



How Much Has the World Changed? Implications for Georgia's Policies

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Executive Summary

The world economic crisis, as well as other events such as the Russian-Georgian war in August 2008 and the change of the American administration, have prompted some analysts to speak about a “paradigm shift” in international relations or the “dismantling of the post-Cold War world order”. Indeed, the global order, as well as Georgia’s security environment, have become considerably more fluid, uncertain and unpredictable than was the case one year ago. Yet careful analysis shows that the actual changes in global and regional politics do not merit such sweeping generalizations so far.

New trends in relations between Russia and the Western actors (the USA, European Union, and major European nation-states), internal developments in Russia and Ukraine – both of which have been especially hardly hit by the economic crisis – and the efforts of Turkey to enhance its political profile in the Caucasus deserve special attention from the perspective of Georgia’s security environment. While scenarios for the future – especially if the economic crisis deepens further – may be destabilizing, the fundamentals in these relations have not changed yet.

Consequently, the basic principles of Georgia’s foreign political strategy do not require a fundamental overhaul. Some significant readjustments are in order, however. These include:

- Prioritizing long-term foreign policy objectives and incremental steps towards them while quick solutions to the most burning issues of Georgia’s security are not available;
- Finding more even balance in relations with NATO and the EU, as well as with the USA and European countries;
- Giving greater priority to internal democratic reforms and achieving more stable rules for internal political competition;
- Recognizing that while normalizing relations with Russia is of utmost importance for Georgia’s security, this cannot be achieved if the Russian leadership and its current political priorities remain in place;
- Seizing opportunities for cooperation and dialogue with actors in Abkhazia and South Ossetia while admitting that doing so will not bring any short-term political benefits.

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Events That Have Brought about Change – or the Perception Thereof

The global economic crisis and some other important events in the world have prompted some analysts to speak about an emerging new paradigm in international relations, or of the end of the *Post-Cold War Order*. One can point out three such events that may not be equivalent in their scope and importance, but contributed to the perception of the increased fluidity of the global order:

(1) *Russian-Georgian War in August 2008*.

This was the first time since the Cold War when a major country such as Russia militarily intervened into a neighboring state with the intention of changing its internationally recognized borders and replacing its democratically elected government. In doing so, Russia openly and pointedly defied international consensus, even though it alluded to precedents of western military interventions in Kosovo and Iraq in order to justify its actions. Some analysts compared Russia's actions with the Soviet invasion of Czechoslovakia in 1968, or even Nazi Germany's annexation of part of the same country in 1939. Fears were widely expressed that the world might be entering a period of new cold war – though it was usually added that such a relapse should absolutely be avoided. Russia's actions caused the suspension of relations between Russia and NATO, as well as Russia and the EU, although dialogue with Russia in these and other formats was later renewed.

(2) *Global Economic Crisis*. The crisis is still under way and it is too early to estimate its full impact on world affairs. There is consensus that this crisis is the gravest since the World War II, and some analysts compare it with the Great Depression of the 1930s. So far it can be said that the crisis did significantly challenge confidence in the self-regulatory qualities of the free market and led to a huge increase of government intervention in and regulation of economic matters. However, at this point one cannot make a definitive judgment as to whether this trend

constitutes a set of temporary measures that will be dropped after the crisis is overcome, or if they signify the reversal of the tide towards de-regulation and privatization that have dominated global economic policies since the 1970s.

(3) *Change of Administration in the US*. The election of Barack Obama to the American presidency may be considered a routine change of power, but it created expectations of a fundamental policy shift not only in the USA, but also around the globe. In part this may be explained by Obama's keenness to stress his contrast with the policies of his predecessor, President Bush, who came to be especially unpopular in the last 2-3 years of his presidency. These expectations will probably prove largely exaggerated (arguably, this is becoming clear already), but against the existing background they have contributed to the perception that a new paradigm of global politics may be in the making.

Historical experience shows that the emergence of a new paradigm of international relations is usually preceded by dramatic changes in the balance of power which are often accompanied by major wars and/or fundamental changes concerning major political actors. The last change of this magnitude was caused by the implosion of the Communist system and break up of its leader, the Soviet Union; before that, the global order was shaped by the results of World War II. No shifts of this scale are discernible now, or are visible on the horizon.

However, the degree of change is not to be overlooked either. It can be said with confidence that certain assumptions that appeared safe even in the beginning of 2008 are no longer such. Every crisis, political or economic, creates new opportunities as well as new challenges, thus prompting politicians and analysts to take new daring steps – or at least consider them. The range of that which is possible in world politics has broadened, and the level of uncertainty has risen.

The Starting Point: the Post-Cold War Order

Since the reference point for assessing the importance of the ongoing change is usually defined as the “post-Cold War order”, it would be logical first to describe what this order was. The most striking feature here is that there has never been explicit consensus about even the main parameters of this order. This stands in contrast with the preceding period of the Cold War, when, at least, there was agreement on several major issues: (1) the world order was mainly shaped through the opposition between the two power blocs, one led by the United States, the other by the Soviet Union; (2) the two blocs defined themselves in ideological terms, those of liberal democracy and market capitalism on the one hand, and the communist political regime and centrally planned economy on the other; (3) despite adversity, for the most part there were no imminent threats of direct military confrontation between the two blocs; (4) the outcome of the conflict was delayed into the indefinite future.

Since the cold war, the main actors in global politics, or the actual rules of their interaction, have not been clearly defined. One can only make rather vague generalizations:

(1)*Actors.* The Post-Cold War tilted in the direction of so-called unipolarity, with the global order being seen as dominated by a single, presumably benevolent actor, rather than shaped through a balance of clashing interests. It was uncertain, though, who specifically this single actor was or could be: the United Nations Security Council, the West (as represented by NATO), or the United States with its allies (known as “the coalition of the willing”). In lieu of a clear definition, the dominant actor was often ambiguously referred to as “the international community”, which presumably included major powers, international organizations, and even international civil society organizations.

(2)*Rules.* International politics in the Post-Cold War era was regulated through a

combination of two sets of principles that sometimes tended to clash. One implied respect for state sovereignty, which included the inviolability of the existing borders as well as recognition of the right of each state (however small) to freely choose its foreign policy direction (this in effect barred claims to exclusive zones of influence by major powers). On the other hand, state sovereignty could be declared close to null and void in the event its government committed massive human rights violations such as genocide – this allowed *humanitarian intervention* by foreign powers that could end in stopping genocide, changing the political regime, or even altering state borders (as it was in the case of Kosovo).

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(3)*Values.* While liberal democracy was not universally spread, liberal democracy and liberal market economy came to be almost universally recognized as the best political and economic regimes respectively. Few countries, most of them majority Muslim, openly defied this contention. Moreover, the West, that is the informal community of democratic nations, was fully predominant in political, military, economic and normative spheres. Even the single most powerful western nation, the United States, could claim such predominance. The expansion of NATO and the European Union marked the triumph of liberal values in Europe. Against this background, it was assumed that for the first time in history, the actual rules of the international order could be based on a combination of values such as democratic peace and human rights, as well as on the balance of power, though the respective weight of those two principles continued to be contested.

This uncertain architecture was haunted by two main challenges. One was about the definition and recognition of the benevolent dominant actor as well as of specific mechanisms of defining and applying rules; another concerned defining and dealing with adversaries who more or less openly defied those rules. Arguably, it was the first challenge that proved to contain the greatest threats. While resources to deal with numerous crises in the world have been overstretched, it was the deficit of consensus and legitimacy when making and implementing decisions on how to address them that constituted an even greater problem.

The general trend during the post-Cold War period has been one of a shrinking level of consensus and legitimacy. The first Persian Gulf War, the first major security challenge of the post-Cold war era, was dealt with in an almost exemplary way and led to an optimistic view of the “new world order” based on a vision of the UN Security Council legitimizing major decisions that regulate global security. However, the inability of the UN to tackle the crises in the Balkans led to NATO taking the lead – and also estranging Russia, which from that time on returned to the Cold War view of NATO as an adversary and a threat to Russia’s security. While Al-Qaida’s attack against the US on 11 September 2001 did lead to the civilized world rallying around the USA, the American invasion in Iraq further eroded the consensus and led to a serious trans-Atlantic rift. Although Barack Obama’s first visit to Europe in the spring of 2009 gave hopes for warmer trans-Atlantic relations, there was no substantive success either – for instance, there was no significant increase of the European contribution to the NATO operation in Afghanistan.

How did the recent events influence the global order?

What, if anything, has changed in a specifically political sense as a result of the events mentioned in the beginning of this paper? We have already noted increasing support for the Keynesian rather than neo-liberal

attitudes in economic policies. But this does not automatically imply major political change on the global level. Can one discern changes in assumptions about actors, rules, and values that have defined global politics after the Cold War?

This paper will examine this question on the example of one of the important elements of the existing international order: The relations between Russia and the West. One can briefly discuss two indicators here: The initial reaction of the international community to Russian intervention in Georgia in August 2008, and later efforts to “reset” relations in the spring of 2009.

Western reaction to the Russian-Georgian war may be criticized as weak and inconsistent, though it was still timely and vigorous enough to make a decisive impact on the course and the outcome of the war. The apparent inconsistency was caused, on the one hand, by divisions between different actors of the international community, the weakness and unpopularity of the US administration at the moment, and, most importantly, by the need to combine two policy objectives. On the one hand, there was a necessity to preclude an extremely dangerous precedent of Russia openly threatening the sovereignty of its neighbors and effectively turning the former Soviet Union into its exclusive zone of influence. This called for a robust and aggressive response. On the other hand, while Russia’s action was unmistakably an act of hostility towards NATO and the West, the vast majority of western policy actors were extremely wary of “isolating Russia” or “reverting to the Cold War”, that is returning to openly adversarial relations with Russia, since this would shatter the existing international consensus and call for a substantive redefinition of the security and economic policies in Europe and globally.

French President Nicolas Sarkozy’s energetic mediation efforts, as well as President Bush’s decision to send military warships to the Black Sea presumably prevented Russia from occupying the whole of Georgia and imple-

menting its agenda of regime change. The language of “no business as usual” with Russia and the suspension of NATO-Russia and EU-Russia cooperation formats was a way for the West to send a vigorous message to Russia saying that it would not tolerate such behavior. Russia’s full compliance with the terms of Sarkozy-Medvedev six-point plan that implied return to the status quo ante was put as a benchmark for starting the normalization of relations between Russia and the West.

However, NATO and the EU later changed these policies: Both NATO-Russia and EU-Russia cooperation formats were restored despite the fact that Russia has only partially complied with the terms of Sarkozy-Medvedev agreement. The global economic crisis was one of the reasons for the change: It shifted the focus of interest towards burning economic issues of the day which, among other things, required greater cooperation rather than confrontation between major economic players, including Russia. Moreover, global preoccupation with economic issues strengthened the hand of the “pragmatists” and “realists” thus weakening proponents of approaches to international relations that call for clear understanding of the long-term policy objectives and strong commitment to certain values and principles.

Admittedly, though, the global economic crisis did not create a material necessity for revising the terms of the Russian-Western relations after the August war, so much as it served as a good *pretext* for that. Maintaining the initial stand of the “no business as usual” with Russia until it at least fully complied with the six-point plan, was increasingly difficult. It became clear that Russia was not going to comply with it. It was not going to revoke its recognition of Abkhazia and South Ossetia, it was going to continue to occupy (directly or through proxy forces) Akhgori District and other territories that were firmly under Georgian control before the war. This meant that the new cycle of confrontation between the West and Russia, including suspension of NATO-Russia as well as EU-Russia relations, had to continue in-

definitely. However, maintaining Western consensus on that stance proved impossible. There were several factors that caused this:

- (1) The pressure of economic interest groups, especially in western Europe, that were losing from the Russian-Western confrontation;
- (2) Anti-American opinion in western Europe, which saw the idea of NATO expansion, as well as (more specifically) Saakashvili’s government in Georgia, as US projects whose support Washington had imposed on Europe; actors influenced by this opinion tend to put primary blame on the fallout between Russia and the West on the USA;
- (3) The wish of Obama administration (as well as the realist and isolationist school on the American right) to distance itself from President Bush’s policies that were seen as naïve or hypocritical in that they put support of democracy at the centre of its foreign policy agenda; the pushing of the “reset button” in the US-Russia relations was supposed to demonstrate the new sense of sober pragmatism.

Arguably, the response that Russia got after the August war was not vigorous enough and did not make Russia pay a price high enough to deter its political leadership from considering similar military adventures in its neighborhood. This causes legitimate concern in Georgia, as well as among other neighbors of Russia that depend on firm and consistent Western support for their effective sovereignty vis-à-vis their former metropolis. At the same time, even the existing level of support is crucial enough to make considerable change and is widely appreciated in Georgia.

However, here we should ask a larger question: Does the episode of the Russian-Georgian war and its aftermath constitute any qualitative change in relations between the West and Russia that would enable us to talk about a change in the post-Cold War political order as we know it? To look at the issue from the Georgian perspective, do changes in Western policies justify fears that Georgia may be “abandoned” to Russia’s mercy?

The relationship between Russia and the West had been complex and ambivalent since the 1990s. It implied a combination of efforts to establish cooperative relations, and mistrust that bordered on hostility. This is still the case. Differences between attitudes of the US, western Europeans and formerly Communist recent members of NATO and the EU are no new matter either. It is often said that the consequences of the August war moved the prospect of Ukraine and Georgia joining NATO even further down on the agenda; this may be true, but the opposition of major western European powers had made this prospect quite vague even before the August war. The “enlargement fatigue” (that concerned further enlargement of both the EU and NATO) had set in long before 2008. Currently, “realists” who object to giving priority to supporting small vulnerable nations like Georgia at the expense of closer relations with great powers like Russia over issues of “real interest” for US security may be on the offensive ideologically. But are they winning the debate?

Does the episode of the Russian-Georgian war and its aftermath constitute any qualitative change in relations between the West and Russia that would enable us to talk about a change in the post-Cold War political order as we know it? To look at the issue from the Georgian perspective, do changes in western policies justify fears that Georgia may be “abandoned” to Russia’s mercy?

A substantive shift in the relations between Russia and the West could occur either through moving to a more open confrontation, or through the West accommodating what Russia considers its core interests. Indicators of the former would be, for instance, the exclusion of Russia from the G8, permanently unraveling special cooperation formats between NATO and Russia and EU and Russia, and other similar or even bolder steps. There are no signs of that happening. On the other hand, what might more or less satisfy Russia in its relations with the West would be recognition of exclusive zone of Russian influence in its neighborhood. The

indicators of this would be revoking NATO’s commitment to eventually accepting Ukraine and Georgia as members, recognition of Abkhazia’s and South Ossetia’s independence, turning a blind eye to a Russia-sponsored regime change in Georgia, and the like.

The way ties develop after relations between the USA and Russia were ceremoniously “reset” (though the Clinton-Lavrov, and then Obama-Medvedev meetings), do not point in that direction. The EU’s decision to help Ukraine fix its pipeline infrastructure without consulting Russia first and NATO’s decision to go ahead with its scheduled exercises in Georgia have infuriated Russia. And despite initial noises, Obama has not revoked Bush’s project to position anti-missile defense capacities in eastern Europe. Neither did Russia make huge gains in terms of expanding its influence in its neighborhood: no country of the “near abroad” recognized Abkhazia’s and South Ossetia’s independence; despite initial hesitation, the Moldovan government rejected a Russia-sponsored peace plan in Transdniestria that would legitimize Russian military presence in that region. Squeezing the US military base from Manas in Kyrgyzstan has been the sole notable “achievement” so far.

Extremely close participation of the EU in efforts to prevent destabilization in Georgia in the context of the standoff between the Georgian government and the opposition in April 2009 has been another indicator that EU has no intent to “abandon” Georgia to Russia’s “zone of influence”. The EU involvement clearly contradicts quite openly expressed hopes of Russia’s leadership that the protests would lead to the regime change in Georgia.

Other Changes in the Region: Russia, Ukraine, Turkey

While the relations between Russia and the West are the key factor to watch, there are a number of other areas where politicians, analysts, and activists discuss possible changes that may contribute to a signifi-

cant revision in the regional security architecture.

(1) Economic crisis in Russia and the stability of the Russian political regime.

Every government has to grapple with challenges created by the global economic crisis, but Russia is among those countries that have suffered especially heavy losses. The flight of foreign capital started immediately after the August war, when there was no talk of a global financial crisis yet. Later, the abrupt drop in oil prices was especially painful, because Russian economic growth and public finances depend heavily on oil revenues. The Russian government admitted that having oil prices under \$70 per barrel would send Russia's budget into a deficit territory – and for several months, oil prices have stayed much lower than that.

In some circles this created expectations that the continuing crisis could lead to a political turmoil and eventually endanger the current Russian leadership. There is also speculation about growing tensions within the ruling Medvedev-Putin diarchy. Since the crisis is still under way and there is no certainty how long it is going to continue, it is too early to dismiss these expectations altogether. But so far there are no signs of any significant challenges to Russia's political regime. Huge currency reserves allow Russia to weather the economic storm for some time to come.

Objectively, the economic crisis has contributed to shifting the balance of global power away from Russia rather than otherwise. Despite this, the Russian leadership appears to see the crisis as an opportunity for expanding its foreign policy interests through employing its considerable reserves in the short run. The aforementioned deal with Kyrgyzstan that pushed that country to dismantle the US military base in return for a Russian financial aid package and the recent strategically important acquisition of a 21.2 percent share in MOL, a leading

Hungarian Oil and Gas company, by the Kremlin-controlled Surgut Neftegaz, are examples of this.

These developments demonstrate that analysts should be extremely cautious in predicting both the future trajectory of internal political developments in Russia as well as how assertive Russian foreign policies are going to be. Russia has considerable structural vulnerabilities such as overdependence of its economy on oil and gas revenues, the inherent instability of the North Caucasus region and strained relations with international players. The moment before the August war may prove to have been the apex of its international influence, at least for a considerable time to come. The developments of recent months show, however, that despite the severity of the blows dealt by the economic crisis, the current Russian regime still has considerable resources for maintaining internal stability and has not given up on attempts to expand its international power base.

This means Russia remains a grave security threat to Georgia for the time being without any prospect for substantive change in the foreseeable future. While some analysts do not rule out Russia's repeat military intervention in Georgia, such a move would constitute an especially brazen affront to the international community and further undermine Russia's interests. This makes it unlikely, though even such an irrational action cannot be ruled out completely. Russian leaders constant rhetoric that they will not talk to president Saakashvili but would accept a new leadership in Georgia is an open encouragement of internal destabilization in Georgia with regime change as the desired outcome.

(2) Fears of political and economic implosion in Ukraine.

While Russia is the gravest threat to Georgia, Ukraine has been a key ally in recent years. Georgia and Ukraine are often linked together in the context of closer cooperation

with NATO and the European Union. Ukraine's progress on the road to the EU and NATO would pave way for Georgia as well. Conversely, when analysts talk of Russia's efforts to engineer change in the policies of its neighbors, Ukraine and Georgia are usually mentioned in the same vein.

Ukraine also happens to be another country especially hardly hit by the economic crisis. Unlike Russia, its internal political system, though much more democratic, is fraught with persistent political infighting that frequently brings the government to near paralysis and severely damages its capacity to deal with the emerging challenges. Recent developments created a fear of an imminent "chaos and dictatorship" and/or "forced takeover of power".

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This endangers not only internal political stability, but also the firmness of the country's orientation towards Western institutions. Among the three major power centers within today's Ukraine, those led by President Viktor Yushchenko, Prime Minister Yulia Timoshenko, and the opposition leader Viktor Yanukovich, only the first has a firm pro-Western position, with Yanukovich representing the pro-Russian stance and Timoshenko tending to opportunistic positions. In the event that Ukraine implodes, Russia has much greater resources to influence internal Ukrainian developments than it has in Georgia, since there is strong public support for pro-Russian policies in eastern Ukraine.

Ukraine's implosion and/or shift to a pro-Russian camp would severely undermine Georgia's regional position. In Europe too there is a growing understanding that such a scenario would be extremely undesirable. While the worst-case scenario for Ukraine cannot be ruled out, it can also be avoided. Ukraine's pluralistic political system, while not effective enough to successfully tackle

issues such as the fight against corruption or economic reform, has proven resilient enough to weather recurring political storms, and it may find resources to overcome the latest one without major losses.

(3) Are Turkey's policies changing? The biggest unknown

The most novel, but also somewhat uncertain, set of developments that could shift regional security set-up, has been occurring in Turkey in recent months. Within days after the Russian invasion of Georgia, Turkish Prime Minister Recep Tayyip Erdoğan visited Moscow publicizing a Caucasus Stability and Cooperation Pact initiative. On 6 September, Turkish President Abdullah Gül made a surprise visit to attend a football match in Yerevan, thus launching a series of Turkish-Armenian consultations that were widely expected to result in establishing diplomatic relations as well as reopening the border between the two countries.

Despite some excitement that both these developments – especially the latter one – initially brought, it is still early to speak of any tangible results of both these initiatives. The Caucasus Stability and Cooperation Pact appears to be stillborn: The most conspicuous fact about it is that in the months since August, there has been no attempt to attach any substance to this idea. Analysts and politicians are left to speculate on what the initiative did imply. Most likely, it was an expression of a general desire by the Turkish leadership to play more active role in the Caucasus. There could have been a tacit proposal to Russia: let's regulate Caucasian affairs together, thus crowding out Europeans and Americans. It could be intended to mend a minor crisis in Russian-Turkish relations caused by the crackdown by Russian customs on Turkish trucks in the context of Russian-Georgian war. As Russia had especially strained relations with the West in those days, the Turkish leadership could hope that such a deal would look attractive to the Russians.

President Gül's visit to Yerevan and subsequent diplomatic activities look more promising. On 22 April, the Foreign Ministers of Turkey, Armenia and Switzerland issued a joint statement that expressed readiness of the both parties to work toward improving mutual relations within the framework of a roadmap under Swiss auspices. This may be considered a serious breakthrough. However, in their public statements, the Turkish leaders also restated their previous position that the prospect of Turkish-Armenian normalization was linked to the solution of the Karabakh conflict. There is strong opposition to the process within both Turkey and Armenia. This shows that further negotiations may prove difficult and most analysts are reluctant to predict their results.

This demonstrates that Turkish efforts to redefine security architecture in the Caucasus have not necessarily been based on a carefully thought-out plan but are rather part of a general process under way in Turkish society and the political elite, which is aimed at reformulating and renegotiating Turkey's relations with the West. By making forays into the Caucasus, Turkey may be groping for a new policy options in its neighborhood, and also trying to increase its negotiating position with its western partners. A truly enormous change would occur if expectations of the "orientalization" of Turkish foreign policy materialize, thus reversing the century-long Turkish policy of allying with western powers. Most analysts inside and outside Turkey, however, think that the ongoing processes will bring a readjustment, rather than a significant break, in Turkish-American and Turkish-European relations.

For the South Caucasus and Georgia in particular, the Turkish-Armenian reconciliation, if it takes place, will constitute a genuine and important change. Some analysts consider Georgia a potential loser from this development. It is true that Georgia may thus lose its privileged position in some transit-

related economic projects. On the balance, however, improvement of relations between Turkey and Armenia may become an important step towards reducing tensions in the South Caucasus. It will also lessen Armenia's dependence on Russia and help Armenia connect with Western interests in the region. These developments would be beneficial for Georgia as well.

Georgia's Foreign and Security Policies: Stay the Course but Adjust to the New Realities

To sum up the above, one could say that as a result of recent changes in global politics, Georgia's security environment has become more fluid, uncertain and unpredictable than it was a year ago. Yet careful analysis shows that actual changes in global and regional politics that have occurred so far are much more modest than exaggerated expectation of the "paradigm shift" or "dismantling of the post-Cold War world order" might suggest.

Improvement of relations between Turkey and Armenia may become an important step towards reducing tensions in the South Caucasus. It will also lessen Armenia's dependence on Russia and help Armenia connect with Western interests in the region. These developments would be beneficial for Georgia as well.

This also implies that there is no need to fundamentally change Georgia's regional and security policies, which are based on close cooperation with Western countries and institutions, primarily NATO and the European Union. Though there is a necessity to readjust policies based on past experiences and recent trends. Here are several major directions for such a readjustment.

(1) Since 2004, the Georgian government acted on the assumption that it was possible to solve the most burning issues of Georgia's security – resolve the separatist conflicts, get membership of NATO – within several years. Today, while both issues maintain their great significance,

fast progress and short-term solutions are obviously unrealistic. Therefore, foreign policies should be based more on long-term objectives and planning, and focused on taking more incremental steps towards those objectives.

There is no need to fundamentally change Georgia's regional and security policies, which are based on close cooperation with Western countries and institutions, primarily NATO and the European Union.

(2) Closer cooperation with NATO and the EU aimed at eventual integration should continue to be the guiding principles of Georgia's foreign policy, as they offer the best options for Georgia's political and economic development. At the same time, a better balance should be found in cooperation with NATO and with the EU, as well as with the USA and with the European powers. In 2004-2007, the prospect of swift integration into NATO without any similar prospects with regard to the EU, naturally pushed EU-Georgia relations to the background. The prospect of NATO accession mostly depended on the support of the USA, whose influence on regional affairs strongly overshadowed that of European countries. But, against the backdrop of trans-Atlantic rivalries and jealousies, the close link between the USA and Georgia apparently contributed to hardening western European opposition to Georgia's NATO membership.

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In today's circumstances, Georgia's relations with NATO and with the EU follow the track of ever deeper cooperation rather than imminent integration. Therefore, they should be better balanced against each other. Moreover, the circumstances both of the August war and the April 2009 political crisis have demonstrated that the EU is an increasingly important player in the

region. There is no ground to believe that, after the change of administration in Washington, US support to Georgia has diminished in any substantive sense, but it also may be difficult to recreate the same level of chemistry in bilateral relations that used to be based on the linkage of Bush's "liberty agenda" and the "Rose Revolution" that brought the current Georgian government to power. The Georgian government needs to strengthen its relations with the EU and major European powers, without in any way diminishing the importance of relations with the US.

(3) In today's world, foreign and security policies cannot be divorced from internal ones. Deepening democratic reforms and facilitating national consensus around the rules of the political game is the foremost – if extremely challenging – task of the Georgian government. The radical demands of the opposition should be handled with a due combination of strict defense of the constitutional order and adequate flexibility that would allow the part of society alienated by the government policies to be amply represented and heard in the political process. The temptation of solving complex problems "once and for all" should be avoided.

(4) Normalizing relations with Russia is of utmost importance for the Georgian state. The government should seize any opportunity in this direction if such arises. A sober assessment, however, suggests that relations with Russia based on partnership, cooperation and mutual respect is not a viable option for the foreseeable future, unless there are deep changes in Russia's leadership and policies. Likewise, changes in the Georgian leadership may bring change in bilateral relations only if there is a fundamental change in the country's political orientation. Therefore, in the short and maybe medium term the objective is to minimize imminent threats coming from the northern neighbor.

(5) Ukraine, Azerbaijan and former Communist countries neighboring Russia continue to be natural allies of Georgia because they share and understand Georgia's security concerns better than any other country. Despite Turkey's somewhat inconsistent policies of late, there is a large area of overlapping interests with this country. With Armenia's policies of balance and complementarity in relations with different powers, there are good prospects of continuing good working relationships with this important neighbor. Therefore, recent changes have not undermined Georgia's regional position and it should pursue vigorous regional policies aimed at maintaining fruitful cooperation with all regional countries except for Russia.

(6) The results of the August war, especially the Russian recognition of the separatist

Deepening democratic reforms and facilitating national consensus around the rules of the political game is the foremost – if extremely challenging – task of the Georgian government.

de facto states and the following military build-up on their territories, significantly undermined chances of solution of those conflicts based on respect for Georgia's territorial integrity. However, no Georgian government is expected to, will or should give up on the general aim of eventually finding such a solution. As this is the case, there is a need to seek avenues for dialogue with different actors in Abkhazia and South Ossetia, though it should be recognized that there will be no short-term political gains from such contacts. Such efforts may be low-profile, but they should be consistent and systematic.

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