the EU from television and 21% say they receive little or no information on the EU from television. As a corollary of this, 49% say they would like to receive more information on the EU, compared to 66% in 2009. The level of knowledge about whether or not Georgia is a member of the EU or Council of Europe has remained largely unchanged. Twelve percent of Georgians in 2011 said Georgia was a member of the EU compared to 12% in 2009, and 36% said the country was a member of the Council of Europe compared to 34% in 2009. Lack of awareness, confusion and uncertainty appear to remain entrenched. In both 2009 and 2011, about half said they had not heard of the EU-Georgia partnership and cooperation agreement, while in 2011, 57% of people said they had not heard of the European Neighbourhood Policy. There is also great uncertainty about the aims of the Eastern Partnership. Only 11% correctly said that it is

designed to further economic and political integration with the EU, while 45% did not know, and 19% said it would lead to the restoration of Georgia's territorial integrity.

The results of the National Democratic Institute (NDI) survey (which involved a total of 2053 respondents) conducted in July 2010 show that when asked about the most important national issues only 3% of respondents named EU membership, while at the same time NATO membership was named by 16%. This data demonstrate that despite strong European aspiration, Georgian public does not consider EU membership as a top national priority issue. Besides, it should be also mentioned that according to the public opinion, interest and willingness of Georgian citizens to be more acquainted with the values they attribute to the EU are very strongly influenced by their perception of the official EU-Georgian cooperation framework (NDI - in July 2010 survey on Public Attitudes towards Elections in Georgia). This shows that there is a potential for public to play a more intensive role in supporting the EU initiatives and democracy promotion in general.

Amanda Paul, Policy Analyst and Senior Programme Executive, European Policy Center (EPC) considers that raising the awareness of Georgian society on the EU and its role in the country has not been a massive success story. "I think most of the Georgian society... I mean the ordinary Georgians they have this idea in their mind that European integration is good because they have been told that it's good. I don't think that they really understand fully what it is. I don't think most Georgians really understand what EU values or democracy is all about. I think it's very difficult to have such as society to understand what this is all about. Even societies within the EU don't understand what democracy and values in the EU are about. I think that is a broad and deep topic. Socialisation at elite level is one thing, clearly – educated people, particularly those who have been educated in the West, know what our values are, why is it important for the country to join the EU, what they are going to get out of it. But, I think for most ordinary Georgians most important thing still remains what's happening in their country in terms of how affects their lives from one day to the next, in terms of their economy, which things are going to improve so that they are going to get richer. This sounds like a very simple thing. If they really believe what they are told – that European integration is going to improve the quality of our life, we are going to get more democracy, you may not get any richer for some time, you might even feel poorer for a period of time, you have a question mark in your mind – what is this all about? What the real benefits are? Do we really need this sort of democracy that they have in Europe. The rule of law and anti-corruption and all these sort of things are obviously very positive things and these can be some things that can be brought from Europe and through the messages of the EU to the Georgian society – I think it's good. But, I

still think that as a whole the messages that come from the EU that socialisation of society has not had a massive impact that perhaps we would like it to have. I think that we have to be a little realistic. If you look at your neighbour Turkey – they have been engaged with the EU for like 50 years. If you look at the Turkish society, given everything that has been going on, in many ways they are now even going backwards more than even Georgia. You have to estimate at different levels. Civil society is obviously different. When it comes to ordinary civilians, ordinary society it is extremely difficult to get that sort of message across in an understandable way beyond very basic points, such as anticorruption. But, most Georgians I think are more interested in how this would impact their day to day life in very short term. But, as I said in the beginning, democratisation, modernisation is a very long process. It does not happen in a couple of years or may be not even in couple of decades. Changing mentality, changing the way people think is absolutely not easy.” (Amanda Paul, personal interview, 5 May 2014, Brussels, Appendix VI).

To summarise, the latest phase of cooperation has been the most intensive and instrumental in the entire history of the EU-Georgia relations. By launching the EaP in 2009 the EU moved its political dialogue with Georgia to a relatively higher level. It offered a prospect for deeper political and economic association through respective strategic instruments such as AA/DCFTA. Nevertheless, the EU’s new policy and programming approach have not resulted in the advancement of Georgia’s democracy. As discussed above, the country showed uneven progress (and in some cases even regress) in all major areas of democracy. The EU’s limited impact on the country’s democratisation process has been explained in the current chapter by various factors, such as: the EU’s traditional limited conditionality – the lack of credible and consistent conditions and benchmarking in relation to domestic reforms in Georgia, insufficiently appealing incentives offered in exchange of heavy and costly domestic reforms, and inadequate programming and financial assistance to the development of democracy in the country.



## Chapter 6

### Conclusion

This final concluding chapter aims to tie together, integrate and synthesize the various issues raised in the previous sections of the doctoral thesis. It restates the research question, hypothesis and respective findings based on the reasoning and accumulated evidence as discussed in details in the earlier chapters. The empirical literature and theoretical foundations overviewed above blend in this summary section and lead to concluding inferences around the academic puzzle raised in the research.

The main purpose (or the puzzle) of the present dissertation is to understand and explain the relationship between the EU's external political impact and democratisation in Georgia. The study has addressed the following major research questions: What role does the EU play in democratisation of Georgia? Also, what role democratisation plays in the EU approach to the country? Overall, the research has asked and has endeavoured to answer the following sub-questions: What are the actual policies and instruments applied by the EU to promote democracy in Georgia? How do these policies and instruments support the democratic transition process? What has the impact of EU democracy support been in Georgia? Why has it had this level of impact?

The research has conceptualised the EU's, as an external actor's impact on democratic transition in non-member country Georgia as a twofold process. On the one hand, the impact has been seen to be exerted through social channels and normative interaction of the EU with Georgia. The EU's impact on democratisation has therefore been viewed to be a normative process, involving the export of the EU liberal democratic institutions to the third countries, explained by constructivist theoretical approach. On the other hand, the EU's potential transformative power has been viewed through its conditional structures and mechanisms. The EU's financial assistance as well as political cooperation that are subject to certain political and economic conditions creates an incentive-based dialogue between the EU and Georgia. Thus, the research has also viewed the impact through applying a 'stick and carrot' mechanism, enforcing compliance of Georgia to the EU's political, economic and legal objectives in exchange for the benefits of certain rewards. The latter process has been explained with the help of rationalist theoretical approach. Constructivism and rationalism have been applied in this study as complementary rather than contested theoretical toolkits providing for comprehensive analysis of the EU's external political impact.

The central arguments established in present research is that the EU's level of impact on democratisation in Georgia is determined by the size and the credibility of the EU's conditional incentives (rewards and enforcement structures) offered to Georgia, as well as by the intensity of the EU socialisation with Georgia.

In order to test this hypothesis and to reach plausible inferences, the study has examined the role of the EU in supporting the political transformation of Georgia since the country's independence. The dissertation has analysed various phases of the EU-Georgia relations through the lenses of democratisation. First, the study has reviewed the beginning of diplomatic relations between the EU and Georgia as well as the first programmes and aid provided to the country. Also, it has examined the EU programmes and financial assistance provided to Georgia in the scope of the PCA. Next, the research has discussed the EU-Georgia relations in the aftermath of the EU enlargement and "rose revolution" in Georgia. Major policy instruments proposed by the EU to Georgia after the Union's eastern enlargement, such as the ENP and AP have been overviewed and the impact of respective programme and financial instruments on the country's democratic development has been carefully analysed. In addition, the study has provided a detailed account of the most recent and the most instrumental period of the EU-Georgia relations under the EaP. The impact of the EU's Association Agreement and its integral part DCFTA vis-à-vis democracy building in Georgia has been examined.

The levels of the EU's engagement in Georgia, as well as the scope and the goals of its programmes related to democracy have varied at different stages of the country's development. Respectively, the level of the EU's impact on democratisation in Georgia has been different, yet pretty much limited at all times. During the beginning of the EU-Georgia cooperation, the EC/EU as well as political elite in Georgia was merely preoccupied with building and rebuilding the emerging new state. From the EU side the cooperation was mainly focused on humanitarian and technical assistance, with very little emphasis on democracy. The entry into force of the PCA in 1999 shifted the EU-Georgia dialogue to relatively different, more qualitative level. The EU agenda considered not only support to creating governing structures, but also building democratic state institutions. The importance of democratisation agenda further evolved and developed after introducing the ENP in 2004 and most importantly in the scope of the EaP and related political process of the EU-Georgia association launched in 2009.

Even though since 1999 democracy and related elements have been important part of the EU-Georgia cooperation agenda, the country's democratisation track has not showed significant

improvement. The empirical evidence (presented in the above chapters) suggests that the EU's transformative power and its role in shaping Georgia's domestic context have been limited during all phases of this cooperation for a variety of reasons.

First, the EU's usage of conditionality for democracy promotion in Georgia has been rather restricted during all times of cooperation. In this research conditionality serves both as a promising tool of the EU to promote democracy and a theoretical framework to explain causalities between the EU policies and a successful democratisation process in the country. This study has identified two variables – attractiveness and credibility of incentives (i) and consistent application of enforcement structures (ii) – to be crucial for a successful use of conditionality. As the discussion in the above chapters shows, the absence of strong conditionality has prevailed at all stages of the EU-Georgia relations. On the one hand, the incentives (anticipated rewards) offered by the EU to Georgia in exchange of democratic reforms has never been attractive enough to encourage the government's compliance with the EU required reforms. In relation with the EU, Georgia has never expected more than cooperation in political, economic and social fields. The prospect of membership has never been a subject of the parties' dialogue. On the other hand, the EU conditionality has lacked consistent and credible enforcement structures, such as constant monitoring of the reforms and relevant benchmarking. Democratic deterioration in Georgia has never led to serious worsening of relations with the EU. None of the EU's decisions to launch new programs and financial aid packages to Georgia have been based on concrete progress made by the Georgian government in implementing political reform commitments. With such lenient attitude, the EU has only further discouraged the path of democratic reforms.

Second, the intensity of the EU socialisation with Georgia, that is export and internalisation of the values and norms, has been underdeveloped during all phases of the EU-Georgia cooperation. This research has identified three levels of socialisation as attributes, or the levels of measurement of this particular concept: elite level, intermediary (civil society) level and societal (people-to-people) level. According to the empirical analysis discussed in the earlier chapters, the relationship between EU and Georgia mainly evolved at the elite and state actors' level, but intermediary and societal levels have been poorly developed and sporadic. While civil society promotion and interaction represents a fruitful avenue for not only democratization but socialization strategies, the EU's utilization of Georgian civil society organizations as a target actor has remained too ineffective to generate an environment conducive to the adoption and internalization of EU norms and rules. Throughout the programmes and strategy documents related to Georgia the EU has openly declared

the country's civil society as a key area within its democratic strategies. It has identified the support for the development of civil society as a key component of the shared values vis-à-vis the country. However, the stress put on democratization and civil society empowerment at the highest level of policy making has not been translated into concrete terms and actions. Besides, actual allocation of funds toward civil society promotion has remained very small as a percentage of total EU assistance as well as in relation to other donors. The EU's engagement at the societal level in the country has been even more underdeveloped. The role of the EU in shaping the public's opinion, attitude and behaviour towards democratic values and norms has been minuscule due to the lack of engagement and mobilisation of resources on the ground.

Last, it is noteworthy that the major shortcomings in democracy promotion and aid programs have been related to the EU's failure to develop a so called 'tailor made' approach towards Georgia. The EU policies towards the country have always been aligned with overall EU strategies applied to its neighbourhood or to a wider region. Therefore, the evolution of the EU-Georgia relations has lacked a clear focus on Georgia's domestic context and needs.

To conclude, the present dissertation has engaged in the study of the EU's foreign policy by examining a single case study of a non-member country, Georgia, and a single issue area, democracy promotion. This case study research has scrutinised the EU's ability to influence other actors in international politics in terms of promoting democracy. It has explored various mechanisms of the EU's leverage, conceptualised how they are applied, and explained to what extent these mechanisms promote democratic reforms. It is also noteworthy that by examining the EU's (as an external actors) engagement in Georgia and its impact on the domestic change, this research has contributed to the contemporary debate in the field of international relations on the role of international and domestic factors in modifying domestic structures and behaviour. While existing academic and empirical literature tells us much about state-building and related processes, there is still a great deal that needs to be explained and explored, particularly about transferring institutions to developing countries. This is an area on which more thought, attention, and research must further be focused.

## Outline of the interview guiding questions

*Technical Assistance to the Commonwealth of Independent States (Tacis) was the EU's first major instrument for launching official relations with Georgia after gaining independence in 1992. The cornerstone of the EU-Georgia partnership and cooperation was Partnership and Cooperation Agreement (PCA), which entered into force in 1999 and paved the way to future cooperation schemes between the EU and Georgia.*

- 1. In your opinion, what was the role of TACIS and PCA in supporting democratic transition process in Georgia during the early year of cooperation (1992-2003)?**
  - What was the impact of EU democracy support in Georgia under Tacis and PCA programs during this period?
  - Why has it had this level of impact?
  - What were possible failures, or successes?
  
- 2. Can we say that Tacis and the PCA served to raise Georgian political elites' and societies' awareness of liberal democratic values and norms?**
  - If so, how?
  - What are concrete examples?
  - If no, then why not?
  
- 3. In your opinion, did EU apply conditional incentives (e.g. rewards) to Georgia vis-à-vis the democratic reforms in the scope of Tacis and PCA?**
  - If so, what are concrete examples?
  - If not, then why not?
  
- 4. Did EU apply enforcement mechanisms (e.g. benchmarks, monitoring and penalties) to Georgia vis-à-vis the democratic reforms in the scope of Tacis and PCA?**
  - If so, what are concrete examples?
  - If not, then why not?

*After the 2004 Eastern enlargement, in addition to continuous PCA and Tacis programs, the EU introduced new cooperation mechanisms to the neighborhood, including Georgia – the European Neighborhood Policy (ENP) and respective Action Plans (AP).*

**5. In your opinion, what were the policies and instruments applied by the EU to promote democracy in Georgia in the framework of ENP?**

- How had this policy and respective instruments supported the democratic transition process in the country?
- What has the impact of EU democracy support been in Georgia under this program?
- Why has it had this level of impact?
- What were possible failures, or successes?

**6. Had the instruments under ENP increased the intensity of the EU-Georgia socialization compared to the Tacis and PCA programs?**

- Was the intensity of socialization same at elite as well as societal levels?
- If so, how?
- What are concrete examples?
- If no, then why not?

**7. In your opinion did ENP offer to the country relatively stronger commitments, rewards and enforcement mechanisms vis-à-vis democratic reforms?**

- How would you assess the EU's capacity to apply credible and consistent conditions and benchmarking in relation to required reforms in Georgia during these years?
- In that way, had it added value to the PCA and Tacis program?
- If so, how? What are concrete examples?
- If no, then why not?

**8. Did EU provide Georgia with enough stimuli (incentives) in the scope of ENP to comply with required democratic reforms?**

- If so, how?
- What are concrete examples?
- If no, then why not?

*In 2009, the ENP was further supported by the EU's new regional cooperation mechanism, the Eastern Partnership (EP). In the framework of EP, the EU offers Georgia prospect of Association Agreement and DCFTA. In addition, in the framework of the EP, in June 2012 EU launched with Georgia Visa Liberalization dialogue aimed at gradual visa facilitation process.*

**9. In your view, has EP had an added value to the democratisation agenda of Georgia?**

- If so, how?
- What are concrete examples?
- If no, then why not?

**10. Would you say that specific instruments under EP (AA/DCFTA and Visa Facilitation) provided strong incentives for Georgia to commit to democratic reforms?**

- If so, how?
- What are concrete examples?
- If no, then why not?

**11. Have the EU enforcement structures (e.g. benchmarking, monitoring, penalties, etc) become stronger under the EP vis-à-vis democratic reforms in Georgia?**

- If so, how?
- What are concrete examples?
- If no, then why not?

**12. Has the EU-Georgia socialization become more intense in the scope of EP?**

- If so, how?
- What are concrete examples?
- If no, then why not?

*Since the launch of the cooperation with Georgia (in 1992) EU has been providing the country with financial assistance in support of the required reforms. Since gaining independence, Georgia has also been receiving financial assistance from various state and non-state actors and other international donors.*

- 13. Overall, how would you assess the level of the EU's financial and programming contribution to Georgia's democratisation reforms compared to the assistance provided to Georgia by other donors?**
  
- 14. How would you assess the share of funding by the EU in supporting democratic reforms in Georgia compared to the overall EU assistance provided to the country?**
  
- 15. Has the EU funding overall been adequate to the needs that country has faced in the democratic transition process?**



**Face to face interview with**  
**Archil Karaulashvili, Head of European Integration Coordination Department,**  
**Office of the State Minister for European and Euro-Atlantic Integration of**  
**Georgia**

**26 February 2014, Tbilisi**

**Tamar Khuntsaria (T.K.):** Technical Assistance to the Commonwealth of Independent States (Tacis) was the EU's first major instrument for launching official relations with Georgia after gaining independence in 1992. The cornerstone of the EU-Georgia partnership and cooperation was Partnership and Cooperation Agreement (PCA), which entered into force in 1999 and paved the way to future cooperation schemes between the EU and Georgia. In your opinion, what was the role of TACIS and PCA in supporting democratic transition process in Georgia during the early year of cooperation (1992-2003)?

**Archil Karaulashvili (A.K.):** Two factors are important to consider while assessing the role and the impact of the EU in promoting democracy in Georgia during the early years of cooperation. First, the EU foreign policy towards non-members, newly independent post-Soviet countries, such as Georgia was neither comprehensive nor coherent. At that time, the EC/EU did not have a clear strategy or an articulated foreign policy towards the emerging countries in the East. The goal of the Tacis and other programs provided to Georgia was not the promotion of democracy. This component was practically absent in the first years of the EC/EU-Georgia cooperation. Instead, the focus was predominantly on the technical assistance, humanitarian aid and development cooperation. The EU efforts to help Georgia in economic recovery and development were also limited due to several reasons.

**T.K.:** Can we say that Tacis and the PCA served to raise Georgian political elites' and societies' awareness of liberal democratic values and norms?

**A.K.:** In the scope of Tacis, the consultations provided by the EU experts were not effective as they were not well aware of the reality on the ground. In most of the cases, the trainings and education provided were not of use. On the one hand, the experts themselves did not have understanding of the problems and difficulties and needs. The consultations and recommendations provided were not reflective of the needs and problems on the ground. On the other hand, the recipients of the trainings (mostly public service employees) had no skills to absorb and utilize the consultations and trainings provided. Besides, the Ministries were both institutionally and financially weak, having no capacity to implement reforms. Yet, another problem was that in a large number of cases, the trained staff would be replaced by newcomers, etc. The institutions had a serious lack of capacity to absorb even expertise and information for changes. The reports provided by the EU experts in majority of the cases were ending up on the shelves as the institutions had no qualified personnel who could read in English, understand the scope and the essence of the recommendations, nothing to say about the implementation of them. Quite often, project managers were only formally agreeing on the terms of the assistance, with the hope that it would provide couple of computers or other technical assistance to their departments, while the funding for purchasing computers could have count only small percent of the overall assistance. The main portion of which was coming on consultations and the provision of expertise. Training and exchange programs for public service employees also had marginal value. Even in the small number of cases, when Ministry staff was sent to EU for workshops, people would consider it as a possibility for travels and vocations rather than the opportunity to absorb new knowledge and bring it back in the country. The situation was of course gradually improving, but this was taking considerable time. One cannot expect public institutions to reform, advance the quality of the staff performance, attract new and qualified staff, etc. This, of course, required time and continuous efforts both from the EU and Georgia.

**T.K.:** After the 2004 Eastern enlargement, in addition to continuous PCA and Tacis programs, the EU introduced new cooperation mechanisms to the neighborhood, including Georgia – the European Neighborhood Policy (ENP) and respective Action Plans (AP). In your opinion, what were the policies and instruments applied by the EU to promote democracy in Georgia in the framework of ENP? How had this policy and respective instruments supported the democratic transition process in the country? What has the impact of EU democracy support been in Georgia under this program?

**A.K.:** The EU assistance previously was quite chaotic, while the launching of ENP allowed its consolidation into a more united and coherent scheme. The EU has had an important transformative power, but not with the help of projects and grants as much as with the so called “soft power”. More important than programming was the so called positive soft power of the EU – sharing of experience, values, way of life, etc. Not necessarily the approach “let me teach you democracy”, but giving an example: people in Georgia have been associating Europe with high standards of living and safety, to which they are also inclined. These factors have played more decisive role than any other small or medium size projects and grants provided to Georgia over the past years of cooperation.

**T.K.:** Had the instruments under ENP increased the intensity of the EU-Georgia socialization compared to the Tacis and PCA programs? Was the intensity of socialization same at elite as well as societal levels? If so, how? What are concrete examples? If no, then why not?

**A.K.:** Socialisation, which played important role in advancing Georgian society, gradually evolved and developed over time as the scope of the EU-Georgia cooperation widened and included more projects and policy mechanisms. As a result of deepened and widened cooperation and progression of the EU assistance mechanisms, interaction and socialisation has also been increased and intensified.

**T.K.:** Did ENP offer to the country relatively stronger commitments, rewards and enforcement mechanisms vis-à-vis democratic reforms? How would you assess the EU’s capacity to apply credible and consistent conditions and benchmarking in relation to required reforms in Georgia during these years?

**A.K.:** More positive dynamic and more targeted approach of EU-Georgia cooperation emerged particularly after launching ENP. The components of democracy, rule of law and good governance was also enhanced and embedded within programming and financial aid. The EU reports would refer to democratic shortcomings, lack of reforms, violations, etc. Yet, these assessments were fragmented and were not reflected in the overall policy approach of the EU towards Georgia. Despite these negative reports, the overall assessment from year to year was still positive and Georgia was declared as a bright example among Eastern partner countries in terms of advancing its

democracy. The overall attitude and discourse of the EU towards Georgia was significantly defined by active lobbying campaign of the government of Georgia too. Saakashvili administration had spent increasing financial and intellectual resources in strengthening ties with policy-makers and politicians within the EU. The United National Movement of Georgia, being a member of the European People's Party – one of the leading political groups within the European Parliament – was successfully rooting its influence in the EU's political decision making process. This connections and lobbying was well tailored in order to attain positive attitudes and assessments from the EU side towards the government reforms, which was then often depicted in public discourses of EU senior officials.

**T.K.:** In 2009, the ENP was further supported by the EU's new regional cooperation mechanism, the Eastern Partnership (EP). In the framework of EP, the EU offers Georgia prospect of Association Agreement and DCFTA. In addition, in the framework of the EP, in June 2012 EU launched with Georgia Visa Liberalization dialogue aimed at gradual visa facilitation process. In your view, has EP had an added value to the democratisation agenda of Georgia?

**A.K.:** Before 2009, the EU's more for more principle did not exist as the EU did not have a centralized approach to the Eastern European countries at that time. The EU programs and assistance was not structured and targeted on the conditions of reforms. Only after the Eastward enlargement and launching the Eastern Partnership program the EU came to develop a more cohesive foreign policy. Launching of a unified regional policy then allowed the EU to develop certain incentives and conditional mechanisms for the countries within the region. However, even today, having declared the more for more principle, its mechanisms are neither adequately applied nor having particular effect. Among many reasons include bureaucratic institutional arrangement of the EU, which until nowadays maintains the inertia of the ineffective administrative practices.

**T.K.:** Would you say that specific instruments under EP (AA/DCFTA and Visa Facilitation) provided strong incentives for Georgia to commit to democratic reforms?

**A.K.:** I think so. During this period institutionalisation and upgrade of the cooperation mechanisms prevailed. New platforms, panels, working groups were created. Compared to the previous years and previous mechanisms the EU created a new, much advanced institutional model of cooperation with

partner countries in scope of the Eastern Partnership. In practice the cooperation was brought to a relatively new level. New incentives were offered in terms of AA, DCFTA, Visa Dialogue and liberalisation with the perspective of visa free regime.

**T.K.:** Have the EU enforcement structures (e.g. benchmarking, monitoring, penalties, etc) become stronger under the EP vis-à-vis democratic reforms in Georgia?

**A.K.:** I think EU does not have enforcement mechanism. Its mechanisms are embedded in soft power – providing incentives, and in limited cases withholding those incentives, but not enforcement.

**Face to face interview with  
Kakha Gogolashvili, Director of the EU Studies at Georgian Foundation for  
Strategic and International Studies (GFSIS)  
27 February 2014, Tbilisi**

**Tamar Khuntsaria (T.K.):** Technical Assistance to the Commonwealth of Independent States (Tacis) was the EU's first major instrument for launching official relations with Georgia after gaining independence in 1992. The cornerstone of the EU-Georgia partnership and cooperation was Partnership and Cooperation Agreement (PCA), which entered into force in 1999 and paved the way to future cooperation schemes between the EU and Georgia. In your opinion, what was the role of TACIS and PCA in supporting democratic transition process in Georgia during the early year of cooperation (1992-2003)? What was the impact of EU democracy support in Georgia under Tacis and PCA programs during this period?

**Kakha Gogolashvili (K.G.):** In the early years of cooperation, in the beginning of 1990s, the EU-Georgia relations were based primarily on humanitarian and financial assistance, food safety programs and also infrastructural programs. At the same time EU was trying to help Georgia to build a state and also to find its place in international communities. In both of these directions, one of the major components was democratic development. The EU directly or indirectly was trying to put the country on this track. The supporting evidence of this deep cooperation was that the EU started to think about PCA with Georgia which was ultimately put in force in 1999. The PCA preamble and all other chapters pay increasing attention to democratic principles. I think that the early cooperation mechanisms, such as Tacis and other technical assistance programs and later signing of PCA, created foundation for the reforms in the areas of democracy in Georgia. The approach of the EU has been that state building cannot proceed without upholding democracy and its major principles such as human rights and the rule of law.

**T.K.:** In your opinion, did EU apply conditional incentives (e.g. rewards) and enforcement mechanisms to Georgia vis-à-vis the democratic reforms in the scope of Tacis and PCA?

**K.G.:** At that stage, effective instruments that could have provided democratic state building was not in place. Prior to enforcing major cooperation mechanism, cornerstone of the EU-Georgia relations – PCA, the EU and its member states were acting spontaneously vis-à-vis Georgia. The EU's attention was mainly directed to exploring the inconsistencies of systemic and institutional arrangements in Georgia with the international system and was trying to fill such gaps with technical aid and programming assistance. At that stage, Georgia was preoccupied with other serious problems than building democracy. These problems and concerns were: stabilization, security, development of market economy. These therefore were also within the list of priorities for the EU in its relation with Georgia. After signing PCA with Georgia, the EU elaborated more on the political outlook towards the post-Soviet countries including Georgia. PCA helped the EU to define indicative programs and priorities for Action Plans and reform strategies in Georgia. Political reforms, including democracy and good governance, were defined as important dimensions within the assistance programs. By signing PCA, Georgia took soft obligations to advance in the areas of human rights and democracy overall and also to join various International Conventions and adoption of new legislation domestically in the same field. Reforms in the areas of police, procuracy, justice, elections, etc. were part of the PCA, which pushed the country towards respective institutional and legal reforms.

**T.K.:** After the 2004 Eastern enlargement, in addition to continuous PCA and Tacis programs, the EU introduced new cooperation mechanisms to the neighborhood, including Georgia – the European Neighborhood Policy (ENP) and respective Action Plans (AP). In your opinion, what were the policies and instruments applied by the EU to promote democracy in Georgia in the framework of ENP and had it have an added value compared to the previous instruments?

**K.G.:** Launching of ENP added significant value to the previous efforts and launched reforms. It added value to PCA in a way of offering concrete measures and ways of reforms in specific sectors. This crucial strategic part was missing in the PCA. PCA was giving recommendations and legal obligations without specifying how to achieve or how to progress in the areas of required reforms. ENP Action Plan outlined concrete steps, not only recommending the areas of legal and institutional reforms, but also providing pathways and guidance on how to achieve the required reforms. All measures on how to implement reforms were presented in the Action Plans.

**T.K.:** In 2009, the ENP was further supported by the EU's new regional cooperation mechanism, the Eastern Partnership (EP). In the framework of EP, the EU offers Georgia prospect of Association Agreement and DCFTA. In addition, in the framework of the EP, in June 2012 EU launched with Georgia Visa Liberalization dialogue aimed at gradual visa facilitation process. In your view, has EP had an added value to the democratisation agenda of Georgia?

**K.G.:** Eastern Partnership was a special phase of EU-Georgia relations. The development of the Eastern Partnership was determined by the potential of the eastern partner countries to be more perspective and progressive on the political reforms than those in the south neighbours of the EU. This was particularly true after the revolutions and peaceful regime changes in Georgia and Ukraine. This showed that potential for democratic transformation was possible in this geographical region. The value of the Eastern Partnership lies in the fact that the EU equally successfully applies both regional as well as bilateral approached with the participant countries. In this framework democracy is a number one priority – it is the first platform of the EaP.

**T.K.:** Have the EU enforcement structures (e.g. benchmarking, monitoring, penalties, etc) become stronger under the EP vis-à-vis democratic reforms in Georgia?

**K.G.:** Conditionality has always been weak from the EU side. Yet, a type of conditionality was enacted since launching the ENP – more for more approach, e.g. those countries will receive more aid who complies with the requirements than those who will not.

**T.K.:** Overall, how would you summaries the role of the EU in building democracy in Georgia?

**K.G.:** The EU has had important achievements: Election system was created, branches of the government were established, police and justice system reforms were carried out, human rights protection was advanced, media environment was opened, proper functioning of non-governmental organizations was supported, raise of citizen awareness about the EU and democratic systems was promoted, etc.



**Face to face interview with  
Ivane Chkhikvadze, Civil Society Program Coordinator, Open Society Georgia  
Foundation (OSGF), the Office of the State Minister for European and Euro-  
Atlantic Integration in 2006-2007  
10 March 2014, Tbilisi**

Upon the request of the respondent this interview refers to the period of 2006 – till present.

**Tamar Khuntsaria (T.K.):** What can you say about the role of the EU in promoting democracy in Georgia through the European Neighborhood Policy (ENP) and Eastern Partnership (EaP) programmes? How would you assess the EU's capacity to apply credible and consistent conditions and benchmarking in relation to required reforms in Georgia during these years?

**Ivane Chkhikvadze (I.C.):** ENP was not initially planned to cover Georgia and the South Caucasus region. Several events decided the future of ENP. These namely were: Rose Revolution in Georgia, 2003 Security Strategy of the EU in which focus for international security was made at a broader region, plus EU's 2004 enlargement after which the Black Sea became almost an internal sea of the EU with the accession of Romania and Bulgaria. The greatest step forward was introduction of 'legally binding' clauses in the new cooperation mechanisms of the EU. Up until recent years (prior signing AA), the EU's only legally binding document for Georgia was Partnership and Cooperation Agreement (PCA). This document was signed in 1996 and enforced in 1999 and obviously it was outdated. Besides, PCA did not include any particular legally binding measures that would trigger serious reforms in the country. So, up until signing Association Agreement (which replaces PCA) the EU-Georgia relationship was primarily based on PCA. ENP Action Plan, Eastern Partnership and its Road Map of 2012 – these were not legally binding documents. The implementation of the provisions stipulated in these documents depends on the good will of the government and there is not enforcement mechanisms attached to their implementation. This has been the greatest shortcoming in the EU policy towards Georgia and the rest of the region so far. The Association Agreement, which replaces PCA, offers enhanced

conditionality as its provisions and terms are more precise and concrete and are obligatory for implementation. Prior to ENP, assistance was not conditional – the country was receiving priority defined assistance each year despite the progress in reforms. The assistance at that time could not have been conditional as the funding was quite small.

The EU has always had regional approach to Georgia, in the same package with Armenia and Azerbaijan. Therefore, the mechanisms offered by the EU to Georgia did not depend directly on the progress the country was making internally. The EU mechanisms were uniform tailored for all three countries (e.g. in 2006 negotiations on the ENP Action Plan with Georgia were blocked due to Azerbaijan-Cyprus case).

At the last review of its European Neighbourhood Policy in 2010-11, the EU introduced the so called ‘more for more’ principle: the EU will develop stronger partnerships and offer greater incentives to countries that make more progress towards democratic reform – free and fair elections, freedom of expression, of assembly and of association, judicial independence, fight against corruption and democratic control over the armed forces.

**T.K.:** Had the instruments under ENP increased the intensity of the EU-Georgia socialization compared to the Tacis and PCA programs? Was the intensity of socialization same at elite as well as societal levels?

**I.C.:** Elite level of socialisation was one of the first levels of EU-Georgia cooperation – After signing PCA institutional triangle was created: Cooperation Committee, Cooperation Council and Parliamentary Assembly. So, socialisation and exchange of information at the elite level was introduced from the very first years of EU-Georgia cooperation. This was important in order to make a break through the political and ideological vacuum and isolation. During 90s, unfortunately, socialisation at the second and third levels was not visible. Compared to those years, today the level of socialisation is considerably advanced. For example: Georgia has Erasmus plus program, which enables students to receive high education in Europe. EU funded education programs did not exist in early years of cooperation. Most of the scholarship programs were granted by other international donors, with high degree of Open Society Institute participation and the US government. As for the second level – NGOs became more engaged in the scope of ENP. Reports assessing progress in

reforms from non-governmental sector started to emerge during ENP. Such monitoring was not taking place during PCA years. The latest mechanism, EaP further upgraded this relationship. Formalisation of the civil society's engagement in the EU-Georgia relations took place after launching the Partnership. EaP established civil society forum that now unites NGOs from the participant six countries as well as NGOs based in Europe. The Association Agreement offers further improved and refined mechanisms of cooperation at the second and third levels. AA even further upgrades the involvement of civil society in political dialogue. On the other hand, up until recently the government was not willing to engage civil society and non-governmental sector in the political dialogue. For example, negotiations on the AA until the ratification of the agreed text of the document was confidential and was going behind doors not only not engaging but also not even informing civil society representatives. The NGO sector was informed on the text of the document after it was ratified, leaving no room for civil society's participation in adopting the political text. Same refers to Association Agenda – this document too was developed without consulting with civil society.

**T.K.:** Overall, how would you assess the level of the EU's financial and programming contribution to Georgia's democratisation reforms compared to the assistance provided to Georgia by other donors?

**I.C.:** The EU's financial assistance to Georgia has never been enough. But, the role of the EU, compared to the role of other international actors in Georgia, is somewhat different. It offers concrete development model and road map/steps how to achieve the model. If not EU, consumer protection rights would have been worse, same about human rights, etc. Overall, in terms of democracy, I think in the past years Georgia has been "dancing tango" – Two steps forward, one step back. There were some spheres that developed and those that went backwards, e.g. Under the president Eduard Shevardnadze, media was relatively free, the freedom of speech prevailed more than it did in the following years. Under Michael Saakashvili administration, media sphere was closed. Also the government stopped listening to civil society and society at large. Political decisions were made without consulting civil society at all. The present political administration under Georgian Dream, has opened the channels of communication with the civil society. But, in the condition of present political administration there are also problems with openness with civil sector, there are emerging problems with media, etc.

**Face to face interview with  
representative of the EU Delegation to Georgia  
18 March 2014, Tbilisi**

**Off record interview**

**Face to face interview with  
Amanda Paul, Policy Analyst and Senior Programme Executive, European  
Policy Center (EPC)  
5 May 2014, Brussels**

**Tamar Khuntsaria (T.K.):** The topic of my thesis and our conversation today is the EU-Georgia relations, and particularly the role of the EU in Georgia's democratisation. I am interested to know your perspective and position on the level of the EU's involvement in Georgia's democratisation processes. To what extent it has been influencing this process? Overall, how successful the EU's role in Georgia's reform agenda has been over the past 20 years? We can start with a general discussion and then I will proceed with specific questions.

**Amanda Paul (A.P.):** The EU has quite an important role to play in democratisation and reforms in Georgia. But, equally Georgians themselves, I would say, have played even more important role, which has made the life of the EU easier than it have been in some other countries within ENP or Eastern Partner. Georgia has wanted to change itself and this is the most crucial part when it comes to democratisation reforms you need to have a will within society and within the government. So, I think that this does not mean that the role of the EU is important, because I have never believed that the tools of the EU, Eastern Partnership or the European Neighbourhood Policy have really been strong enough to drive reform processes unless you have significant political will from the other side to meet those changes for themselves. Obviously, the policies of the EU miss final objective or final goal. Today, several years after Georgia begun relationship with the EU, it is still not clear what the end result is going to be. And even now, when sides will sign Association Agreement, it is still not clear after that what's going to happen. I think it is going to be quite difficult for Georgia to actually implement these DCFTA and the Association Agreement. I don't think the incentives are still really there from the EU side.

But, saying that, the EU has been one of the main actors in the process along with NATO. I think NATO also has a role to play here in terms of pushing democratisation process. But I think you can say now that the situation in Georgia has been sort of up and down in terms of reform and democracy. You go up and you go down. There are a lot of concerns in the EU now over all these allegations of political justice. I think there is a bit of a political cloud hanging over the country that was not the case six months ago or one year ago even. But, as we know, this is a process and democratisation and modernisation does not happen overnight, and you can expect there to be some deeps and rises. But, I don't necessarily think that EU's policies have been forceful enough to bring about the changes it could if there was a really specific end-goal at the end of the process that does not exist. I think it is positive that we have reached this point that they will sign Association Agreement. But, what happens thereafter still remains to be seen. I think there is still a possibility that Georgia can seriously risk backtrack of what it has achieved. We know that the reforms carried out by President Saakashvili were very good in the beginning, then everything started to go backwards and then again I think with the Georgian Dream everything started to go in a right direction. Now, I think there are some question marks over what's happening there. I'm not sure that the EU's policy will be sufficient enough to get Georgia back on track if combined with what we going to see from Russia. Because, there is a big question mark over what's happen from the Russian side in the coming months. Obviously, if Georgia does not get an Action Plan in Wales (I mean it does not look like Georgia's going to get anything from the NATO Summit in September) I think this will have an impact on internal dynamic not just from political elites, but from the Georgian society. Because, I think this is going to be a slap in a face actually, given the fact that Georgia was promised to sit at the NATO table, and now we hear a completely different message. So, you have to stop questioning why we are moving in this direction and what's going to be end of it, is there some other way we can go and what is the role of EU in all of this. I think the EU itself has been so occupied with Ukraine over the last few months that other countries have slipped down a bit and seemed to be going a bit all over the place.

**T.K.:** Thank you. You have raised a lot of important issues. But, to go chronologically, I would like to refer to different programmes and instruments that the EU has applied in its relations with Georgia since early 90s. The Tacis and other programs at that time were of technical and humanitarian nature and the EU really got serious about Georgia the late 90s after PCA was signed. PCA became the cornerstone of the EU-Georgia relations, and then we had ENP and related

instruments extended. Now, we have a rather deepened partnership and cooperation under the Eastern Partnership. But throughout these years, the EU has been moving through the similar track in terms of its mechanisms and levers in the relations of non-member countries, particularly in this case Georgia. The level of conditionality that EU uses vis-a-vis non-member countries for their compliance in reforms is limited – there have been question marks as well as successes and failures in this regard. So, I wonder if looking at these different programmes and instruments that the EU has used in its partnership with Georgia, how would you assess these instruments and overall the EU's capacity to influence domestic processes of democratic reforms.

**A.P.:** Well, I think if you consider where Georgia started from, let's say from the Rose Revolution, which I think where the EU started to upgrade its influence in the country. I think some of the EU's instruments played a positive role in the bringing about reform of state institutions, in starting to impose reforms in the judiciary, in the police, bringing down corruption, and all these sort of things. I think EU has played a role in strengthening civil society, e.g. in pushing forward the freedom of media, independence of state organs. I think the EU has played a role, but at the same time I think one of the main reasons why the EU was able to play such a strong role... If you compare to the other countries in the region where the EU supplied the same instruments of conditionality and benchmarks almost identically, you can say in Armenia and in Ukraine is a consequence of those people working in the relevant institutions in Georgia wanting to have positive results, which was key, because if you don't have engagement on the other side, you are not going to get the results. Now as we have seen there are backtracking in some of the areas that were previously viewed by the EU as having positive steps forward in terms of reform. So, then you have to asked yourself how sustainable is this process, and how can the EU prevent backtracking in the areas where progress have been made. I don't think they have answer to that question yet. I think the EU is very good at throwing financial assistance to the countries. For years instead of having real political weight, it tended to inject a lot of money into these countries. I would not say that it throw billions of Euros at Georgia. The EU never throws billions of Euros anywhere. But EU has a history of putting money into a country, after which it asks the question 'where is it gone?'. In Georgia you can say that the money has been better used than in some other countries. I think to a certain degree the EU has been a reluctant partner. But, ultimately the EU needs to have some success stories from various different policies, it will have any success stories yet in Georgia which seems to be in the top of the list. I'm not sure whether that's helpful or not helpful for actually pushing for reforms and measuring that

reform correctly in the country, particularly at the point where we are at the moment, where everything goes wrong with Ukraine, situation in Moldova looks very vulnerable, Armenia has taken a very different turn in the road. Looking at this tendency, one cannot say that Georgia has not done a lot, because it has done hell of a lot. But if you look at a picture, in a year ago or even six months ago, I think the EU may be would have been monitoring more closely the situation in the country in terms of what's been done or what has not been done.

**T.K.:** Yes, I agree. Compare to the neighbouring countries Georgia certainly has had a great progress in its reforms. But, when looking at the country independently, internally there are many problems and concerns with respect to democratic development and evolution.

The EU's engagement in Georgia was not going through programmes only, but also through social channels that is one of the 'soft power' instruments that the EU has. In your opinion to what extent has the EU used its mechanisms and policy instruments for socialization. Was the intensity of socialization same at elite, societal and individual levels? If so how? What are concrete examples? If no then why not?

**A.P.:** If we talk about Georgian society, I would not say that it's been a massive success story. I think most of the Georgian society... I mean the ordinary Georgians they have this idea in their mind that European integration is good because they have been told that it's good. I don't think that they really understand fully what it is. I don't think most Georgians really understand what EU values or democracy is all about. I think it's very difficult to have such as society to understand what this is all about. Even societies within the EU don't understand what democracy and values in the EU are about. I think that is a broad and deep topic. Socialisation at elite level is one thing, clearly – educated people, particularly those who have been educated in the West, know what our values are, why is it important for the country to join the EU, what they are going to get out of it. But, I think for most ordinary Georgians most important thing still remains what's happening in their country in terms of how affects their lives from one day to the next, in terms of their economy, which things are going to improve so that they are going to get richer. This sounds like a very simple thing. If they really believe what they are told – that European integration is going to improve the quality of our life, we are going to get more democracy, you may not get any richer for some time, you might even feel poorer for a period of time, you have a question mark in your mind – what is this all about? What the real benefits are? Do we really need this sort of democracy that they have in



Europe. To see the full picture... I mean, ok, the rule of law and anti-corruption and all these sort of things are obviously very positive things and these can be some things that can be brought from Europe and through the messages of the EU to the Georgian society – I think it's good. But, I still think that as a whole the messages that come from the EU that socialisation of society has not had a massive impact that perhaps we would like it to have. I think that we have to be a little realistic. If you look at your neighbour Turkey – they have been engaged with the EU for like 50 years. If you look at the Turkish society, given everything that has been going on, in many ways they are now even going backwards more than even Georgia. You have to estimate at different levels. Civil society is obviously different. When it comes to ordinary civilians, ordinary society it is extremely difficult to get that sort of message across in an understandable way beyond very basic points, such as anticorruption. But, most Georgians I think are more interested in how this would impact their day to day life in very short term. But, as I said in the beginning, democratisation, modernisation is a very long process. It does not happen in a couple of years or may be not even in couple of decades. Changing mentality, changing the way people think is absolutely not easy. In Georgia, as in very conservative societies, some things that we take as normal here are outrageous or totally unacceptable. So, I don't think that you can have a one size fits all. Any of these neighbourhood countries, everybody has its own individual case.

**T.K.:** Yes, I agree. Socialisation is a two way street. On the one hand it is important what EU offers and on the other hand it is also important how receptive the country is and to what extent it internalises the norms and values of the EU. In this process it is also essential to what extent the EU monitors and enforces the compliance of the third country with its norm and rules. So, how would you assess the EU's capacity to apply credible and consistent conditions and benchmarking in relation to required reforms in Georgia during these years?

**A.P.:** It's very easy to change something on a piece of paper, but implementation is always difficult. It can take an extremely long time, particularly in a country like Georgia or that in the region is much tuff, particularly if it's going to have a short term difficult effect or even negative effect. It is difficult to explain why we need to do this. This is always much harder to implement and it is true that EU does not always closely follow. We know as well that EU with its Eastern Partnership is well staffed as it could be, because it is not just a matter of capacity even for the Georgia side but also for the EU side. We only have to go in External Action Service to see how

many people are actually working on this. And, of course, civil society has a role to play as well. Frequently in Georgia civil society, to be polite, is not as independent as it could be. People move around from government to civil society and backwards and forwards. There is definitely a trend there. But, yes, implementation takes a long time. It does not just happen overnight. It needs to be extremely closely followed and enforced, but in a correct way. At the moment, I really do think that the EU has probably taken its eye off Georgia perhaps slightly too much. I recognise that Georgia has done an amazing job over the last few years, and it has been a champion of the South Caucasus. But this does not mean that we have to take it for granted that Georgia is going to remain on that track. We have seen other examples that you can take a U-turn, not necessarily an Armenian U-turn, but things can go wrong and start to slip away. You need to have a string engagement. But, again, it still comes to the point that as long as Georgia does not have an objective and light in the end of the EU tunnel, it will going to be very difficult in a long term to sustain this process.

**T.K.:** To follow up on this, quite recently, prior to signing the AA with the EU, Georgia hosted the EU-Georgia conference which was attended by the EU Delegation. At this conference, the representative of the European Commission said that AA and DCFTA is the light in the end of the tunnel. So, basically, he said that AA is the final ultimate point to which the EU-Georgia relations can be taken. This kind of rhetoric and discourse coming from the European Commission side perhaps is not very motivating for the Georgian government and new political establishment that is still very fragile in its foreign policy orientation. When the messages like that come from the EU, that discourages the process of reforms. The best possible ‘carrot’ for Georgia is EU membership, which we understand is not possible in the foreseeable future. But, still not having the incentive in cooperation is quite discouraging. So, I wonder what you think about EU’s such an approach.

**A.P.:** Of course, as EU often says, Georgia should be doing those reforms for itself, not for the membership in any international organization. It’s because we want to be an independent country and that we prefer those values. But, we all know that in reality this is not how it works. No country, so far, that has not had EU membership perspective has managed to make it to the end of the road and transformed itself. So, I think it is not clever to make that sort of statement. You can say that it is not clever either to not be honest with Georgians and not to say that you are not going to get into the EU and this is where the relationship ends. But, I think the fact that EU continues to give mixed messages, some people say ‘yes you can get in’, some people say ‘no, it does not look likely’ – you

have to have ‘the door is not closed’ or ‘the door is not open’ policy. But, I think as long as you have that policy there is some possibility that the membership is in the end of it. I personally believe that Georgia should be part of EU because there is nowhere else Georgia should go.

**T.K.:** What is your stance on the current politics of Russia vis-a-vis its neighbours? Its politics and policies are quite visible and obvious in Ukraine and before this we witnessed 2008 war with Georgia. Georgia is not secured from the similar aggression coming from Russia in future, particularly that NATO summit is coming and we are signing AA with the EU. Do you think that Russian factor is influential in EU-Georgia relations and in EU’s approaches to Georgia? Is it potentially impeding in EU’s deepened engagement in Georgia?

**A.P.:** I cannot remember the precise amount of money that the EU has given to Georgia, but I can tell you that this is insufficient and this is generally across the board of Eastern Partner country. The amount of money that has been given in terms of what they are asking Georgia to do does not much up. They are asking Georgia to make sort of pre-accession reforms that they asked to central and Eastern Europe or even to the Balkan countries. If you compare to the financial assistance that they have given to Balkans it’s so stately higher than what you get in Georgia and even Moldova. But the EU always says it does not have funds available. Whether or not this is true I don’t know. They manage to pull money out of hat when they really need it. But, I think now the financial support is insufficient. If you are really serious about the policy, if you are serious about the change that you want in that country, you need to support it effectively and that importantly means financial support.

**Face to face interview with  
Chris Kendall, Team Leader Belarus, Azerbaijan, Armenia at European  
External Action Service (Team Leader for South Caucasus, EU-Georgia Desk  
during the interview) at the European External Action Service (EEAS)  
8 May 2014, Brussels**

**Tamar Khuntsaria (T.K.):** Thank you for your time and agreement on this interview. The topic of my doctoral thesis is about the role of the EU in Georgia's democratisation process. I research different periods starting from early 90s, when the relationship between the EU and Georgia started, up to 2013, the most recent period that includes AA and DCFTA and all the new mechanisms. In my thesis I discuss different periods of EU-Georgia cooperation and the level of the EU's engagement in the countries in the areas of democracy and rule of law. My interest is to explore to what extent the EU has been influencing the process of democracy building in the country. As you know, in early 90s, the EU was mainly focusing on technical aid and humanitarian program. Later, in 1996 PCA was signed and in 1999 the document entered into force. PCA became the cornerstone of the EU-Georgia relations. Since then we also had ENP with its Action Plans. Now, these relations have further depended with the initiation of the Eastern Partnership and the AA. I wonder how you would assess these different periods of the EU's engagement in Georgia in the particular direction related to building democracy in the country. In your opinion what has been the role of the EU throughout these different programs? Also, overall, how would you assess the state of democracy in Georgia?

**Chris Kendall (C.K.):** I suppose, the first thing to say is that my experience with Georgia does not go very far. I work on Georgia, I guess, from 2010, or even 2012 really. But, at distance of course, I have been following. My sense is that the role the EU has been playing – I would say this was powerful background role as opposed to more obvious role. The EU's role as it is typical for the EU has been slowly transformative role by developing assistance programs and developing new contractual relationships. We drive and create the path of reform. But, ultimately, obviously it is locally owned, it's something which the partner – Georgia, chooses to take from. But, given that we

are there, given that we are actively pursuing this kind of relationship, we are actively encouraging Georgia to sign up to these agreements.

My experience (since 2012) is that we see what we want to see, we find it hard to deliver really reform that runs right across the border, there are gaps and it's difficult in our relationship sometimes to be honest about the gaps. I know that Cooperation Committee meetings and Cooperation Council meetings we did address the issue of prison reform, justice reform, but we did not deliver or at least our pressure was not enough to bring results. When we look at other countries in the neighbourhood then again we can be critical about ourselves. We have the right instincts but we do not necessarily have the ability to... our influence does not go so far.

**T.K.:** So, can you explain what the hindrances behind the EU's limited capacity are to influence these processes? You say that there are gaps and some failures at some points, and also that the EU is not pushing enough the reforms. Although in some cases the EU has certain successes. But, whenever it comes to failures and problems what do you think the major shortcomings are?

**C.K.:** The gaps and failure I think is connected to the lack of political will – this is my personal opinion. I think this is about what kind of incentives we are going to offer. If you look at the Arab spring, for example, or Southern neighbourhood, there we are actually quite limited in political conditionality. We were ready to go quite far on economic integration. But, when it comes to political association...

With the Eastern neighbourhood, if we chose to, we could really exert influence and leverage through for example membership perspective. We have done that in the countries which are our members to achieve quite incredible change. So, by not offering (and there are some political reasons behind this) full membership perspective, we are not able to exert that influence. And, by the end of the day, our argument is true to say that what we are offering, what we are recommending and proposing ultimately we think is in Georgia's interest to do this things for its own sake, not because of membership sake, because it's worth of doing. But, you know, it means that Georgia's politicians have to decide whether they want to do this or not. We can't force them, we may want, but we can't change the way they choose to act. So, I think there needs to be a little bit realistic account of what we can do or what we should do.

**T.K.:** What can you say about the AA, which is perhaps the highest possible reward that the EU has given to Georgia (there is no discussion on membership at all at the moment or in foreseeable future). The mechanisms and instruments that the EU applies under the AA for transforming Georgia and trying to help to approximate to the EU norms – are these powerful mechanisms?

**C.K.:** Association Agreement is not as power incentive as the membership perspective, it is also not as powerfully transformative as membership, but it is pretty radical and does go a long way. In the EU we can be realistic about the choices we face. We can use our soft power and use our leverage to try force changes. For example, let's look at Ukraine – the choices we face there – we ask ourselves – do we use our leverage to get results now, or we just hold our noses and go away and hope that over time implementing this agreement will change the fundamental nature of politics. But, we ask similar questions about Georgia (although of course Georgia is not Ukraine). I'm not talking about this government or the other because there have always been those questions. Georgian politics, while democracy has come a long way, it is still very much personality driven, there are lot of patronages, personality is stronger than institutions, prosecutions, etc. We hear the arguments, the way in which the prosecutions are dealt, but we still see the elements of revenge politics. Again, we face a choice – how far do we insist the change right now? Or, do we just hope that by signing and implementing the Agreement over time these things will change. For example, if you look at the antidiscrimination legislation – I think that for domestic political reasons the government in Georgia was not very much interested to pass the law. But, they have done it because they have realised that we need this for bigger goals down the line.

**T.K.:** This leads me to the follow up question – if this antidiscrimination law was not passed in a way the EU wanted, would that somehow impede the signing of AA? Is this Agreement going to be signed whatever happens, for any cost? It looks like it is a priori determined. Does this imply that this is a political decision from the side of the EU because of the recent interenational developments?

**C.K.:** My personal view, which is purely my personal view, is that it would take quite a lot to derail the process of signing the AA. But, the bigger problem is post-signature and pre-ratification. If post-signature moratorium is lifted, trials go ahead and we get sense that the spirit of AA goes

down, then we worry that we can't control. So, you know, there is a risk. And, yet, not passing the antidiscrimination legislation would not let the cancellation of the project. But, it would have added to the general picture. As that picture develops that could lead to problems. Specifically, it would delay the Visa Liberalization process, which is a separate track. We would have concrete ramifications in such case.

**T.K.:** Yes, the Visa Liberalisation is a strong mechanism for leveraging domestic processes. But, it is also important instrument to help shape the attitude of different societal levels towards the EU. So, what are the prospects for Georgia in this direction?

**C.K.:** It is certainly achievable and there are good signs, you know. It's a clear will of Georgia and we have an Action Plan. So, the process looks quite promising.

**T.K.:** What can you say about the EU's financial assistance to Georgia? How would you assess the share of funding by the EU in supporting democratic reforms in Georgia compared to the overall EU assistance provided to the country? Has the EU funding overall been adequate to the needs that country has faced in the democratic transition process?

**C.K.:** I'm not the right person to ask this. But, my sense is that programmes operate quite well, they are quite targeted and priorities are identified together with the new government. So, overall, I don't think it is the lack of EU financial assistance that is holding the reforms back.

**Face to face interview with  
Senior Representative of the European Commission  
8 May 2014, Brussels**

**Off record interview**



**Face to face interview with**  
**Ambassador Philip Dimitrov, Head of the EU Delegation to Georgia**  
**(During 2010-2014)**  
**6 June 2014, Tbilisi**

**Tamar Khuntsaria (T.K.):** Ambassador, first of all thank you for your agreement on this interview. The subject of our conversation is the EU-Georgia relations and particularly the role of the EU in Georgia's democratisation process. First, I would appreciate to hear your view on the state of democracy in Georgia. Next, I will go through the questions.

**Philip Dimitrov (P.D.):** Definition of democracy is something we all think we know. This proves that the concept should be open to discussion. If we start with what Churchill used to say – “Many forms of Government have been tried, and will be tried in this world of sin and woe. No one pretends that democracy is perfect or all-wise. Indeed, it has been said that democracy is the worst form of government except all those other forms that have been tried from time to time”. This implies two things: First thing is that no government is perfect, and that the perfection is not the aim of the government. And, second thing is that by definition, the governments are problematic. This is why people are looking for checks and balances and democracy is the one that gives it best. In recent days we have come to a point when we can notice, as points out Adam Przeworski, the definition of democracy has turned into something like what he calls “normatively desirable”. In other words everything has to be right for paradise on earth. This is evidently not the practical definition of democracy.

Having said this, I'm definitely hopeful about Georgian democracy for the following reasons: In 2004 after the Rose Revolution which came as a result of a situation which was estimated by everybody as not a good one – the level of corruption, the behavior of traffic policy, thieves in law, university diplomas, and you name it... So, there was nobody in the world who would feel that there was something wrong in changing the situation in Georgia. It needed a change. The point is that while such changes have been initiated in other countries approximately by the same time under the

slogans of making the government cleaner, overcoming corruption, increasing social welfare, making more care of the citizens, bringing in democratic institutions, etc., in Georgia like in the other Eastern European countries which rose for a change after the fall of the Berlin Wall, there was a very clear definition of where we coming from and where we are going to. It was clearly defined an attempt to overcome the soviet legacy. A very clear statement that the way Georgians are heading is the way of the European Union. In other words, to what for a period of time was unfashionable to quote the West now we used the term again. This was the reasons that from the beginning of this period the new Georgian government started initiating reforms on its own and they were basically directed towards these ends. We may dispute some of them. We may discuss whether and for how long “zero tolerance” was needed. But, you cannot say that “zero tolerance” is non democratic per se, when it has been successful means in dealing high level criminality in clearly democratic countries like US. You may discuss whether a strictly Milton Friedmanian approach to the economic is most desirable thing or not but you cannot deem it undemocratic, and in fact this was a creed of most Eastern European reforms after the fall of the Berlin Wall. Well, when you go too far in something there is always a risk because they should be measured in everything. But you cannot say in principle that you are against the concept of Milton Friedman. Some people may be, some people are not – but this is a legitimate approach in democracy. Then, the reforms of institutions, which were a lot under discussion and have always expected to be more and more. But, what we have seen recently are two things: First of all, the economic reforms of Georgia, being far from perfect, had led in the period of time to very high level of GDP grow and the expectation that it would reach everybody in one and the same time is naturally unrealistic, but it has been creating grounds for Georgia economically coming closer to the European Union. Of course, we had a lot of difficult debates; we demanded some changes in the approach here they maintained the continuation of their approaches, it was a complicated stuff. But, this was done and the result is that we have the Association Agreement with the DCFTA in it. What is important, the Association Agreement contains not only this economic thing but it also contains a lot of things in terms of institution building and democratic standards and human rights. Of course there were objections of different things, but we have seen that first of all the number of these objections were due to fears that they were not realized. One of the biggest doubts about whether Georgia’s institutions have been properly built was the doubt about whether the UNM (United National Movement) is capable of handling power in a peaceful way. In fact it was. A lot of concerns existed with respect to fear that the president of the republic will try to do everything to stay in power. He did not. There were

concerns how new constitution will be brought into force in one year period of cohabitation. We witnessed a lot of painful experiences for both sides, but in terms of the country it was exemplary good cohabitation, in which of course, there were blockings here and there, which happens in every democratic country in such a situation. But, in fact it passed in a wise way and how to introduce the new constitutional framework in a rather gradual way so that in fact nobody noticed when the new constitution came into force because it was already accepted.

It is also interesting to see that the difficult and vulnerable issue of minorities has been handled throughout these years in a way within the Georgia, Tbilisi administered territory in a way that I would say was rather successful. There are some tensions now. There are of course problems connected especially with other kind of minorities, not the ethnic and the religious that much but LGBT, which are matter of development, but in fact you see in many EU member countries the situations that in one way or another, fortunately does not come close to what we have seen on 17<sup>th</sup> of May, but show certain reluctance. So, we have to be prepared for this.

Well, the institutions of Georgia stay. I think this year of harsh polarization of rather revolutionary approach of the new government which simply thinks that in this point of time everything should start from fresh, which of course always creates some problems. This in fact did not lead to any big shaking of institutional structures. It is true that local governments in some places gave in. But, as I said nothing is perfect. On the other hand, the main central institutions all on in a way which shows future development, you can happily say that this new government introduced reforms, especially judiciary reforms that have been necessary, still lingers to introduce others but things never go in the most desirable course of course. In general, you see the parliament structurally working well that and here we should definitely say that this is due to the capacity of the speaker of the parliament which is a very lucky strike. We can see that the central bank works well. We see that Central Electoral Committee is behaving in a manner that even in difficult situations is evidently seeking the best solutions. The Court of Law, even though the part of the members of the new High Council of Justice are still not elected by the oppositional members, even though it shows the level of independence which has to be reinforced of course. It does not mean that every judge has to be admirable. But, the system as a system shows the level of independence here and there (and here and there would hopefully become more and more) which is good news for the branch. Some of the Ministries in which there was no purging, which happened actually in few of them, you can see that

something like a civil service has been already established and continues to go. This is an achievement of both governments as the previous one has created it and this government has proved to be mature enough to maintain it.

So, this is what makes me hopeful vis-à-vis development of Georgian democracy. Of course, we have to be vigilant. Of course, there are temptations. Of course, habits die hard and all these have to be taken into account. But, basically speaking, there are grounds and this is what gives us the justification for signing the Association Agreement. Had it not being like this why should we do it?

**T.K.:** Thank you very much for a detailed overview on the state of democracy in Georgia. You have touched upon the issues that are internal and domestic. My interest particularly lies in the role of external actor, such as EU in pushing forward the mentioned reforms, to influence the processes domestically, particularly in non-member countries such as Georgia. So, I wonder what your views are about the role of the EU the democratic development of this country?

**P.D.:** Georgia is a sovereign country. So, all the decisions are supposed to be made in Georgia. However, it is very important to know what Georgian attitude towards the EU is. We have all seen that the EU flag has been waved all over Georgian public houses in the past years. This is a clear sign that long time ago another leader in another country said that – well, we know that you have problems, but we want to have your problems and get rid of the ones that we have brought with the past. I think this is a succinct presentation of the attitude that I felt in Georgia too. The impact of European example was very strong. There were a lot of occasions on which we could see how taking into account what the European position is Georgians have been ready to re-discuss one opinion or the other. This is very understandable in the light of what I said in the beginning that those things are connected. Georgian “revolution of roses” was road in which they knew where they are coming from and where they are going to. This is what guaranteed its success, which was not exactly the case in some other places. We have been trying by virtue of continuous communication, which is making clear what the standards and the provisions of European Union are to help the Georgian side. The second thing is that we have been providing a lot of technical assistance in number of fields, those in general establishment of democracy and in economic field. When making such profound changes you need certain skills. Even though Georgia has shown remarkable examples, people who have studied, got degrees abroad. So, this was very helpful but also our

technical assistance was needed, demanded and appreciated. Third thing is that we have given a number of economic support, which is not neglectable. I can't really imagine how the IDP problems would have been addressed in Georgia without the donors in Georgia, not only the EU but also member states, US and other international organizations. But there is also help in different fields covering some things addressing skills, also addressing practical issues, e.g. technical assistance for border control has also put money into facilities and equipment, etc. And last but not least, because we are friends and because we believe that Georgia is a country which goes up way, we have done a lot to provide political support. People who imagine political support only in the form of troops sometime say that Georgia has not got enough from European Union, especially as long as Georgia is provided with troops for NATO operations, etc. But it is not only matter of troops. The EU's political support has also been crucial. Through all these years we have been supporting Georgia's territorial integrity by the policy of non-recognition and engagement, including certain steps to convince other countries who have been hesitant to this issue. Other general support also includes the signature of AA, the common undertakings with NATO, and other expressions of support. Sometimes some people tend to say this is not enough, but in fact could you imagine the situation of not having this support.

**T.K.:** That leads me to another question – how would you assess the capacity of the EU in applying conditionality and enforcement mechanisms vis-à-vis reforms that it promotes outside, in third countries and in this particular case in Georgia?

**P.D.:** One thing I don't like to create is an impression is that European Union is truly a beauty contest. We are estimating the achievements looking back and estimating the capacity for your achievement before. So, of course, there is a proactive element in this. But it is based on the things achieved. The Association Agreement is an important mindset factor. I'm sick and tired of listening to people in my country as well as in yours who go around and say that nothing has been achieved, we don't consider this true. Otherwise, there would have been no Association Agreement.

**T.K.:** OK. And, the final question about another element of the EU's relation with non-member countries. Apart from financial aid, programming and technical assistance, EU also actively uses socialization - that is communication at different levels: not only at elite level, but also at societal levels.

**P.D.:** Well, that is something that is fashionable to call ‘public diplomacy’. Though, it is contradictory as diplomacy is something that is done not very publicly. So, if it is public than it is not diplomacy. But, diplomats are expected to... and there should be exposure of our ideas and our concepts. You should not expect only the Georgian government to tell people or even only Georgian NGOs to tell people what EU is. We have to say it in a way that is clear. Otherwise a lot of misunderstanding can occur. Recently I have been accused of being an agent of gay marriage in Georgia. It is necessary to make it clear what our position is. Dealing with NGOs is a very appropriate matter because even though they do not represent by definition anybody but themselves, they are relevant towards general notions of the public. So, it is important for them to try to clarify the local things too. So, we want to contribute to this field of what it is called “public diplomacy” as far as the other strictly diplomatic activities, such as communications with institutions, which may be around the government or independent state institutions, like Central Election Committee, National Bank, etc.

To become a member of European Union is something which is very close, because even though you are not becoming member now, God knows what the situation will be in future. But you are getting closer and closer to something what I would call “quasi membership”. Yes, you won’t be sitting in the Institutions, you won’t be making decisions in the Council, you won’t send your members to the European Parliament, you are not having a Commissioner, but you have four great freedoms – movement of goods, capital, services, and hopefully movement of people, which is to become realized soon with the Visa Liberalization. And, you have involvement into European affairs through these freedoms, so that, you are coming very close.

**Face to face interview with**  
**Konstantine Zaldastanishvili, Ambassador Extraordinary and Plenipotentiary of**  
**Georgia to the Republic of Austria, Permanent Representative of Georgia to**  
**OSCE and other International Organizations in Vienna**  
**Head of the Georgian Mission to the EC during 1995-2000**  
**8 September 2014, Tbilisi**

**Tamar Khuntsaria (T.K.):** Technical Assistance to the Commonwealth of Independent States (Tacis) was the EU's first major instrument for launching official relations with Georgia after gaining independence in 1992. The cornerstone of the EU-Georgia partnership and cooperation was Partnership and Cooperation Agreement (PCA), which entered into force in 1999 and paved the way to future cooperation schemes between the EU and Georgia. In your opinion, what was the role of TACIS and PCA in supporting democratic transition process in Georgia during the early year of cooperation (1992-2003)?

**K.Z.:** The relationship between Georgia and EU back in 1992-1995 was based mostly on humanitarian assistance. During this period, the EC was providing humanitarian aid, which Georgia most of all needed at that time. The assistance was mainly provided through food aid program. Initially, the food aid program implied provision of food products. This was major food aid operations funded by the EU during 1994-1996. Since 1996, this aid was replaced with food security program which instead of food products provided direct financial assistance – direct installments were made to the state budget. This was done with the aim to help the nascent state of Georgia to produce and buy the food independently. The EC was not giving us “fish” any more, but was providing “fishing-rods” so that we could learn how to catch a “fish” ourselves.

Direct financial aid (approximately EUR 2 million annually) gave impetus to state level frauds. The Ministry of Finance and the Ministry of Agriculture were making deals on sharing the EU funds. Out of total annual assistance of EUR 2 million, the Ministry of Finance would transfer only half –

EUR 1 million – to the Ministry of Agriculture, while the later would confirm the receipt of total EUR 2 million. Such action of course did not go unnoticed. The EU experts were integrated in both Ministries, who controlled the purposeful expenditure of the EU funds. The prevalence of such cases at some point even resulted in temporary stopping the food security program.

During my service as Georgia's Ambassador in the EU, I once came across with the graph which showed the misspent of EU funds going up during the election periods in Georgia.

Besides this, it is also important to note that during these early years of cooperation, Georgia's main partner was the European Commission. We were not working with other EU Institutions. We used to approach the Commission with further aid and assistance through food aid, Tacis, and other programs. The EU funded projects were mostly useless and most of the times were dusted on shelves.

I was Tacis National Coordinator for three years. The Tacis National Action Plan was developed every year for which respective assistance was allocated according to agreed priorities.

When I arrived in Brussels in 1998, I realized that speaking only with the European Commission was not fruitful for us. Most of the decisions were made in the capitals. Georgia was not considering European Council as partner. So, we started to work with the European Council member states. I allocated the portfolios of 15 member states among my three colleagues at the Georgian Mission to the EU – 5 member states for each. Once a month, my staff was visiting their counterpart in respective states' embassies in Brussels to inform about the current developments in Georgia. This was a very effective move. The European Commission decision-making relied heavily on the Council member states. Therefore, have close relations with them was important for us.

To know how to work with any organization, it is first important to know the decision making process and institutional structures of that organization. Back in those years, this was not analyzed. Afterwards we closely studied the process of decision making within the EU, the role of the EU member states, the role of the European Parliament. The Cooperation Council between the European Union and Georgia held its first meeting in Luxembourg in 1999. The Georgian Delegation was



headed by Irakli Menagarishvili, Minister of Foreign Affairs of Georgia. The European Commission was represented by Gunther Burghardt, Director General.

The meetings were held at elite level through the EU-Georgia Cooperation Councils and EU-Georgia Parliamentary Committees. Society at large was not involved in the dialogue at that time. During the first years of cooperation exchange of information and dialogue was at the state level because the relationship with EU was new experience for the political elite.

The work at the Embassy was often based on experiments. We were not even receiving instructions from the Ministry of Foreign Affairs as such. My advantage was a knowledgeable staff. Kakha Gogolashvili who had deep knowledge of EU issues work very hard with us at the Georgian Mission in Brussels.

**T.K.:** After the 2004 Eastern enlargement, in addition to continuous PCA and Tacis programs, the EU introduced new cooperation mechanisms to the neighborhood, including Georgia – the European Neighborhood Policy (ENP) and respective Action Plans (AP). In your opinion, what were the policies and instruments applied by the EU to promote democracy in Georgia in the framework of ENP?

**K.Z.:** When the idea of ENP emerged, Georgia was not even considered as a member. Our Mission in Brussels provided information to Tbilisi about the new instrument of ENP and expressed concerns that Georgia is not considered to be its member. The reply of the Minister of Foreign Affairs was that this was obvious since Georgia had no border line with the EU. So, official Tbilisi did not even understand the meaning of the new policy.

In the beginning of 2000s, together with my colleagues at the Embassy, we drafted a document underlining the importance of Georgia's membership in ENP. This document was distributed to the member states' embassies and the European Commission. Official Tbilisi liked the document but followed with no further action. The European Commission found the document interesting and talks on Georgia's possible membership in ENP then was emerging from time to time.

Louis H. O. Ch. Michel, Minister of Foreign Affairs of Belgium (1999-2004) stated in one of his speeches that Georgia shall be part of ENP. Soon after this speech, in 2001, Louis Michel paid an official visit to Georgia together with Javier Solana (EU High Representative for Common Foreign and Security Policy during 1999-2009) and Chris Patten (Member of European Commission during 1999-2004). During an informal converse in Tbilisi Michel asked me what he could do for Georgia. I thanked him for his open support for Georgia's inclusion in ENP and asked to push this issue forward. His reply was that Georgia will definitely be part of ENP. In a minute he called his Greek colleague (Greece had rotating presidency at that time) and asked to support Georgia's participation in ENP. Thus, this kind of supporting moves and statements were in place as early as in 2001.

Things of course started to radically change after the Rose Revolution in 2003. The attention and interest of the EU towards Georgia and the region as such was growing fast.

The EU was always considering democracy and rule of law as its priority. But, during the early years of cooperation EU was more focused on humanitarian aid and technical assistance. The country had severe deficit of food products. The institutions were not properly established. Of course, the EU cared about the prevalence of democratic values and norms, but the first priority was building structures and creating basic knowledge on how to rule the country.

**T.K.:** In your opinion did ENP offer to the country strong commitments, rewards and enforcement mechanisms vis-à-vis democratic reforms? How would you assess the EU conditionality overall towards Georgia?

**K.Z.:** The EU was always using conditionality, but with different levels of enforcement measures. Speaking metaphorically, how can you force an infant to walk if he can't? He will walk when he knows how to walk. Conditionality grows as you grow and develop. Interesting is to note that conditionality vis-à-vis Georgia always has been stronger compared to other countries in the region. Georgia has been considered as a leader in reforms. European partners have seen more possibilities and potential in Georgia.

**T.K.:** Overall, how would you assess the level of the EU's financial and programming contribution to Georgia's democratisation reforms? Has the EU funding overall been adequate to the needs that country has faced in the democratic transition process?

**K.Z.:** Well, it has to be said that there is a big difference between the state funds and private sector funds. The financial assistance that Georgia was receiving annually was easy money. The government's attitude to that was that this has to be spent somehow, no one was particularly interested for what purpose and how to do that. Projects were implemented; reports drafted and put on a shelf. I have seen the EU report on Georgia where Albania was used in place of Georgia, simply because the text was copy-pasted from another report.

It is also important to note that the level of European experts' preparedness was rather low. In most of the cases, these were low profile professionals in their own countries, who were given a job. We often hear people saying that Georgians have wasted the European assistance. In fact, the misuse of this financial assistance could not have been done without the involvement of foreign experts on the ground, as there were in charge of most of the funds and accounts.

Through such projects EU was trying to catch two rabbits at the same time – on the one hand the EU was giving jobs to the people of its member states, and on the other hand it was strengthening its international image as a major donor and developer.

**T.K.:** In your opinion has the EU been providing Georgia with enough stimuli (incentives) in the scope of different programmes to comply with required democratic reforms?

**K.Z.:** The idea that we strive to European family gives us stimuli in doing our homework. If the EU gives us European perspective it would be a great motivation for us to do better job at home. Take for example Visa Liberalization Action Plan for Georgia – it entails concrete goal and benefit and set of specific conditions. If you carry out this and that reforms you will have a visa free regime with the EU. So, we are motivated to undertake the required reforms. That's why we say to the EU – if you don't give us European perspective our motivation will simply fade.

In my view all previous policy instruments to certain degree were motivational. For example, in 1990s Tacis was the maximum that we could get. Yet, it was followed with ENP, then with EaP, AA and DCFTA. The level of EU-Georgia cooperation has significantly increased. The official meetings are more regular and the levels of these meetings are very high. When you are so engaged (when you are practically in the club) you feel more obliged and responsible to perform better at home.

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