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Energy Insecurity in Georgia

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Three years ago, energy shortages in Georgia were not an exception but a rule. Sudden decreases in supply, thanks to sabotage of the sort that struck Russian gas pipelines and an electric transmission line earlier this week, would have been met with little more than frustration at Georgia's inability to avoid suffering the side effects of instability in Russia's North Caucasus. It is a measure of Georgia's progress in the last few years that a sudden reduction of Russian gas and electricity caused such uproar at home and abroad, indicating the normal development of a country getting re-accustomed to reliable sources of power. Still, the crisis highlights the continued risks to Georgia—and other countries in the region—of relying on a dominant supplier for its energy needs.

That said, accusing the Kremlin of damaging its own infrastructure to "blackmail" Georgia was not the most sensible route Georgia's government could have taken, although it was an attractive one. Pinning the sabotage on the Russian government fit appealingly into the broader story of heavy-handed energy politics employed by Russia against former Soviet neighbors, most prominently Ukraine, in a bid to demonstrate what it means to be independent and out of Russia's sphere of influence. Russia's Gazprom has sought for years to acquire ownership of Georgia's main North-South gas pipeline system, a sale former Georgian president Eduard Shevardnadze tentatively agreed to and which even current Georgian officials have openly considered. Instead of submitting to a perpetuation of Russian gas dependency, however, Georgia procured $50 million in U.S. funding to rehabilitate the gas pipeline, as part of a compact with the U.S. Millennium Challenge Corporation. Also, unlike Ukraine, Georgia consented to Russia's initial proposed price hike for natural gas, from $63 per 1,000 cubic meters to $110. Willing to pay the "price of independence," as Foreign Minister Gela Bezhuashvili has termed it, and locating outside investors for its gas infrastructure, Georgia undercut the direct leverage Russia could employ to persuade Georgia to hand over its gas network and further promote its energy expansion aims in the South Caucasus.

While a Kremlin frustrated by such developments might look to other forms of pressure to help Russia win the energy game, there are a number of other culprits plausibly more interested in sabotaging the North Caucasus infrastructure that directs Russian gas and electricity to Georgia. These include Chechen militants that have found Georgia to be less of a safe haven than before, Ossetians determined to prevent a Russian-Georgian rapprochement that could lead to a resolution of the South Ossetian conflict in Georgia's favor, or other North Caucasus–based militant or criminal groups with an interest in regional instability. It is often said that the Kremlin's control over state officials in the North Caucasus is less than complete, so Georgia could even have accused anonymous Russian officials with sabotage, either as freelancers or participants in unregulated clandestine activity, without elevating the event to the level of official state tactic. Russia's rapid response in routing additional gas to Georgia via Azerbaijan and in starting repairs on the damaged lines suggests less maliciousness on the Kremlin's part than an out-of-character eagerness not to be blamed for causing Georgia problems in the wake of the hostile publicity Russia received during the Ukrainian gas fiasco. Whatever the truth, the absence of clear evidence pointing to Moscow as the instigator of sabotage means that Georgia's leaders should have stuck to a less bellicose theme—lamenting how the fact of Russian instability, regardless of Kremlin intentions, makes it a mistake for Georgia to rely solely on Russia for its energy security, so long as other options might be available.

Surely the need to find solutions to Georgian energy insecurity—rather than how to avoid the unseemly on-again, off-again posturing that marks Russian-Georgian relations—is the more important message these latest events reinforce.

Staying on track in the construction of the South Caucasus gas pipeline that will deliver Azerbaijani gas to Georgia and Turkey is the nearest hope for the reduction of Georgian gas dependence on Russia. Georgia has sought to secure less expensive supplies of natural gas from Kazakhstan, but Russia refuses to allow lesser-priced Kazakh gas to ship via its pipelines (which, in any case, is the only way for Georgia to receive it). Previously considered alternatives, namely the establishment of a gas pipeline across the Caspian Sea for the transportation of Turkmen gas and increased access to Iranian natural gas, are once again being discussed.

These alternatives are neither easy nor palatable. The Transcaspian gas pipeline project, once championed by the United States, was already unable to secure the approval of the capricious and dictatorial Turkmen president, Sapurmurat Niyazov, several years ago. Reviving the project, as Foreign Minister Bezhuashvili proposed in Washington, D.C., in December 2005, will involve a significant amount of expense, diplomacy, and risk, in association with one of the world's most unbecoming political regimes. Georgia's neighbor Armenia will soon be utilizing Iranian gas, which Georgia also avidly expresses an interest in purchasing. Given the worsening of Iran's relations with the United States and Europe, however, encouraging the countries of the South Caucasus to wean themselves off Russian gas by purchasing gas from Iran is, to say the least, inconsistent.

As much as Georgia fears an energy crisis, it is at least fortunate to have reached the point where it is again coming to rely on energy supplies other countries take for granted. But this latest row in Russian-Georgian relations should recall the dilemma that the United States and Europe repeatedly confront in their pursuit of energy (including gas) security. Relying on a dominant supplier, like Russia, entails a measure of vulnerability and unpredictability, but so does the forging of new relations with suppliers one would otherwise avoid. Rising global demand for natural gas means that the need to deal with producers like Iran and Turkmenistan is not just the fate of nearby neighbors in the South Caucasus. These are leading alternatives to Europeans over reliance on gas originating or transported through Russia more generally.

Georgia has clearly expressed its preference for multiple gas partners. Its success, however, depends on how more powerful countries manage to reconcile their energy and other geopolitical interests, with regard not only to Russia, but also the likes of Turkmenistan and Iran.

For more on Russian-Georgian relations, see Cory Welt's article "Balancing the Balancer: Russia, the West, and Conflict Resolution in Georgia" (Global Dialogue, Summer/Autumn 2005)