

*An analysis of international security issues compiled by security professionals for business leaders and those that advise them*

This month *Janusian Thinking* considers the security and stability of the Republic of Georgia, a country that has considerable international strategic significance, particularly since a deal for Georgian portion of the long awaited Baku-Tbilisi-Ceyhan oil pipeline was signed on 1 December. Georgia is also a key battleground in the war on terrorism, with Chechen fighters continuing to use Georgian territory as a rearward base. The US clearly believes that Al Qaeda is present, as it has rolled out a variety of programmes in support of the Georgian military to track down terrorist cadres amongst the displaced Chechens living along the shared border. As if these problems were not enough Georgia continues to be buffeted by internal divisions, separatist movements, serious corruption and a lack of central government control.

We examine the key issues, concluding that

- Although relatively stable now, Georgia's security conditions will deteriorate.
- The situation in Chechnya will worsen, with knock-on effects for Georgia
- Georgia represents an opportunity for Al Qaeda to attack Western interests
- The new pipeline will represent an attractive target to terrorists
- There is risk of a new separatist conflict in Javakheti and rearming in South Ossetia
- The prospects for stability are bleak after Shevardnadze stands down in 2005

The mountainous republic of Georgia was one of the first to secede from the Soviet Union. In 1991 the extreme nationalist Zviad Gamsakhurdia was elected president - and so began the country's long slide into a chaos of gangsterism. Freebooting militias overthrew Gamsakhurdia in 1992, to install in his place the former Soviet Foreign Minister Eduard Shevardnadze. Shevardnadze had been largely responsible for assenting to and organizing the Soviet Union's peaceful withdrawal from Eastern Europe in 1989 and was seen as a safe pair of hands. Twelve years later Shevardnadze is still in power, and Georgia holds together against considerable odds.

Separatism, organised crime and international power politics have buffeted the state, which has experienced almost continuous violent disruption, of one form or another, since independence. With accusations abounding that the Pankisi Gorge, on the border with Chechnya, is a home to Al Qaeda supporters, and the prospect of Tbilisi forming the midway point in an oil pipeline from Baku, Azerbaijan, to Ceyhan, Turkey, Georgia is on the minds of policy makers and multinationals alike. Political stability is going to be major issue for all.

The three big problems facing the South Caucasus acutely affect Georgia. The first is Russia's reluctance to relinquish its hegemony in the region. Second is the presence of separatist factions in many regions in and surrounding Georgia - most militantly, Chechnya. The third issue centres on the region's large oil and gas reserves, which attract powerful foreign interests. Despite recent tensions over the presence of Chechen fighters in the Pankisi Gorge, open war between Georgia and Russia is unlikely, but even if Georgia's external borders remain intact, the country's interior is far from stable and conditions appear to be deteriorating further.

In comparison with its neighbours, Azerbaijan and Russia, Georgia has few natural resources. It remains one of the poorest of the Former Soviet Union (FSU) countries. Per capita annual income is around \$590 - compared with \$600 in Azerbaijan, \$1,660 in Russia and \$2,090 in Turkey. It is ethnically divided; 30% of its population are not ethnic Georgians - and South Ossetia, Abkhazia and Adjara have all sought independence. Now the impoverished southern province of Javakheti, an ethnic-Armenian dominated area, is indicating that it, too, wants a much greater degree of political autonomy than Tbilisi is likely to grant.

Hopes that the new Baku-Tbilisi-Ceyhan (BTC) pipeline might massively enrich the country are likely to be a pipedream. On 1 December President Shevardnadze signed an agreement to allow the pipeline construction to go ahead, despite polling data suggesting that 73 per cent of the Georgian public oppose the proposed route. Environmental protests against building the pipeline through the ecologically-sensitive Borjomi Gorge (which includes a nature reserve) are likely to escalate. Furthermore, even before negotiations finished there were murmurs of discontent when it emerged that comparatively few of those employed to work on construction would be native Georgians. Discontent will spread if it turns out that the government could have negotiated more favourable rates from pipeline operators.

Though pro-Western, and generally regarded as the best man for a bad job, Shevardnadze has failed to stem Georgia's descent into anarchy. Several attempts have been made on his life - either by supporters of his ousted predecessor (rumours that Gamsakhurdia lives persist), or by the Kremlin, the former imperial power, which contains many officers who continue to think Shevardnadze a traitor for his role in the USSR's implosion. In 2001 the Shevardnadze government was almost brought down by street protests when the president attempted to resist pressure to sack his widely loathed Security Minister Kakha Targamadze, and he was put in the uncomfortable position of having to prove to foreign critics that Georgia wasn't a 'failed state'.

Now Georgia walks a tightrope between the Russian bear and the American eagle. Inevitably attempts to placate one almost invariably displease the other. Though he must find consolation in the fact that he has no coherent opposition within the Georgian parliament, this lack of effective opposition is not a result of the president's political manoeuvring, but of the country's many fissures, which may split wide open when Shevardnadze's term ends in 2005. Government control runs only haphazardly beyond the Tbilisi city border. The further from the capital, the more autonomy Georgia's provinces enjoy - some are little better than feudal fiefdoms. Without national parties, or even effective coalitions, ruling Georgia as a collective entity is near impossible.

On September 11 last year President Putin warned his Georgian counterpart that unless the raids into Russia by Chechen rebels and mujahedin based in the Pankisi Gorge were halted, Russia's army would do what the Georgian army could not (or would not), and sort out the problem itself. Tension also springs from Tbilisi's refusal to extradite to Russia various Chechens accused of terrorism. The Duma accuses President Shevardnadze's government of giving tacit support to Chechen rebels. Though Chechen fighters and refugees have indeed fled to Pankisi, the suggestion that Mr Shevardnadze gave them the green light is exaggerated. Quite simply Georgian security forces lack the means to prevent Chechens from moving across what is a very porous border, despite an escalating US military assistance programme.

Russian reprisals - in the form of bombing raids into Georgian territory - looked set to spark open war between the two countries in August 2002 until the US intervened. Mr Shevardnadze agreed to joint policing of the gorge with Russian forces, and was promptly accused by his enemies in parliament of caving in to Russian imperialism. These challenges are symptomatic of the broader tensions faced by Shevardnadze's government.

## **Abkhazia**

In Abkhazia Russians peacekeepers are supposed to be enforcing a ceasefire between Abkhaz separatists and Georgia, but in August the Russian government made the provocative move of offering the Abkhaz people Russian passports. It was widely interpreted as a bid to undermine the Shevardnadze's authority and, thus, encourage separatism.

During the 1992-93 war, the Duma in Moscow consistently adopted pro-Abkhaz, anti-Georgian positions. Those resolutions hardened into actions, and it is now widely believed that the Putin government is waging a proxy war against Shevardnadze's government in Abkhazia's Kodori Gorge. Russia is also accused of deliberately undermining the UN's Boden Accord, designed to bring peace to the region.

Georgia fears that its powerful northern neighbour might be given *carte blanche* in the Caucasus, in exchange for Russia casting its Security Council vote in favour of the 'tough new' resolution requiring Iraq to re-admit UN weapons inspectors. These theories are, as yet, unproven. But such protection as is afforded the country by foreign (commercial) interests in the region may vanish once Saddam Hussein is toppled, and Iraq's oil reserves gush westward.

## **South Ossetia**

Corruption in South Ossetia, another of the numerous self-proclaimed republics within Georgia, is understood to be the explanation for the massive, lawless no-man's land that exists between Tbilisi and the Russian border. South Ossetian officials routinely refuse to recognise the validity of Georgian passports and visas. Corrupt government officials trade contraband - guns, cigarettes, drugs and oil - with Russian peacekeepers, Chechen guerrillas and local gangsters.

President Shevardnadze's frequently expressed desire that Georgia join NATO means that the presence of US military advisors in the region may actually exacerbate current problems: American and Georgian soldiers, in theory there to hunt down members of Al Qaeda, are assumed to be the vanguard of a joint NATO/ Georgian attempt to reclaim the region by force. If this was the plan, it has backfired; driving South Ossetia further into the arms of Russia, and inciting those Russian generals who fear NATO encirclement. Eduard Kokoyty, president of the unrecognised republic has announced plans to create a "new, mobile" 6,000-strong professional army by the end of 2003. On that basis alone a resumption of hostilities with Georgia looks increasingly likely.

## **Javakheti**

The potential for unrest could also become acute in Javakheti, where the Christian population opposes the BTC pipeline project as a consequence of an atavistic mistrust of Ankara. Javakhs fear that, because of the pipeline, Turkey's influence is set to grow throughout Southern Georgia. Due to be completed in 2004, the pipe will have to pass through Tbilisi and the Borzhomi Gorge, just a few dozen kilometres north of the regional capital Akhalkalaki. The government suspects that Javakh separatists seek to formally align their region to neighbouring Armenia.

## **Insecurity for Expatriates**

In recent years attacks on foreigners in Tbilisi have become so common that such activity qualifies for its own special designation under Georgian law. Recent victims of xenophobic attacks include the US embassy attaché, a Russian embassy officer, the French Vice Consul and several German tourists. There has been a spate of car-jackings that appear to target American NGOs. Death threats were made to the manager of the German-funded

Microfinance Bank of Georgia and Sadi Sharipov, the father of LUKoil's Vice President Vagit Sharipov, was kidnapped and murdered in December.

Recently, as in Colombia, kidnapping has become a comparatively risk-free way of making money given the minimal chances of getting caught. Whether or not the Welsh banker Peter Shaw was a victim of kidnap-for-a-fee gangs is a subject of confusion. His kidnappers, it now seems, were almost certainly not Chechens, and may have been policemen acting under orders from Interior Ministry officials who sold him on to another group. Shaw himself has accused the Agriculture Minister, David Kirvalidze, of organising his abduction. What is certain is that the nascent kidnap industry in Georgia is flourishing because of endemic corruption at every level of law enforcement.

What's more the kidnapping is affecting the government's spending power. The EU looks unlikely to resume its aid programme to Georgia until it can be proven that government agents weren't involved in the Shaw kidnap.

## **Chechnya**

After the 'Nord-Ost' hostage tragedy in Moscow in October, Russia seems to have the tacit consent of the international community to prosecute its war in Chechnya with as much ferocity as it deems necessary. Already the village from which the chief Nord-Ost *shakist* (suicide bomber), Mosvar Barayev, hailed has been razed. Journalists are no longer allowed into Chechnya, and the silence of human rights groups deafens.

The Chechens' elected leader, Aslan Maskhadov, is in the position of Yassir Arafat to Putin's Ariel Sharon. His guerrillas still fight the Russians, but he is increasingly sidelined by fundamentalist factions within the guerrilla army who want to create an Islamic caliphate across Chechnya, Dagestan and Ingushetia, and by a Kremlin that thinks him irrelevant and refuses to negotiate with his representatives. This is a recipe for increased brutality and a flood of refugees that could destabilise Georgia, or draw it more closely into the war.

Although the Russian Duma acknowledges the need to rein in the Russian army in Chechnya, where human rights abuses and profiteering are rife, it has shown few signs of doing so. Putin sacked General Gennady Troshev late in 2002 for defying Defence Minister Sergei Ivanov, but whether he can change army culture in any lasting way is doubtful. But without military reform Russia will never win the war of attrition and the army's brutality will only draw mujahedin from across the Muslim world to fight in the Caucasus.

This is not a conflict that can be solved militarily, and certainly not with counterinsurgency methods that brutalise civilians. As Putin stamps down on Chechen separatists, the level of resentment across Chechnya deepens. It is a conflict that has been exacerbated and exploited by Al Qaeda for at least four years. The more aggressive the counterinsurgency tactics become, the easier it is for international Islamist influences to play upon the situation.

Even Putin's assertion that the Chechen problem is well in hand, rings increasingly hollow – on 27<sup>th</sup> December 80 people were killed in a bomb attack on the Russian-imposed government buildings in Grozny. Akhmed Zakaev, a high-ranking Chechen envoy arrested at a summit in Copenhagen, appeared to suggest in the wake of Nord-Ost that the Chechen terrorists' next target could well be one of Russia's run-down and poorly guarded nuclear facilities. Thus, the presence of Chechen fighters and perhaps Al Qaeda in the Pankisi Gorge become an issue of critical international security.

## **Outlook**

- In relative terms Georgia seems stable at the moment: President Putin appears to have abandoned direct confrontation for now; Al Qaeda threats to foreign business interests have not yet materialised. Islamists and Chechen separatists have not, so

far, targeted Western interests in the Caucasus, though Russia's Baku-Novorossick pipeline is attacked regularly. However, the signs are that Georgia may represent enhanced security risk at this critical time.

- The situation in Chechnya looks set to deteriorate: more refugees are likely to enter Georgia as a result, and with them may come guerrillas. If Shevardnadze cannot stop the fighters coming, Russia will have a decent case under international law to pursue them across the border.
- Al Qaeda's second in command, Ayman al Zawahiri has said that terrorists will now target US interests around the world, and these are particularly exposed in the Caucasus and Georgia.
- America is becoming impatient. An attack on Iraq – likely to inflame Muslim opinion - is looming and mujaheddin are almost certain to flood into Chechnya to fight. They will not stop there, and may target Western interests in Georgia. The new BTC pipeline presents a tempting target for terrorists in their war on 'imperialism'.
- There is the further danger that secessionists in Javakheti, an area close to the pipeline, might become militant, and a risk that war will break out again between South Ossetia and Georgia.
- Shevardnadze's government shows few signs of tackling the rampant crime and corruption in Georgia, as many of his officials are complicit in it. He cannot stand for re-election in 2005, so there is a distinct chance that the country will descend into renewed warlordism when his term expires.

**Further information:** Janusian Security Risk Management is the specialist political risk and security subsidiary of The Risk Advisory Group Ltd. For further information please visit [www.janusian.com](http://www.janusian.com).