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## **The South Caucasus: After the 2003 Elections**

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**Russia and Eurasia Program**  
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The November 2 Georgian parliamentary elections marked the end of the 2003 electoral season in the South Caucasus, with elections in Georgia, Azerbaijan, and Armenia falling short of democratic standards and perpetuating dissatisfaction with ruling regimes. Cory Welt and Richard Giragosian concluded the 2003 CSIS Caucasus Election Watch Series with a seminar on the impact of these elections and the future prospects for the South Caucasus region.

Cory Welt began the seminar by providing an overview of the parliamentary elections in Georgia. Final official results have still not been released, although the results from almost all of the precincts have been determined. Two important events in the past week have suggested possible outcomes to the election crisis. The first is the trip through the Caucasus of Aslan Abashidze, leader of the autonomous republic of Ajara and head of the Revival Party. Abashidze's trip to Azerbaijan and Armenia is not a good omen for compromise in Georgia, as Abashidze, whose Revival Party has given pro-Shevardnadze forces a large lead due to a disputed vote in Ajara, appears to be seeking support from the country's neighbors (including Russia) in the event of a political crackdown. On the other hand, Vakhtang Rcheulishvili, a high-ranking representative of the pro-government For A New Georgia bloc, recently made a statement that holds promise for conciliation. Rcheulishvili stated that Mikheil Saakashvili, who argues that his opposition National Movement received the highest percentage of votes, should take his claims of voter fraud to the courts. Rcheulishvili continued by insisting, to the surprise of many, that the ruling of the courts should be accepted by the government even if it backs Saakashvili's claim and the National Movement is declared the winner. This statement was one of the first indications that there is potential for the government and the opposition parties to reach a compromise on the election outcome.

Welt stated that a compromise in which the National Movement is recognized as the winner in the parliamentary elections would be extremely important. It would be a step towards greater consolidation of democracy in Georgia and would demonstrate that governments in the region can be influenced by legitimate domestic and international pressure. If a compromise is achieved, there will be a greater incentive for the West, particularly the United States, to continue building close relations with Georgia. At the

same time, such a compromise does not reveal much about who will control Georgia. The Georgian parliament is not the center of power in the country and, even if the government recognizes that Saakashvili received the largest number of votes, the opposition will probably not have enough seats to dominate parliament. The most likely result of a compromise is a hung legislature, with the pro-government bloc and Revival on one side, Saakashvili and Nino Burjanadze (leader of the opposition Democrats) on the other, and the Labor Party and perhaps the New Rights balancing out both sides.

Welt is not entirely convinced that a compromise will be reached. It is quite possible that either Saakashvili will not accept a compromise that does not imply total victory or that a compromise will in the end not be offered. The Georgian government does not seem to believe that it is in a position in which it must give in to pressure, especially considering that some opposition parties and their supporters have not joined the protests against the pro-government bloc and that Russia itself expresses support for the Georgian administration.

If a compromise is struck, Welt reasoned that the United States will be able to argue that its combination of work with Georgia's civil society, cooperation with government bodies such as the Central Election Commission, and consistent high-level pressure on the administration has worked. However, the significance of this is lessened by the fact that, even if the parliament is seen as being democratically elected, it will still have to overcome many obstacles if it hopes to transform the stagnated reform process that Georgia has been in for so long. If a compromise is not struck, tough questions will have to be asked about the efficacy of democracy promotion in the region.

In conclusion, Welt stated that an irony exists regarding the U.S. position on the South Caucasus. The United States did not exert very much pressure on Azerbaijan prior to the election, yet it declared an absolute willingness to work with the newly elected government of Ilham Aliyev. At the same time, the United States exerted great pressure on the Georgian government, but if President Shevardnadze chooses to ignore this pressure, the United States' staunch support for Georgia may decline. If the United States wants to be seen as having a consistent policy in the region, the answer is not for the United States to move closer to Azerbaijan while distancing itself from Georgia.

Richard Giragosian spoke next about broader trends in the South Caucasus. He characterized the region as one of small, weak states struggling to maintain their sovereignty amid pressure from more powerful neighbors. According to Giragosian, the transition process underway in the region has revealed several important trends.

The first trend is a shift in U.S. policy. While U.S. policy has long been driven by energy concerns, the United States is now focused on the pursuit of security and stability in the context of the global fight against terrorism. In this context, the South Caucasus region now lies hostage to U.S.-Russian relations, and could become the arena of the next great power competition between Moscow and Washington.

The second important trend in the region is the new U.S.-Russian strategic partnership. This new partnership has given Russian president Vladimir Putin a much freer hand in the "Near Abroad." In the Caucasus, this increased Russian influence is evidenced by Russian economic and military leverage. Russia has gained control of much of the region's energy infrastructure, maintains two military bases in Georgia and

one each in Azerbaijan and Armenia, and has significantly bolstered its naval capabilities within the Caspian Sea.

In addition to these trends, the region is plagued by four fundamental challenges. First, the South Caucasus region is in a virtual state of war, experiencing full economic and transport blockades and a severe disruption of normal trade and energy links. Second, systematic corruption is the most significant threat to the states' national security. Third, the states of the region are plagued by "strongmen over statesmen" who thwart democratic reform. And lastly, the region is characterized by weak or failing states, with tainted elections further lessening the credibility of its leaders.

Giragosian then stated that the region faces the challenge of overcoming its history of one-man, one-party rule, in which former Communist leaders have continued to hold authority without facing any true challenges to their power. The region has long suffered from rule by former Soviet leaders supported by clan-based networks of patronage and complicity, including President Shevardnadze in Georgia and the Aliyevs in Azerbaijan. Although Armenia has not experienced the same one-man, one-party rule, it too suffers from its own form of clan-based patronage politics. The region is currently beginning to transition away from dominance by former Soviet leaders supported by cults of personality, but the countries of the South Caucasus still face many obstacles to overcoming their authoritarian pasts.

The countries of the South Caucasus also face the challenge of undergoing a transition to a new generation of leaders. In contrast to its two troubled neighbors, Armenian democracy continues to improve, albeit slowly, and it was the first in the region to elect a new generation of leaders. In Azerbaijan, the path to power was secured in advance when Heidar Aliyev resigned and passed the mantle to his son Ilham. In Georgia, the true drama will occur in two years when Shevardnadze's presidency ends. The new generation in these countries faces numerous daunting problems, with the most immediate challenge being managing relations with Russia.

In an interesting side note, Giragosian observed that Azerbaijan can no longer rely on its energy reserves translating into geo-strategic importance for the country. In his view, the Caspian oil and gas reserves in Azerbaijan have lost their strategic importance due, mainly, to the fact that Iraqi oil is now a larger world priority. In some ways, this may be beneficial for Azerbaijan because it will now be forced to compete much more responsibly for limited capital investment, likely bringing about enhanced transparency and accountability.

In conclusion, Mr. Giragosian stated that there is a possibility that the region could graduate from an arena of great game competition to a new "great gain," but this depends on the broader fate of U.S.-Russia relations. The combination of Russia's concerted reassertion of power and the potential conflict between Russian and U.S. interests poses a significant threat to stability in the region. In addition to these external forces, the fate of the three states will depend upon the choices that its leaders make regarding their countries' stability and security, rather than simply on the resources located in the countries.

The question and answer session began with a question about the role of Russia in the South Caucasus. Richard Giragosian responded by stating that Russia has a different

relationship with each of the three states. In Armenia, a Russian reassertion of power holds enormous benefits for Armenia and regional security. Similarly, in Azerbaijan, many see Russian reengagement as having a potentially positive effect. On the other hand, Azerbaijan is worried about greater Russian influence conflicting with, for example, its desire to join NATO. In Georgia, any Russian reassertion of power is inherently threatening.

Regarding the role of the EU in the Caucasus, Cory Welt stated that it appears the Europeans are more willing to allow Russia a large role in the Caucasus. The EU has had a less focused regional policy than the United States and has failed to clearly differentiate the countries of the Caucasus from those of Central Asia.

Richard Giragosian responded to a question about the impact of the situation in Iraq by stating that it has caused resources to be diverted from the Caspian area to Iraq. However, too much has already been invested in the Baku-Tbilisi-Ceyhan (BTC) pipeline for the Caspian region to be completely forgotten.

In response to a question about whether the United States has been active enough in Georgia, Cory Welt stated that we need to wait and see what happens because if a compromise is made, the United States will be able to say that it has managed to exert some pressure and have some effect. If a compromise is not agreed upon, however, Welt stated that he was uncertain what else the United States could have done to help influence events and that the United States had a consistent policy in Georgia. One possible shortcoming is that the United States was unable to convince the Georgian administration that it was in its best interest to ensure democratic elections. The threat of the West pulling out of Georgia was not enough to make the Georgian government believe that the holding of free and fair elections is in its own personal interest.

Another participant asked if we in the West are being too critical of countries that have only been independent for ten years. In response, Cory Welt stated that if the United States does not yet expect these countries to democratize, it should reduce its rhetoric of democracy promotion because it only produces false hopes and expectations of political change among the peoples of the Caucasus. While Welt did not agree that it was too early for these countries to democratize, matters will simply be made worse if the United States insists on telling people that democratization and reform are possible, while behind closed doors it believes it is too early for such changes to occur.

Finally, in response to a question about what the United States will do if a compromise is not reached, Welt stated that some type of U.S. sanction ought to be imposed, such as a cut in aid. However, the United States should not pull out entirely—this would disappoint the civil society that we have worked so hard to develop.

*Summarized by Liz Zentos*