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Russia and Eurasia Programme Seminar Summary

Whither Georgia: The Impact of Russian Actions since August 2008

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Key Summary Points

- The August war between Russia and Georgia was the culmination of 15 years of failed peacemaking in the region. Neither side could escape the cycle of mutual provocation. Both prepared for war, but when it came, both sides blamed the other without acknowledging their own responsibility.
- There has been a complete loss of trust between the parties. The prospects of Abkhazia and South Ossetia being reunited with Georgia are slim. Russia will not back down over recognition; for the first time, the Abkhaz feel safe and do not believe they will gain any more through negotiation with Georgia.
- The heart of Georgian and Western strategy must be to do everything possible to prevent isolation of the breakaway territories.
- Russia's actions are evidence of a dangerous new principle in the post-Soviet space, in which it will act forcefully to protect its 'privileged' interests, and what it terms its 'compatriots' in the near-abroad.
- Russia is sceptical of international guarantees and agreements. It believes the international system has been undermined and this opens up space for unilateral action within its neighbourhood. Russia believes in a strong military presence in the Caucasus to guarantee security across the region, including within its territory.
- If Russia wishes to use energy as a geopolitical tool, it must block the energy transit routes through Georgia. It has not been proven that Russia targeted the BTC pipeline. It is clear, though, that the war has complicated energy security. However poor Russia becomes, it will still be militarily strong enough to control the energy transit routes through Georgia if it so wished.
- Strengthening the energy corridor bypassing Russia requires an integrated approach with governmental involvement on the consumer side.

- The slump in energy prices as a result of the economic crisis means the EU has less need to secure a southern energy corridor, but more capacity to do so as projected costs have fallen.
- Nagorno-Karabakh is the most dangerous conflict in the region. It must be the number one priority for third parties' Caucasus policy.
- Nagorno-Karabakh is under Armenian control, but Azerbaijan will not tolerate the status quo for long. Its military budget far exceeds that of Armenia.
- The Moscow Declaration of November 2008 was the first agreement signed by the presidents of both sides. But the terms of document are vague and some believe the leaders are merely going through the motions.
- The Minsk Group needs to be the vanguard of a broader approach including international organisations and NGOs. In the long term, everyone says a negotiated settlement is needed, but short-term considerations militate against this.
- In Ukraine, unlike Georgia, Russia has multiple, and more subtle, means of influence. The two most significant are the Russian naval base in Sevastopol, and Russian money - a powerful presence at all levels of the economy. The economic crisis may hit Ukraine harder than Russia, enhancing the latter's relative power.
- There is no ethnic conflict in the region, and no separatist movement in Crimea
- The probability of Ukraine's entry into NATO has receded. Georgia's even more so.

Panel One: What Went Wrong?

Provocations; 7 August; The Question of Blame; Are South Ossetia and Abkhazia Lost?

From a general perspective, it is important when considering what went wrong to emphasize that this is the culmination of 15 years of failed peacemaking in the region. There has been a consistent failure to think creatively about key areas of contention. These include:

- The fixation on territorial integrity above self-determination and the real needs of real people. The failure, also, to consider the tension between sovereignty and autonomy;
- The use of isolation and sanctions as a strategy rather than seeking to engage;
- A negotiations process that from the outset sought to determine the accepted outcome. There was never any real effort to entice the people of South Ossetia and Abkhazia to look beyond their Russian protector.
- The geo-politics behind the process. Both sides sought to export the resolution of the conflict to third parties in a way that limited rather than expanded options for conciliation. These external sponsors failed to give strong enough messages regarding the proscription of violence and the necessity for negotiation. Georgia constantly used the threat of force as a means to resolve conflicts, which undermined faith in negotiations and made the use of violence appear inevitable.
- The international system has been undermined by Georgia's Western allies. The decision to go to war in Iraq against the wishes of two Security Council members gave Russia the confidence to take a unilateral approach in the South Caucasus. Despite Russia's warnings, there has been a failure, some would say, to consider the full implications of the Kosovo precedent.

Georgia's Western allies carry a large amount of responsibility for allowing Saakashvili to attempt a forceful resolution to the conflict. After the flat

rejection of Minister Frank-Walter Steinmeier's ill-considered peace plan in early summer, Saakashvili may have been left asking 'if Germany cannot achieve a resolution, what good are our negotiations? We have to pursue the other option.' The West's approach to Georgia has not always been consistent. On the one hand, Georgia felt it did not have adequate support in the face of constant Russian pressure; on the other, the West failed to hold Saakashvili to account for election manipulation and human rights violations. Questions of values and principles have been compromised and sacrificed.

Neither party could escape the cycle of mutual provocation. In August, this cycle span off into war; this was an eventuality that both Georgia and Russia had been preparing for, yet when it came both sides chose to blame the other without seeing their own part in it.

There is now a proliferation of investigative bodies, creating a risk that no examination will appear authoritative. As it has done before, the Georgian political elite is seeking to place blame rather than focus on responsibility, leaving others to sort out their problems. The absence of self-reflection over many years led to Georgia's failed pre-August strategy aimed at generating international support for the Georgian position, rather than using its own resources to try to resolve conflict. This was based on the notion that 'the worse it gets the better it gets'. South Ossetia and Abkhazia always came second to Russia in Georgia's thinking, and this policy continues now in Georgia's insistence on the primacy of Russian responsibility for the war. Some politicians and civic actors have tried to engage South Ossetians and Abkhaz, but the majority of the Georgian elite continues to depict the leadership of the breakaway territories as criminals, and refuse to grant them the parity of esteem which must precede any viable negotiations. In particular, Georgia failed to recognise the need to respect the legitimacy of the aspirations and identities of the Abkhaz and South Ossets. This underlines the fallacy of the attractiveness theory (whereby Abkhazia and South Ossetia may be drawn back into Georgia because of its economic and political progress) which people started advancing five to seven year ago.

It is very hard to see Abkhazia and South Ossetia being reunified with Georgia. Russia will certainly not back down on recognition. By talking of Georgia's 'loss', however, we again disregard the interests of South Ossetia and Abkhazia. For many there is a painful loss to confront. For the new and old IDPS who have been reminded again that their government has deceived them for 15 years. The banal truth of violent conflict is that even if something

new can now be built there can be no return to what was, despite the many promises made to them.

For the Abkhaz, this is the first time that they have felt secure in 15 years, and one should not underestimate what this means. Part of the problem has been that all these years Georgia has not recognised how acutely people of all identity groups in Abkhazia felt the reality of a Georgian threat. On the other hand, the Abkhaz now face a different threat – recognition by Russia alone is dangerous because it threatens Abkhazia with a new isolation that could presage being swallowed up by Russia. Unilateral recognition may mean sovereignty leads to dependence, rather than independence. Both Georgians and Abkhaz have long been conscious of the dangers Russia poses, yet Georgia has not been able to ask itself why despite this in all this time the Abkhaz have opted for Russia's protection over assimilation into Georgia.

Before considering the implications for conflict resolution, we have to ask ourselves what is the perceived objective of resolving the conflict. The history of the conflict between Georgia and South Ossetia is of third parties arriving at the table with firm preconceived notions of what an acceptable outcome would look like or, in the case of Russia, with disingenuous and contradictory agendas. Not much has changed since August. The existential case for a negotiated settlement has yet to be made to the parties to the conflict. The Abkhaz feel they have security and negotiations are unlikely to offer more to them. The Georgians see negotiations as a chance to deliver what violent conflict did not, and do not appreciate the changed calculus. Georgia's inclination to isolate Abkhazia has to be resisted as self-defeating.

If previously there was an absence of international consensus on the issue, there is now a formally institutionalized schism in terms of Abkhazia/South Ossetia/Russia and Georgia/the US/Europe. Triumphalism in Abkhazia is matched by revanchism in Georgia. There has been a complete loss of trust between the parties. The West has lost credibility by appearing to either have double standards (in Abkhazia and South Ossetia), or raising expectations it could not fulfil.

Autonomy as a means of reintegrating Abkhazia and South Ossetia appears more irrelevant than ever. However, the West is still trying to construct a solution using these concepts. For the South Caucasus, there is a zero-sum view of autonomy and sovereignty. Autonomy means a loss of sovereignty and power, not about sharing power. For Western actors, by contrast, autonomy is a mechanism for exercising limited sovereignty. The recognition of Kosovo's independence is seen as a double standard that further and

possibly definitively discredits the idea of autonomy as a solution to South Caucasus conflicts.

Russia's actions have in many ways vindicated Georgia's long asserted claims that its conflict is with Russia, and not the Abkhaz or Ossetians. However, Georgia's chances of resolving the conflicts are much reduced.

There is a delusion in Tbilisi that Abkhazia will try to distance itself from Russia if it is isolated and once it starts to feel the pinch from Russia. The chance of this happening within a decade is minimal; and Georgia would not be in a position to take advantage of this if it were to happen. Entrenching the perception that Abkhazia is a Russian pawn, whilst simultaneously denying people in Abkhazia the possibility of relating to actors other than Russia is to deliver a self-fulfilling prophecy. The heart of Georgia and the West's strategy must be to do everything possible to prevent isolation. Isolation is manna from heaven for those who do not want democracy and accountable government; allowing a proliferation of pluralistic relations is the only way to allow other scenarios for Abkhazia's future trajectory to develop.

From a Georgian perspective, the international community's non-engagement with so-called frozen conflicts, and its acceptance of the mechanism of Russian peace-keeping effectively left South Ossetia and Abkhazia to Russia's sphere of influence. There is no such thing as a frozen conflict – it was the mechanisms of conflict resolution and settlement which were frozen in South Ossetia and Abkhazia. These conflicts were used as a means of blackmailing Georgia, it is unsurprising that they eventually erupted into war.

Georgia made many attempts to find a peaceful settlement, including offering extensive power sharing agreements. These were always flatly rejected by the South Ossetian and Abkhaz elite without even full consideration.

Georgia itself made many mistakes in its management of relations with the territories, beginning with the abolition of South Ossetian autonomy by President Gamsakhurdia. Since then, however, Georgia has made significant progress in protecting the rights of national minorities. In 2005 Georgia ratified the Council of Europe's Framework Convention on National Minorities; it has made substantial efforts to build an inclusive civic nation. Georgia was ready to share power with the Abkhaz and South Ossetians, and to ensure protection and preservation of their culture and identity. It was Russia's obstructive stance which was the decisive factor in the failure of reconciliation and conflict resolution initiatives.

If Georgia had not pursued its Euro-Atlantic ambitions, had not sought to democratize, and had acquiesced to a CIS-style trajectory of development which kept it as a Russian satellite state, it is likely that there would not have been a war. Perhaps Georgia pursued its strategic objectives too single-mindedly, and paid too little attention to Russia's concerns. Was a middle way available to Georgia? Would that have prevented disaster? We can only speculate.

For Georgia, the August war was a bitter lesson in Realpolitik. A reminder of one of the basic wisdoms of international politics – that the biggest threat to any small state comes from the neighbouring Great Power, especially when the Great Power does not care about international norms and principles.

Popular opinion in the West appears to now favour the narrative that the entire war was triggered by a rash first strike on Tsinkhvali by President Saakashvili. However, even people with a limited knowledge of military affairs must understand that Russia's invasion could not merely have been a response to Georgia's actions. Georgia's move into Tsinkhvali was not a reckless attack but a desperate "counterattack" in response to a Russian invasion.

It is too simplistic to regard the August war as simply a regional conflict. Russia's military action was not aimed at Georgia alone. It was intended to send a signal to the West and the US in particular that Russia has a sphere of influence which no one may penetrate.

There are indications that the idea that Georgia had to be dismembered was gaining support amongst Russia's politico-military elite. Unlike Ukraine, Georgia lacks pro-Russian forces within the country. The view took hold that dividing Georgia into a series of statelets under a Russian umbrella could better serve Russia's interests. The character of the military operation conducted by Russia reflects a plan to destroy Georgia's armed forces and demolish the Georgian state.

As a result of the August War, Russia achieved practically everything it wanted: a strategic *place d'armes* in the heart of the South Caucasus; humiliation of the West; fear amongst Russia's neighbours; the removal of ethnic Georgian enclaves in South Ossetia, which could only be achieved through war. The ethnic cleansing of Georgians was a clear objective of the conflict. The enclaves were the main obstacle to Russian annexation of South Ossetia and the establishment of a serious military presence.

For the foreseeable future, South Ossetia and Abkhazia are lost to Georgia, especially in view of the fact that a significant part of the international community, as seen from Tbilisi, is ready to accept their “annexation” by Russia as a *fait accompli*.

Russia will do everything it can to keep the territories. Many within the Abkhaz elite will resist Russian occupation; but they will be replaced by more loyal appointees. South Ossetia will soon be transformed into a Russian military cantonment.

Russia’s actions in Georgia are evidence of a dangerous new principle for the post-Soviet space and European security. Russia has claimed to act in order to defend a kin-state. It has used ethnic minorities to gain a neighbouring state’s territory in the name of protecting Russian citizens and guarding the right of self-determination. Russia defines itself as a kin-state not only for ethnic Russians residing in other sovereign countries, but also for those who speak Russian and choose to identify with Russia and Russian (sometimes Soviet) culture. Russia declared her support for kin-minorities abroad as one of her foreign policy priorities. This is something approaching a Medvedev Doctrine. This kin-state concept has been successfully tested in Georgia, and sent a clear message to Russia’s other neighbours. This is the main result and lesson of the August war.

There is evidence that the ideological vacuum in Russia is being filled by an extreme nationalist doctrine. Once marginal nationalist rhetoric is moving into the mainstream.

Should spheres of influence, or privileged interests, continue to exist in Europe? Russia has legitimate interests, but it should not be given the right to assert these at the expense of sovereign nations. It must not be given the right to dictate the rules of behaviour and define how the EU and NATO engage in Eastern Europe and the Black Sea Region. There is much more hope today for small states in Europe than at the beginning of the 20th Century, but Russia’s recent assertiveness poses a serious threat to her neighbours, and this is a challenge for Europe.

Discussion

Asked about the offer of autonomy made by Saakashvili four or five days before the Bucharest summit, one expert observed that the move was extraordinarily cynical, given that for years Tbilisi had refused to countenance such a move despite encouragement from some parts of the elite. It was clear

to the Abkhaz that this was not a sincere offer – Saakashvili talked about offering ‘maximum autonomy’. This makes no sense. Autonomy is by definition circumscribed. This proposal was a PR move to appeal to the West, not Abkhazia.

The West has failed to force Saakashvili to follow through on the most constructive aspects of the proposal. The proposal to offer autonomy to Abkhazia was on Saakashvili’s desk when he came to power and he dismissed it. The West should have pushed much harder on this.

Another specialist argued that the Abkhaz and South Ossetian question has two dimensions, and only one of them concerns Russia. Russia of course has its own interests in the region. But there are also internal dynamics which can’t be ignored. Not everything depends on Russia. There were two wars prior to this between Abkhazia and Georgia. The conflict between Russia and the West has been exaggerated.

This was contested by other participants. In a context in which Russia was the dominant force one should not overestimate Georgia’s capabilities. Russia, the dominant power, never wanted any negotiations. Georgia’s mistakes are not that significant. The key factor was Russia’s decision to stay in the region. Whatever Georgia had offered would have been blocked. This is not to deny there weren’t internal dynamics at play, but their influence was not decisive. Russia was in full control of the situation, and decided the course of events. Developments were dictated by Russia’s monopoly of the negotiating situation. Russia is not interested in a resolution. After the revolution, there was a lack of experience. It is hard to be creative when you have no experience. The tragedy was no one was ready to deal with turn of events.

Another expert argued against the claim that Georgia could do no more to prevent the crisis. Four years ago when senior Abkhaz and Georgian elite met the Georgian side was extremely obstructive. Georgian intellectuals have come up with many creative ideas to improve relations, but there has been no response from politicians. There was a real opening when Bagapsh came to power (against the wishes of Moscow).

Georgia must take some responsibility. It can’t simply point the finger at Russia. There is a real feeling of relief and security in Abkhazia now because of Russia. There is also concern and awareness that if the West does not engage, there is a danger of assimilation. The Abkhaz would not welcome this. Engagement should take the form of easier travel arrangements for

Abkhaz citizens and financial support. Russia is providing \$40 million to Abkhazia. What has the West to offer? Perhaps the only way forward is to recognise the independence of Abkhazia on condition that IDPs are allowed to return.

Speaking of the role of the West and the OSCE, another expert observed that the tragedy of the conflict was that Georgia was given false expectations. Bush saw the Rose Revolution as a great achievement, but he promoted democracy in a very superficial way. There was no 'deep tissue' approach to building democratic values. If the money which had been given to the Georgian military had been given to democratic institutions instead, we would see a very different Georgia.

The OSCE has been downgraded over a number of years. Many people on the ground were doing an important and valuable job, but governments in European capitals didn't respond in an appropriate way to what they were being told. The Western allies dithered in response to Russia's 'salami' tactics.

Another commentator pointed out that we haven't resolved the dilemma about whether it is our desire to freeze the status quo again. This may seem attractive in the short term and minimizes friction. The other option is to engage. This minimizes long-term risks but means the EU/US/West must assume the risks of being an involved actor in the process. The question of whether and how to engage with South Ossetia and Abkhazia has not been resolved. Progress is slow because there is disagreement within the EU and resistance from the Georgian side. The EU is in a much more difficult situation than in the past. Ultimately, the EU has to ask itself if it wants to remain relevant in the region.

The Georgians have to be pushed very hard to engage with Abkhazia and South Ossetia. Their natural tendency is to resist this. The values crucial to the EU's identity have been diminished, they risk being lost in a discussion about who can match whose pension contributions. Values appear to be given less priority in the West's agenda. Asked if the solution was now for the EU to recognise Abkhazia and South Ossetia and engage fully, an expert argued that recognition would not solve the conflict; it would only create new problems. Only a mutually acceptable outcome is viable. During the 1993 talks the Georgia question was hostage to US-Russia negotiations involving other issues. The UN mission is always hostage to the rivalry between Russia and other states. Calling the UN mission the mission in Georgia doesn't help. A change to the nomenclature would be a start. Do we ever talk about

Georgian atrocities against Abkhazia in the 1993 war? There needs to be some parity here.

There is a lot of discussion of Abkhazia, whilst the situation in South Ossetia is often overlooked. The closure in 2004 of the Ergneti market, the largest market in the South Caucasus, was indicative of Saakashvili's approach. In doing so, he abolished a mass confidence building mechanism. Two-thirds of the economy of South Ossetia was dependent on Georgia before this. Present day Ergneti offers a painful contrast. Georgia should unilaterally open its border with South Ossetia. It will be much harder to make an impact with Russian troops there, but it would be a very important gesture. A new Ergneti market is required.

All groups involved in the conflict have now been radicalised. Saakashvili's promise to the IDPs was rash and idiotic. How will the international community give inducements to South Ossetia and Abkhazia to open up to Georgia? Georgia is impoverished. The West does not have a policy of putting pressure on Georgia because it has a policy of containing Russia.

Another expert responded that the position of IDPs in Georgia is more nuanced. Their views are not monolithic. Many have moved on. Georgia has great economic and political potential. There are resources available. The barracks in Gori have already been rebuilt. A lot depends on how countries demand that the money they donate will be spent.

In summing up, the first presenter argued that we are still stuck in the paradigm of territorial integrity at a time when the concept means less and less. Independence is now a relative concept, and there has to be an attempt to alter how people think about this. It's hard to know what the Georgian political elite can do now. The 'Young Turks' who came to power after the Rose Revolution found it hard to take difficult decisions, even though they enjoyed high popularity. Georgian politicians now are not willing to go public with criticism. This is also true abroad. This means the population continue to live with unrealisable illusions. This is a very dangerous situation.

The situation is also very difficult for the Abkhaz. They are completely enthralled by the idea of independence. There is a big risk that they will be squeezed out of the picture. Bagapsh should be invited to speak abroad – he needs to be given the opportunity to see that there is a different way of doing things.

The second presenter responded by asking who takes responsibility in such situations. It is impossible within the political context. Georgia is vulnerable to any invasion. It has to feel more secure, and more sovereign, then it can think about democracy. It has nearly lost its own state. One more move by Russia and the state would have been destroyed.

Panel Two: The Russia Factor

What is Russia's Role? Where does it go from here?

The first presenter argued that by recognising South Ossetia and Abkhazia, Russia created a precedent in the CIS space. This was the first time the Belovezhskaya nationalities principle (according to which the borders of the former USSR became international borders) was violated. Previous to this there were two territorial entities in the post-Soviet space: internationally recognised states, and *de facto* states. Russia's recognition of South Ossetia and Abkhazia has created a third type: semi-recognised states. Abkhazia and South Ossetia join a small group which includes Northern Cyprus, Taiwan, and Kosovo. Russia has shown its willingness to be a revisionist power. Previously it was a status quo power.

In the 1990s, South Ossetia and Abkhazia were seen as a burden. The Kremlin has gradually adjusted its position. There is a clear connection between the security issues in the South Caucasus and security in Russia. Ossetians expelled from South Ossetia now make up 16 per cent of the population of North Ossetia. This is a very influential factor – they are a powerful lobby. Russia had been interested in maintaining the status quo, taking into account the security situation in its own country. It ignored previous requests by South Ossetia and Abkhazia to be recognised.

This is not to say that Russia had no interest in resolving the conflict. Russia played a dominant role in both the 1992 and 1994 agreements on Abkhazia and South Ossetia. These provided long-term ceasefires, common assistance and common markets. In 1996 Russia and Georgia organised a special commission on terrorism, separatism and extremism. The measures didn't make Abkhazia any more loyal to Georgia. The Abkhaz considered Russia to be the lesser of two evils.

The situation began to change in 2004. Since then there has been a progressive unfreezing of the conflict. The ceasefire was violated in 2004 and 72 people were killed in a small war. In 2006, there was a small conflict in

South Ossetia. Georgia entered the Kodori Gorge, which, according to the Moscow agreement, was a demilitarised zone. The Five Day War was the peak in the 'unfreezing' of the conflict.

Russia is willing to be a revisionist power, but only vis-à-vis Georgia. On the Nagorno-Karabakh issue, we have seen substantial positive progress towards a settlement sponsored by Russia. On 2 November the first agreement was signed between the two presidents of the conflicting countries in Moscow. Russia has adhered to the principle of maintaining the status quo before a negotiated settlement can be reached within the framework of the Minsk group. It has supported confidence building measures in the region.

The positions of Ukraine and Georgia are totally different. Whereas in the 1990s Georgia rescinded autonomy for Abkhazia, Ukraine granted it to Crimea. Crimea is not a *de facto* state, and there is a firm agreement between Russia and Ukraine on the recognition of borders. This agreement was recently prolonged.

It is thus wrong to view Russia as a revisionist power, across the CIS, Russia has pursued the controversial approach of maintaining the status quo.

It is an illusion to think that Russia achieved a victory or stability by invading South Ossetia and Abkhazia. A nation is a referendum every day. Georgia has lost this for now, but only for now. South Ossetia and Abkhazia present big challenges for Russia. In the Northern Caucasus there is a principle of distant governing. The regional boss is given total power on condition of complete loyalty to the Kremlin. It's questionable whether this model could work in South Ossetia. There are many in South Ossetia who do not support Eduard Kokoity. In Abkhazia in 2004, as has been mentioned, Moscow's preferred candidate Raul Khajimba lost power to political outsider Sergei Bagapsh. South Ossetia and Abkhazia do not pose geopolitical challenges for Russia, but there are internal tensions that will complicate relations. This poses a serious dilemma for Russia. If it seeks to behave like the USSR in Eastern Europe it will suffer the same results.

In Abkhazia the main demand is for independence. This may be a utopian aim, but the community believes in it, and believes it will achieve it. Russia will have problems balancing interference with security guarantees.

According to another panel speaker the essence of the August conflict was that a reckless Georgian President provoked a disproportionate Russian response. Two non-democratic regimes finally engaged in a war for which both had been preparing for some time. Georgia is now worse than vulnerable as a country – it is hardly viable. Those who aspire to self-determination have been encouraged by recent events. It is conceivable that after the Five Day war there may be a feeling of some relief in the West, that at least now there has been some kind of resolution. Will Saakashvili leave with this legacy, or will he attempt another adventure? There are strong revanchist sentiments in Georgia now, and there is a danger he could tempt the electorate once again with unrealisable aims.

In the second half of the 19th century Russia carried out the project of creating “Abkhazia without the Abkhaz”. Now we have Abkhazia without the Georgians. Abkhazia is doomed to be assimilated. It is an important strategic port for Russia, but that is not enough. Batumi and Poti will be back on the agenda soon.

Russia laid the ideological ground for the ethnic cleansing of Georgians. The majority of Ossetians have never demanded independence. There is no South Osset nation, there is an Osset nation, most of which is in North Ossetia. Russia could find no better president for Georgia than Saakashvili. He is seen as reckless and unbalanced. Why would Russia attempt to remove him when he is so good for their interests? Saakashvili has now appointed his eighth minister of economic development, his seventh minister of justice, his seventh head of security and sixth minister of defence. According to the EIU, Georgia is a “hybrid semi-democracy”. It occupies 104th place in the democracy rankings. Russia is in 107th position. It’s lowest score, 0.79 out of 100, is for functioning of political institutions. The former speaker and many ministers are now in the opposition. Where are the experienced diplomats? Is Russia to blame for the fact that Georgia does not have a diplomat in Moscow? It is necessary to establish a dialogue. We need to put aside counterproductive and militant conflicts.

Russia needs to offer positive steps in the conflict also. Obstructive Russian policies and attempts to monopolise the resolution process cannot be tolerated. The cornerstone of all policy should be the attempt to re-establish good will and good neighbour relations. Georgia is a small country, it cannot afford to have big enemies.

Discussion

A question was raised about the impact of the economic crisis on Russia's policy, whether this would encourage a more assertive foreign policy to divert attention from domestic problems. It was argued that the economic crisis was not directly connected to security issues, although less money means less power. The expert emphasised that no Russian president would rescind recognition of South Ossetia and Abkhazia. Were someone like Garry Kasparov in the Kremlin, he would still take the view that this is a *fait accompli*, and cannot be undone.

It was noted that Russia's business position in Georgia is quite strong. Western investors did not hurry to Georgia; Russian capital has strong positions in banking, mobile phones and other industries. Georgia faces a difficult economic future. Investment has been replaced by direct foreign aid, which won't be directed to helping the revival of the economy. The task ahead for Georgia is to regain the image of a reliable partner, which is hardly possible under Saakashvili's government.

Given that there could be no 'de-recognition' of the breakaway territories, the question was raised whether Russia would agree to a downsizing of the military presence in South Ossetia and Abkhazia, in return for explicit security guarantees.

In the view of one analyst, recognition was necessary not because Russia is seeking to fulfil some imperial role, but because the Georgian state could not guarantee the security of the citizens of the territories and had provoked three conflicts in 15 years. Russia's experience of Western actions in the Balkans has made it very sceptical of international guarantees. The West and the EU cannot be honest brokers – everyone has interests, and everyone has privileged interests they seek to further. Russia's security challenges in the Northern Caucasus are substantial. Soon after the Five Day War, there was a small skirmish on the border between Ingushetia and North Ossetia. Russia needs a strong military presence in the South Caucasus to provide security for the whole region. This is Realpolitik, yes, but Realpolitik is better than unrealistic politics.

Another analyst observed that the only hope for the region was that an EU presence in Abkhazia will one day create a situation where both territories are knocking on the door of the EU.

Another analyst disputed the claim that before 2008 Russia's policy had been to uphold the status quo in Georgia. Russia has used conflicts to change the

geopolitical position in Georgia in an attempt to force it to abandon its NATO aspirations.

There were attempts by Tbilisi to build relations with Russia, but the approach was infantile. Saakashvili showed no patience. He assumed that if relations could not immediately be improved, then the only option was war. Georgian foreign policy was visibly unbalanced. When he went to Washington Saakashvili was feted, as a result of which he ended up only visiting the US. A feeling began to develop that the US will act if Georgia is threatened. The Bucharest summit confused the leadership, but did not dissuade them of this. NATO, argued this analyst, is an instrument of security, but it is not the final goal, which must be security, not membership. In Georgia's political discourse, the main goal was NATO membership. The ruling elite lost interest in other things, they forgot about harmonising Georgia's legislation with the EU, or improving links with Russia. In all aspects they displayed a lack of patience. How can one change foreign minister two months before a war? This, argued the analyst, shows an infantile approach. It takes a decade to rise to be a diplomat, never mind a foreign minister.

Another analyst conceded, in response to a question from the floor, that the task of independent state building for Abkhazia is problematic. But events can surprise us. Very few people thought a US president would shake hands with Yasser Arafat. From the EU side, South Ossetia and Abkhazia have been semi-recognised. They have been invited to the Geneva process and are participating in the negotiations as subjects, not objects of the discussion.

The August war, in the view of the same expert, demonstrated that NATO is not ready for conflict with Russia. It has more important interests, and bigger issues, and NATO needs Russia. Condoleezza Rice tried to explain to Saakashvili the importance of Russia to NATO, but he didn't understand. If Georgia were to join NATO, it does not mean South Ossetia and Abkhazia would be returned to Georgia. As for wider Russo-Western relations, there is clearly no new Cold War. There is a conflict of interests, argued the expert, not a conflict of values. Russia has some interests which are not compatible with the West, but they do not amount to a civilisational conflict.

In response to a question about the influence of Russia's relations with Abkhazia and South Ossetia on the North Caucasus, the presenter argued that the response to the war in the region was mixed and ambivalent. In Chechnya, it was controversial, as Russia was helping an autonomous people. The Vostok battalion was involved in the military operations, which shocked the Georgians. There was a negative response in Ingushetia, which

saw itself as the loser from increased support and financial investment in South Ossetia. The recognition of Abkhazia promoted some Circassian aspirations. Russia lacks a strategy for how to manage the North Caucasus.

Asked how long Saakashvili can be expected to stay in power, another expert argued that there was a need for early elections. However, before this can happen a reputable parliament has to be built up which truly represents the interests of the people, freedom of the media must be safeguarded, and the independence of the judiciary must be strengthened. For this reason, it would be a mistake to attempt to get rid of Saakashvili immediately.

Morning Wrap-Up

We need to think about what Georgia is and will become, and not dwell on what was and why it happened. Discussion of causes, blame and responsibility are very important, but won't take us forward. Whilst we await the reports from the EU Commission and the Independent Crisis Group, the analyst emphasised that the August events were not unexpected. As Paul Goble once stated, Russia has long been interested in peacekeeping, only the Russians spell it p-i-e-c-e keeping.

Russia will always feel secure if it has guarantees that it can defend the Caucasus from both sides. This dates from the time of Catherine the Great. This is their security concern, and they accomplished it in August.

Russia's leaders acted as they did because they are smart, experienced and they know what to do. Georgia provided the necessary pretext. The war demonstrated that Russia has become the foremost revisionist power. The practitioner of Realpolitik seeks to transform the regional strategic landscape. The expert totally disagreed that Russia actions were disproportionate; Russian actions were carefully planned, targeted, and limited to the precise, strategic goals Moscow had set. Russia was not restrained by the West; it achieved what it aimed to achieve, and then stopped. It could have destroyed all of Georgia, but declined to do so. Russia is dangerous because it can craft clear strategies and then fulfil them impeccably.

It must be recognised that Georgia was not only defeated but dismembered, and it has little prospect of getting back nearly a third of what is still its internationally recognized territory. The war has thrown Georgia into internal disorder. There are significant political challenges. GDP has fallen. The Five

Day War has forced everyone to examine the concept of self-determination, and the role and capacity of international law.

Russia's neighbours have taken notice of this. The Five Day War has impacted on the psychology of the decision-making process within the wider Black Sea area. The key focus of the Russian side is now Ukraine. If one looks at the other regional actors, it is clear they are being very cautious.

The expert argued that the hard work Georgia had put in to emphasize its strategic importance in its own right has now been washed away. Georgia is again viewed as a small element of the bigger Russian problem. This was a direct result of the miscalculations and bad planning of the current Georgian leadership. Georgia needs to rebalance itself, and become more serious about strategy and statecraft. It needs to learn how to cope in a region where Russia is dominant and the West will play a lesser role. The opposition are taking steps in this direction, but they are prone to become involved in petty bickering rather than constructive dialogue about a future political reality. They need help to formulate and pursue clear objectives.

Tbilisi and Moscow need to find ways to talk, informally at first and perhaps at very low levels. Georgia is now a negative factor in relations between Russia and the West, and that constrains the capacity of Western allies to engage Russia in a discussion regarding Georgia's current problems positively. Small states like Georgia cannot take it upon themselves to compromise the strategic interests of their best and largest partners without their consent. This is precisely what Georgia did. Now it must find a way out of this situation even as others are working to do the same for themselves.

Panel Three: Implications for Energy

Investor Perspectives; What has Changed?

In looking at the investor's perspective, the first presenter argued, one should consider Western and Russian investors separately. The sentiment amongst Western investors from 2000 onwards was that the period of unrest in Russia was over, and it was time to get down to making money. The narrative at the start of the decade was that Russia was increasingly stable and attractive to investors. That view was starting to unwind before the Georgia crisis. The war acted as a catalyst in breaking down that narrative.

According to this expert, there is increasing discussion about the fragility of the regime. This applies especially to the energy sector. If one is going to

invest in oil and gas, one looks for long-term political stability and fixed property laws which would provide a return under agreed conditions. Russia has become less not more productive over the last few years. Meanwhile, the Russian economy is facing ever greater problems.

Looking at Russia's political intentions, it is likely that the role of the state will increase. It becomes increasingly necessary to involve the political elite in any investment project. Thus doubts about investment as a whole begin to increase.

There are several possibilities for Russia's future development. It is possible that Russia will feel constrained by the economic crisis and avoid further conflict, seek to improve relations with the West and create a better environment for foreign investment. There will be increasing pressure for investment to cover Russia's future energy needs and realise reserves for export. There are a serious set of problems approaching which can only be met by long-term investment, which can only be provided by the West. Russia's delusion is that the West will inevitably offer this investment because it needs the hydrocarbons. The West's delusion is that it will inevitably be invited. It is possible neither of these scenarios will happen.

Analysing the impact of the Georgian war on energy security, another presenter observed that if we consider the relative importance of the Georgian war versus the economic tsunami which has swamped the world economy, one would probably say the latter has more impact.

The expert emphasised that the level of military capability required to control the South Caucasus (and the energy transit routes through Georgia), is minimal. No matter how poor Russia becomes, it would still have the capacity to hold on to the South Caucasus if it wishes.

The most interesting consequence of the global economic crisis is that energy security has fallen down the agenda as energy consumption has been reduced and prices have fallen. The EU has less need to secure a southern energy corridor but has more capacity to do so. The EU is an important investor in future pipeline projects involving the South Caucasus. To open a new energy corridor you need an integrated approach with governmental involvement on the consumer side.

An important distinction must be drawn between oil and gas. In terms of physical security, oil is more manageable. It is a single global fungible commodity. When oil is expensive, poor countries suffer but those capable of

paying will always be supplied. Gas is more problematic. There is not clear global market, and supply is non-interruptible.

The Baku-Tblisi-Ceyhan oil pipeline could be expanded from a capacity of 1.2 million barrels a day to 1.6m, or even 1.8m. This is free expansion of a major route for Kazakh oil exports.

The Nabucco transit line from Turkey to Austria is seen as shorthand for the provision of a southern route for Turkmen and Uzbek gas to be exported to Europe. It would require expansion of the Georgian pipeline network in order to achieve it. For Nabucco to get off the ground the EU has to create an integrated investment environment. The EU has to make clear what it will do to promote the development of the Caspian corridor. Azerbaijan and Kazakhstan have agreed to increase energy exports to the EU, which must go through Georgia.

There are still unexplained questions about the attack on the BTC two days before the August war. At the moment there is no direct proof that Russia was involved. If proven, it is very serious. If Russia takes a geopolitical position on gas, then it has to block the export route through the South Caucasus. This would have two major implications. It would reduce the impact of diversification and it would reduce Russia's concern about NATO's role as a guarantor of regional energy infrastructure.

Discussion

One expert argued that if one assumes the worst about the attack on the BTC, then the real target of this message was the states of Central Asia, to make it clear that there should not be alternative export routes for their energy which bypass Russia.

Another expert agreed that if it were proven that Russia was behind the bombing that would be very serious, but it is also worth considering that Russia achieved the same effect without bombing the pipeline. Azerbaijan's response to the war has been mixed, but both it and Kazakhstan have pushed forward with oil exports. Russia will gain if it can shut down the southern corridor, or keep the *status quo ante bellum*, as this will give it more influence over Central Asia.

In response to a question about the impact of falling prices for Russia, and pipeline projects such as Nabucco, one expert pointed out that Russia may have to reduce the price it charges for gas to Europe, but it will also,

presumably, reduce the price it pays the Central Asian states. It is currently a good time for the West to invest in pipeline projects as the price of steel has fallen.

Discussing the prospects for South Stream, the expert argued that the project is unlikely to be realised because it is unclear where the gas will come from. If from Central Asia, why would it take such a circuitous route, when there are established pipelines through Russia? North Stream looks a more plausible project at present.

The expert stressed that the view of gas in the EU has changed. There used to be a belief that the EU would require vast amounts of extra gas. That's no longer the case. The EU currently requires 154bcm, and projects its future requirements between a decline of 14bcm and an increase of 39bcm. This is perfectly manageable.

One expert pointed out that in August and September the Russian political elite said almost nothing about energy, beyond a single comment by Putin that 'of course the conflict is not about energy'. It is clear that there was a firm directive not to discuss the issue.

The same expert also raised the question of Iran. In Iran there is a confidence that it has been drawn more into the regional energy picture. Given concerns about the overall southern corridor, the options for Iran look better than before. An American demarche might shift the calculus about investing in Iran.

Another expert responded that the problem with Iran is its productive capacity. It is a very hard place to invest in, and it is hard to get a good margin under their system of resource management. This is why, absurdly, Iran is a net gas importer.

Asked about the chances of the EU developing a coherent unified energy policy, the energy expert responded that the prospects of a unified energy policy are greater than we think but less than we need. A common energy policy will only develop when things get difficult. The EU needs to do three things to improve its energy security:

- Change the energy balance and improve energy conservation
- Upgrade infrastructure to improve supply

- Develop the South Caucasus corridor – it already exists but requires a major level of investment.

Wider Regional Impact

Ukraine, Crimea and the Black Sea Fleet; Prospects for resolution in Nagorno-Karabakh

Nagorno-Karabakh

Although the West is currently focusing on Abkhazia and South Ossetia, the most dangerous conflict in the region is Nagorno-Karabakh. It has the longest closed border, a cease-fire line which is regularly violated, snipers on both sides and thousands of troops opposite each other. This is unsustainable in the long term.

The bottom line is that Nagorno-Karabakh is under Armenian control and the Azerbaijanis will not put up tolerate the status quo in the long run. Azerbaijan has deliberately upped the ante. It has also increased its military budget and said it will use force to resolve the situation. Azerbaijan's military budget is bigger than Armenia's entire state budget.

Armenia, however, is playing the long game. It thinks history is on its side and that its suzerainty over Nagorno-Karabakh will eventually be recognized. Armenia, the occupied territories and Nagorno-Karabakh together constitute 42,000 square km and the long-term possibility of war is real.

There is a document on the table however, and 70% of it has been agreed by both sides (15 points). This includes a phased withdrawal by Armenia from the occupied territories.

But the August 2008 war had a sobering effect on both parties. Moreover, it proved destructive for everyone. Armenia's lifeline – the railway into Georgian territory – was bombed and \$700 million was lost, whilst the BTC was put out of action which cost Azerbaijan.

The Turks are trying hard as mediators but the Caucasus Peace and Stability Platform is vague and lacking detail. Ultimately, it can be seen as Turkey's bid to be a player in the region. It is trying to win respect as an international player.

On 2 November the Moscow declaration was signed by Aliev, Sargsyan and Medvedev. It was not legally binding, but it did reaffirm Minsk Group primacy. Russia now has a more balanced approach which partly reflects the importance of economics in the dispute. There is recognition of Azerbaijan's wealth, but Russia also now owns huge amounts of Armenia's economy.

However the declaration was also very vague and the internal pressures *not* to agree are too strong – both societies are deeply entrenched and Nagorno-Karabakh's leaders instrumentalize that, rendering negotiations meaningless. Shortly after the Moscow declaration, Aliev gave an interview in which he slipped back into the old rhetoric. Everyone knows that it is in everyone's interest to resolve this but short term factors conspire against an agreement. Some negotiators believe that the presidents are not really interested in a settlement, they just go through the motions to keep the West off their backs. A lack of western investment compounds the problem and there are competing agendas in oil and gas.

Unfortunately, this conflict is still low down on the international agenda – there is no point in setting a “big gun” on it, it seems.

Washington has a schizophrenic attitude to the problem. This can be summarized as: security commonalities with Azerbaijan versus the Armenian lobby.

The Nagorno Karabakh conflict needs to be our number one priority for Caucasus policy. Not energy and not NATO expansion. Both sticks and carrots need to be larger to move this process forward, and an appreciation of the high costs of doing nothing. The peace process is a Jesuitical one – few people are involved. The Minsk Group needs to be at the vanguard of a broader approach including international organizations and NGOs.

Discussion

The Armenians say the Nagorno-Karabakhians have to be a party to any solution

It is worth noting that Sargsyan is from Nagorno-Karabakh. But he has nonetheless been given a rough ride there.

Sargsyan's situation is a complex one. His leadership, remember, began with violence; there are still scores to settle from the events of the March 2000 State of Emergency in Yerevan.

“Complementarity plays its part for both Armenia and Azerbaijan in their respective relations with Russia.

Russia does not have military bases in Azerbaijan. While Russia has bases in Armenia, it should be recalled that Armenia has hosted NATO exercises. Armenia also enjoys a good relationship with Iran.

Ukraine

After the Caucasus war, the questions on the table are: Is Ukraine 'next'? If not, what is next for Ukraine?

However great the Russian threat to Ukraine's integrity and independence, one should never lose sight of Oleksandr Goncharenko's axiom: 'the greatest threat to Ukraine is Ukraine itself'.

Russia's political leadership and senior representatives have, repeatedly and with menace, called into question Ukraine's integrity as a state and its right to partners and allies of its own choosing. We are entitled to ask our Russian interlocutors, 'What is your intention in making these statements?' We are also entitled to be concerned.

But we need to remember two points:

- **Ukraine is not Georgia** Long before the August war, Russian policy had eviscerated the pro-Russian elite in Georgia. Apart from force, its means of influence have been relatively limited. But in Ukraine Russia has multiple means of influence. Its divisions are profound. Russia and Russian interests are also structurally part of the economy and the energy sector. Their ability to place and groom people inside key political and state institutions has long been as one of the most serious problems the country faces.
- **Crimea is not Abkhazia** (though for years there have been those inside Russia who wished to make it so) One unfortunate consequence of our dogmatic rigidity about territorial integrity is that we have not given much thought to how cases differ. Here, they differ profoundly. In Crimea, there is a conflict (a non-violent one) about Ukraine's geo-political course. But there is no ethnic conflict, at least between ethnic Russians and Ukrainians. And whilst there is much separatist sentiment amongst the ethnic Russian majority, there is no articulate separatist *movement*: even the events of 2004 failed to produce one. The majority of

Crimeans hate NATO, but they do not hate one another. Nevertheless, several malevolent interests have tried to radicalize the Crimean Tatar population, and there appears to be a Russian hand in it.

But the major sources of influence are two-fold: in Crimea itself, the Black Sea Fleet, which is not simply a military, but a colossal economic entity (with multiple ties to Crimea's deeply criminalized shadow economy) and a menacing intelligence entity. The GRU (Chief Intelligence Directorate of the General Staff), whose targets and methods well exceed anything we associate with 'military intelligence' is the most elaborate and dangerous Russian intelligence presence in Ukraine. This has a bearing on the second basis of influence: money, which as Russians like to say, is 'odourless' and which acquires particular potency because of the linkage between business and intelligence in the former USSR. Destabilisation, provocation—accompanied by bribery and *kompromat*—all require money.

Yet the principal concern post-Georgia, *passportizatsia*, has receded and, in recent weeks, the volume Russian passports issued in Simferopol appears to have declined. Why? Three possibilities, not at all mutually exclusive:

- the danger of Ukraine's entry into MAP and NATO has receded—and so the need for Russia to create a crisis recedes with it;
- the financial crisis has disorientated Moscow: hence, the likelihood of a pause and the improbability of actions that will galvanise the EU against Russia;
- the opportunities afforded Moscow by Ukraine's financial crisis, whose scale and effects (political as well as economic) might assume even larger proportions than in Russia and thereby enhance Russia's relative power.

All three possibilities, reinforcing rather than contradictory, argue for strengthening traditional means of Russian influence: energy and, by means of pressure on energy prices, bargaining away Ukrainian debt for energy transport and other economic/financial assets.

Discussion

Does Russia have an interest in a long-term agreement on energy prices?

Can Ukraine defend itself against the threats it faces? (Answer: There has been a well worked out transformation of the defence and security system in Ukraine, with an emphasis on new and 'complex' threats and professionalized, smaller, mobile forces. But the results are uneven and could be irrelevant if the all important *political* factor is lacking or weak).

Did Ukraine transfer offensive weapons to Georgia? (Answer: there is no such thing as a purely defensive weapon. But Ukraine has produced credible evidence to refute Russian charges. The issue for Ukraine, not Russia, is where the profits went. But how does one prove a negative? It is easier to prove that X was sent than to prove that Y was not sent.

Ukraine's political culture is built on a distrust of power rather than respect for it (rather like Russia).

The economic crisis means that Ukraine's internal political merry-go-round is even more serious than it might be in more "normal times".

In future, NATO and the EU need to take professional, concrete and unprovocative measures to help Ukraine strengthen its security, its anchorage in Euro-Atlantic institutions and its self-confidence. The focus on status (MAP) must be replaced by a focus on substance. That shift of focus will strengthen Ukraine's cohesion, vs the NATO issue, which only strengthens Ukraine's divisions and plays into Russia's hands. Russia will not like this, but they will have more difficulty responding

Afternoon Wrap-Up

Did Russia target the BTC? No. The Russian intervention was well thought through. Targeting BTC was not an objective – they had plenty of chances, after all.

But, it could happen again. The Georgians thought of BTC as a security guarantee. But of course, it is indefensible!

The 2 November Moscow declaration may arguably offer a window of opportunity. That is to say, there is some "space" at least. Sargsyan and Aliiev, it seems, both wish to take this to the next level.

Ultimately of course, we are confronted with the massive paradox of territorial integrity versus self-determination.

Russia's recognition of South Ossetia and Abkhazia is a reality – we are in new territory here.

One thing, however, is a bit more promising – cooperation at a regional level between countries...

...except Georgia. It, disappointingly, has given up on regional cooperation.

Final Session

The expert argued that Russia's preparations for war started in early 2004/5. It is evident that Russia's military build up in the North Caucasus began at this time. The candidate supported by Russia did not win in Abkhazia, so pressure was put on Bagapsh to appoint the former defence minister Sosnaliev. Russia wanted their own people in positions of power.

There was then a chain of serious provocations, including an advance towards the newly retaken Kodori gorge. The work on the railroad was one of the advance preparations for war. In South Ossetia, likewise, there were countless violations of Georgian airspace. It is clear Russia prepared for this war, but it is important also to investigate what triggered the conflict. The war could have been avoided through good diplomacy. The facts on the ground, however, show that there was a mass invasion of a sovereign state.

The Georgian side, the expert argued, miscalculated the scale of Russia's involvement, overestimated the power of the US to act as a deterrent, and overestimated their own military capability.

The implications for the West are that Russia has shown that it is a revisionist power which will punish disloyalty. It has sent an unambiguous message to the West – this is what you get if you are serious about integrating Georgia. The message has been heard in the region. Central Asia and the South Caucasus are in a very different position now.

The expert argued that it is very important for the West to sustain non-recognition of the breakaway territories. Unity on this issue must be high on the agenda. The West has to be tough on the fulfilment of the Sarkozy agreement and demand a return to the *status quo ante bellum*. This stance should not be eased. The rights of the IDPs, new and old, should be high on

the agenda. The West should be clear that the only way to guarantee sovereignty is to build democracy. It is the only way to stay relevant.

The path to NATO for Georgia is not closed, but it will take longer than hoped. More than 70 per cent of the population wants to be part of NATO.

The flaws in Georgian decision making have to be addressed. There is no mechanism of collective discussion or interagency consultation on strategy. Decisions are made on an ad hoc basis. This has to be changed. The government has to become more accountable. There is a huge need for an independent media, especially television media.

The expert argued that Russo-Georgian relations over the last 20 years have been characterised by ignorance and misunderstanding. Georgia has to learn to deal with Russia, and create conditions in which to have a civilised dialogue. The Georgians' aggressive attitude is wrong. At the very least, back channel talks have to be re-established. The lack of agreement on certain issues should not prevent discussion in other areas. Georgia missed an opportunity to design a proper security dialogue with its neighbours. This was a big mistake.

The second presenter argued that seen from a Russian perspective, NATO is not the way to promote democracy in Europe and the Caucasus. Consider the examples of Portugal and Greece, which became members when being far from democratic countries. The expert rejected the altruistic view of democracy promotion. The absence of democracy, the speaker maintained, is no obstacle to good relations with Pakistan and Azerbaijan.

As a peacekeeper, Russia provided 12 years of peace. It was the best way to avoid major conflict in the region. There is no evidence, the speaker argued, that an internationalisation of the so-called frozen conflict would have led to better results.

Russia and the West lack a clear understanding of each others' motives. It is inevitable that Russia is more involved in its neighbourhood than other countries in Europe, or the US. There is an inertia in Russian thinking which makes it think of its neighbours as its "geopolitical property". There has been a lack of pragmatism on both sides.

Discussion

One expert contended that the lack of international involvement in the conflict was very negative. Russia's control of the negotiations was extremely damaging.

On the question of why the EU engaged in the conflict in Georgia, one expert argued that the EU had to become involved because the war challenged the consensus on which the post-Cold War European order has been constructed. A failure to engage would have threatened the credibility of the EU. The EU has identified the South Caucasus as a strategic part of its neighbourhood policy. It also engaged because the war was a direct threat to the EU's relationship with Russia. The EU does not want Russia to be in conflict with its immediate neighbours. This would have serious internal fallout.

The challenges for the EU going forward include a decision on the future of EU monitors; how to move forward on negotiations; issues of non-fulfilment of the Sarkozy agreement; how to respond to existential concerns in terms of security and the long term aspirations of all parties; how to promote democracy and good governance in order to build predictable and strong partnerships; how to give the EU's partners the resilience to handle challenges; how to engage the separatist regions whilst remaining sensitive to the risks this will involve in terms of status issues; and how to build a new transatlantic consensus – could a greater EU involvement take the edge off the NATO issue?

One expert argued that given that Russia is advancing a new security architecture, it should consider what it can offer its neighbours so that they do not automatically look to NATO membership for security guarantees.

Another emphasised that it is unconvincing to claim that Russia's main motivation for intervention was to protect the people of South Ossetia and Abkhazia. An important step now is to strengthen UNOMIG, and human rights observation missions as a way to protect citizens in Georgia and the breakaway territories. The people of Gali Region currently have no adequate protection. Georgia has very little leverage to do anything now.

There is still a lot of common ground between Georgia and Russia, for example over the North Caucasus. One can imagine a scenario, hopefully in the near future, when the two countries can build on this and talk properly. A way has to be found to stop the people of South Ossetia and Abkhazia from

viewing Georgia as a threat, which in turn might increase the chances for a reduction of Russian troops. The EU could help in this area.