



Testimony

WILLIAM COURTNEY

U.S.-Georgian Relations in Strategic Context

At Risk from an Anti-Democratic Turn

CT-A3382-1

Testimony presented before the Commission on Security and Cooperation in Europe on June 4, 2024

For more information on this publication, visit www.rand.org/t/CTA3382-1.

Testimonies

RAND testimonies record testimony presented or submitted by RAND associates to federal, state, or local legislative committees; government-appointed commissions and panels; and private review and oversight bodies.

Published by the RAND Corporation, Santa Monica, Calif.

© 2024 RAND Corporation

RAND® is a registered trademark.

Limited Print and Electronic Distribution Rights

This publication and trademark(s) contained herein are protected by law. This representation of RAND intellectual property is provided for noncommercial use only. Unauthorized posting of this publication online is prohibited; linking directly to its webpage on rand.org is encouraged. Permission is required from RAND to reproduce, or reuse in another form, any of its research products for commercial purposes. For information on reprint and reuse permissions, please visit www.rand.org/pubs/permissions.

U.S.-Georgian Relations in Strategic Context: At Risk from an Anti-Democratic Turn

Testimony of William Courtney, former U.S. Ambassador to Georgia and Kazakhstan¹
RAND²

Before the Commission on Security and Cooperation in Europe

June 4, 2024

Over its three decades of modern independence, Georgia has put down democratic roots and developed close ties with the West. But the Georgian Dream government, funded by billionaire Bidzina Ivanishvili, is now pursuing an anti-democratic, anti-Western course. This power play is aimed at maintaining Georgian Dream's hold on power. The West should raise the costs of and help deter this attempt to hijack Georgia's democracy and European future.

I will discuss U.S. interests in Georgia; then review past, current, and future U.S.-Georgian relations; and end by commenting on some implications for the United States and the West.

U.S. Interests

The United States established diplomatic relations with Georgia in early 1992, weeks after the collapse of the Union of Soviet Socialist Republics. From the outset, the United States has voiced strong support for the sovereignty, independence, and territorial integrity of Georgia and the other former Soviet republics.

The United States seeks to protect the interests of the many U.S. citizens who live in or visit Georgia and the U.S. businesses and nongovernmental organizations (NGOs) that operate there.

¹ The opinions and conclusions expressed in this testimony are the author's alone and should not be interpreted as representing those of RAND or any of the sponsors of its research.

² RAND is a research organization that develops solutions to public policy challenges to help make communities throughout the world safer and more secure, healthier and more prosperous. RAND is nonprofit, nonpartisan, and committed to the public interest. RAND's mission is enabled through its core values of quality and objectivity and its commitment to integrity and ethical behavior. RAND subjects its research publications to a robust and exacting quality-assurance process; avoids financial and other conflicts of interest through staff training, project screening, and a policy of mandatory disclosure; and pursues transparency through the open publication of research findings and recommendations, disclosure of the source of funding of published research, and policies to ensure intellectual independence. This testimony is not a research publication, but witnesses affiliated with RAND routinely draw on relevant research conducted in the organization.

The United States wants to continue cooperation to ensure that “critical components” for Russia’s military operations do not pass through Georgia.³ Georgian exports to Russia of microchips from U.S. companies increased by 3,370 percent from 2021 to 2022, during Russia’s war on Ukraine.⁴

Other law enforcement cooperation is important, such as countering nuclear smuggling and terrorism.⁵

Democratic development is an important interest. The United States supports independent NGOs that work to strengthen democratic institutions and develop responsible, professional media. Because Georgian Dream has so much power, independent institutions are vital to promote official accountability to the people of Georgia.⁶

An open trading route through Georgia is a lifeline for Armenia,⁷ which seeks to loosen itself from Russia’s grip, especially after Moscow stood aside when Nagorno-Karabakh was attacked.⁸

The United States is concerned about Russia’s plans for a naval base in Ochamchire, Abkhazia.⁹ From this anchorage, Russian warships could threaten commercial shipping in the eastern Black Sea. These ships, however, will be vulnerable to the kinds of clever attacks that Ukraine conducts in Crimea.

The United States cooperates with Georgia in multilateral formats, such as the United Nations and the Organization for Security and Cooperation in Europe (OSCE). Collaboration is essential in such areas as pandemic preparedness and trafficking in persons. The Geneva International Discussions,¹⁰ in which the United States participates, provide a useful forum for Georgians to seek resolution of issues related to Russia’s occupation of Abkhazia and South Ossetia.

³ Mari Imerlishvili, “RFE/RL Report on Georgia Re-Exporting ‘Dual-Use’ Products for Russia Stirs Controversy,” *Civil Georgia*, March 7, 2024.

⁴ Giorgi Lomsadze, “Georgia Captures ‘\$2m Worth’ of Uranium,” *Eurasianet*, May 2, 2023.

⁵ Ian Kelly and David J. Kramer, “How the Georgian Government, once a US Ally, Became an Adversary, Against the Wishes of Its Protesting Citizens,” *Just Security*, May 14, 2024.

⁶ Kelly and Kramer, 2024.

⁷ Aris Ghazinyan, “Armenia and Georgia: Connected by Geography, Separated by Ideology,” *AGBU Magazine*, May 2009.

⁸ Robyn Dixon and Francesca Ebel, “Russia Failed to Keep Peace in Nagorno-Karabakh, Pivoting Away from Armenia,” *Washington Post*, September 30, 2023.

⁹ Guy Faulconbridge, “Russia Plans Naval Base in Abkhazia, Triggering Criticism from Georgia,” *Reuters*, October 5, 2023.

¹⁰ U.S. Mission to the Organization for Security and Cooperation in Europe, “U.S. Participation in the 59th Round of Geneva International Discussions on the Conflict in Georgia,” December 7, 2023.

U.S.-Georgian Relations to Date

U.S.-Georgian relations may be divided into three periods: the presidency of Eduard Shevardnadze,¹¹ from 1992 to 2003; the presidency of Mikheil Saakashvili,¹² from 2003 to 2012; and the Georgian Dream government,¹³ from 2012 to the present. Georgian Dream is a coalition funded and controlled by Bidzina Ivanishvili, a billionaire who made his fortune in Russia.

Shevardnadze Era

At independence, the country plunged into a full-blown civil war. Georgia's first leader, Zviad Gamsakhurdia, pursued chauvinist policies that alienated Georgia's minorities, at the time representing up to one-third of the population. Renegade warlords invaded two former Soviet autonomous regions, Abkhazia and South Ossetia.¹⁴ Russian forces intervened and took over the regions as "peacekeepers." A quarter-million internally displaced persons—almost entirely local Georgians—fled Abkhazia and South Ossetia into Georgian-controlled areas.¹⁵ The West voiced opposition to Russia's intervention but did not challenge it. The West had higher priorities elsewhere and little influence.

In this chaos, Shevardnadze, who led Georgia in the Soviet era, returned home in 1992 from Moscow, where he had served as Soviet foreign minister. Over several years, he managed to stabilize the country. To alleviate widespread poverty, the United States provided hundreds of millions of dollars in humanitarian Food for Peace aid. It also began funding programs to assist Georgians in such areas as reform—political, economic, and rule-of-law—and public health and education.

Early on, the International Foundation for Electoral Systems,¹⁶ the International Republican Institute (IRI),¹⁷ and the National Democratic Institute (NDI)¹⁸ began assisting Georgians with training in the conduct of free and fair elections and the development of political parties and multiparty democratic institutions. The U.S. Agency for International Development (USAID), the International Monetary Fund, the World Bank, and the European Bank for Reconstruction and Development have fostered reforms and invested heavily in the economy. The Millennium Challenge Corporation has assisted with infrastructure and STEM (science, technology,

¹¹ "Eduard Shevardnadze," Encyclopedia Britannica, last updated April 8, 2024.

¹² "Mikheil Saakashvili," Encyclopedia Britannica, last updated May 19, 2024.

¹³ Alexander Atasuntsev, "Why Bidzina Ivanishvili Is Returning to Georgian Politics—Again," *Carnegie Politika*, February 23, 2024.

¹⁴ Alexander Krylov, "The Georgian–Abkhazian Conflict," in Gennady Chufirin, ed., *The Security of the Caspian Sea Region*, Oxford University Press, 2001; Dennis Sammut and Nikola Cvetkovski, *Confidence-Building Matters: The Georgia–South Ossetia Conflict*, Verification Research, Training and Information Centre, March 1996.

¹⁵ Conciliation Resources, "The Georgian-Abkhaz Conflict in Focus," webpage, undated, <https://www.c-r.org/programme/caucasus/georgian-abkhaz-conflict-focus>.

¹⁶ International Foundation for Electoral Systems, "Georgia," webpage, undated, <https://www.ifes.org/georgia>.

¹⁷ International Republican Institute, "Georgia," webpage, undated, <https://www.iri.org/iri-around-the-world/eurasia/georgia>.

¹⁸ National Democratic Institute, "Georgia," webpage, undated, <https://www.ndi.org/eurasia/georgia>.

engineering, and mathematics) education. U.S. military training has helped Georgia eliminate an al Qaeda threat in its remote Pankisi Gorge region, strengthened Georgia's ability to defend its territory, and enhanced the interoperability of Georgian and NATO forces.¹⁹

In 1995, Shevardnadze allied himself with younger reformers, and they won presidential and parliamentary elections.²⁰ Key reforms were undertaken, such as the introduction of a new currency. Over time, however, reform momentum slowed. Shevardnadze's administration was burdened by corruption, weak central governance, and poor tax collection that impeded payment of salaries and pensions. In 2003, public dissatisfaction helped spur reformist-led protests, which evolved into the Rose Revolution. After compromised elections, Shevardnadze left power. The protest leader, Mikheil Saakashvili,²¹ was a former minister of justice and a graduate of a U.S.-sponsored program at Columbia University Law School.

Saakashvili Era

In the early Saakashvili era, U.S.-Georgian ties flourished as he undertook some bold reforms. His government dramatically improved the ease of doing business, eliminating administrative and tax regulations that made it onerous to start and profit from a new business. It introduced anti-corruption reforms, such as firing the entire corrupt traffic police force and replacing it with a modern system of police patrols. USAID, the European Union (EU), and OSCE helped fund valuable police training.²² The Saakashvili government rebuilt state institutions. The judicial sector, however, was only modestly reformed, undermining public confidence.

Partly to burnish its credentials as a candidate for North Atlantic Treaty Organization (NATO) membership, Georgia rotated some 30,000 Georgian troops to fight in Afghanistan and Iraq.²³ Georgia was the fourth largest contributor to the NATO mission in Afghanistan. In both conflicts, Georgian forces "did the hard fighting" that many allies avoided.²⁴

In 2004, in an ill-advised move, Saakashvili sent troops into South Ossetia, where they were repulsed. In 2005, President George W. Bush visited Georgia. Before a rapturous audience on Tbilisi's main square, he declared Georgia a "beacon of liberty."²⁵ But Bush also urged Saakashvili to resolve separatist disputes peacefully.

¹⁹ Pavel Baev, "Georgia's Pankisi Gorge and the Global War Against Terrorism," Belfer Center for Science and International Affairs, Harvard Kennedy School, undated.

²⁰ Inter-Parliamentary Union, "Georgia, Parliamentary Chamber: Sakartvelos Parlamenti—Elections Held in 1995," webpage, 1995, http://archive.ipu.org/parline-e/reports/arc/2119_95.htm.

²¹ "Mikheil Saakashvili," 2024.

²² Daniel Kharitonov, *Police Reform in Georgia*, Leadership Academy for Development, Stanford University, undated.

²³ Robert E. Hamilton, "Taking Stock of U.S. Military Assistance in Georgia," Foreign Policy Research Institute, December 14, 2021.

²⁴ Hamilton, 2021.

²⁵ George W. Bush, "Remarks in Freedom Square in Tbilisi," American Presidency Project, May 10, 2005.

In August 2008, Russian forces invaded Georgia and routed defenders.²⁶ The EU negotiated a quick but inadequate ceasefire. After quickly dispatching the U.S. Navy's Sixth Fleet flagship and several C-130s to Georgia to help deter further Russian aggression,²⁷ the United States provided 1 billion dollars in aid to help Georgia rebuild.²⁸

Russia converted peacekeeping units in Abkhazia and South Ossetia into occupiers. It declared the statelets independent, but this gained little international support.

In the latter years, Saakashvili's government suffered from inept leadership, defeat in the 2008 war, a prison rape scandal,²⁹ continued mass poverty, and popular unrest. The West grew disenchanted with some of Saakashvili's impulsive and autocratic ways.

Ivanishvili Era

In 2012 elections, Ivanishvili's Georgian Dream coalition defeated Saakashvili's United National Movement (UNM). Two visiting U.S. senators praised Saakashvili's government for organizing free and fair elections.³⁰ This was the first democratic power transition through the ballot box in Georgia's modern history. The new Georgian Dream government promised to improve social conditions and make reforms. The West was pleased with this peaceful transition, and with the new government's more moderate course with Russia.

In 2020, virtually all opposition parties boycotted Parliament to protest alleged election violations that inflated Georgian Dream's win.³¹ Months of political crisis began. In 2021, Saakashvili was arrested on his illegal return from Ukraine.³² He had been convicted in absentia on corruption charges; Saakashvili remains in prison.³³

In recent years, Georgian Dream has taken a more pro-Russian course.³⁴ Georgia has turned its back on Ukraine after Russia's full-scale invasion and declined to participate in Western sanctions. Top officials are personally associated with or funded by Ivanishvili.³⁵ A law passed

²⁶ Michael Kofman, "The August War, Ten Years On: A Retrospective on the Russo-Georgian War," *War on the Rocks*, August 17, 2018.

²⁷ "US Navy Flagship Delivers Aid to Georgia," ABC News, September 5, 2008.

²⁸ Susan Cornwell, "U.S. to Announce Over \$1 Billion in Aid for Georgia," Reuters, September 3, 2008; Henrietta H. Fore, "U.S. Pledges \$1 Billion in Assistance to Georgia," remarks at the U.S. Mission to the European Union, October 22, 2008.

²⁹ Charles H. Fairbanks Jr., "Georgia's Prison Rape Scandal—and What It Says About the Rose Revolution," *The Atlantic*, September 24, 2012.

³⁰ Fairbanks Jr., 2012.

³¹ Giorgi Lomsadze, "Contested Georgian Vote Results in Opposition Boycott," Eurasianet, November 2, 2020.

³² Andrew E. Kramer, "Georgia Arrests Former Leader Mikheil Saakashvili," *New York Times*, October 1, 2021.

³³ "Health Fears over Jailed Former Georgia President After Video Appearance," *The Guardian*, July 3, 2023.

³⁴ Régis Genté, *Broken Dream: The Oligarch, Russia, and Georgia's Drift from Europe*, European Council on Foreign Relations, December 21, 2022.

³⁵ Thomas de Waal, "Georgian Nightmare," *Engelsberg Ideas*, May 21, 2024.

by Parliament in April would allow Ivanishvili and others to transfer to Georgia on a tax-free basis assets held abroad.³⁶ The law could make Georgia a tax haven for shadowy funds.

Last December, just after obtaining EU membership candidacy, Georgian Dream proposed a “foreign agent” law. It is modeled on a Russian “foreign agent” law that has been used to repress dissent. The proposed law would require any civil society group or media organization that receives over 20 percent of its funding from abroad to register as “pursuing the interests of a foreign power.”³⁷ The bill also grants the Ministry of Justice vague and extensive powers of investigation into organizations and individuals.

This move has sparked huge public protests. This spring, tens of thousands of Georgians have taken to the streets.³⁸ Ivanishvili’s government claims the law would only promote transparency in NGO funding. But independent NGOs and media organizations, and donors, currently disclose this information.

The foreign agent law seems aimed at keeping Georgian Dream in power. A poll last fall revealed that only one-fifth of respondents support it.³⁹ Georgian Dream may fear it could perform poorly if the October parliamentary elections were to be free and fair.

Several members of Congress have called the proposed law “a deliberate attack on Georgia’s fragile democracy, self-sabotage of its European candidacy, and a blatant rejection of the Georgian people’s overwhelming and hard-won Euro-Atlantic choice.”⁴⁰ European Council President Charles Michel has warned that, if Georgia hopes to join the EU, it must “respect the fundamental principles” of the rule of law and democracy.⁴¹ On May 21, the Council of Europe’s Venice Commission stated that the proposed law lacks the “legality [and] legitimacy” necessary in a democratic society.⁴²

Western expressions of “deep concern” about the foreign agent law,⁴³ or proposals for more diplomacy, are too little, too late. Georgian Dream seems determined to pursue its anti-democratic, anti-Western course.

³⁶ Luka Pertaia and Tony Wesolowsky, “As Georgia Bids to Become a Tax Haven, Critics Worry It’s All to Protect Oligarch Ivanishvili,” *Radio Free Europe/Radio Liberty*, April 25, 2024.

³⁷ Committee to Protect Journalists, “Georgia Ruling Party Reintroduces ‘Foreign Agents’ Law to Parliament,” April 4, 2024.

³⁸ Jacqueline Howard, “Georgia Protests: Riot Police Face Off Against Foreign Influence Bill Demonstrators,” *BBC*, May 13, 2024.

³⁹ National Democratic Institute, “Taking Georgians’ Pulse: Findings from October–November 2023 Face to Face Survey,” December 2023.

⁴⁰ Commission on Security and Cooperation in Europe, “Helsinki Commission Senate Leadership Statement on Reintroduction of Foreign Agent Bill in Georgia,” April 5, 2024.

⁴¹ Mary Ilyushina and Francesca Ebel, “Georgian Parliament Approves ‘Foreign Agent Law,’ Defying Protests,” *Washington Post*, May 14, 2024.

⁴² European Commission for Democracy Through Law (Venice Commission), “Georgia—Urgent Opinion on the Law of Georgia on Transparency of Foreign Influence,” CDL-PI(2024)013, May 21, 2024.

⁴³ “German, French Leaders Say Georgian Government, Ruling Party ‘Deviate’ from EU Path,” *Civil Georgia*, May 19, 2024.

On May 23, in a timely and appropriate move, Secretary of State Antony Blinken took concrete action. He announced a new, more restrictive U.S. visa policy for individuals who are “responsible for suppressing civil society and freedom of peaceful assembly in Georgia through a campaign of violence or intimidation.”⁴⁴ Members of Parliament who vote for the law may be vulnerable to such measures, as may be law enforcement and judicial officers who enforce the law.

Germany likewise is showing the way.⁴⁵ It cautions that, if the foreign agent law is adopted in its current form, Berlin will not favor the opening of EU accession negotiations with Georgia.

The Future of U.S.-Georgian Relations

Taking the long view, U.S. Ambassador to Georgia Robin Dunnigan emphasizes that America’s partnership with Georgia “over the last 32 years [is] based on shared values and a shared desire to see Georgia as a member of the Western family of democracies.”⁴⁶ This values-based partnership lies at the core of strong U.S.-Georgian relations aimed at helping the people of Georgia realize their goal of building a stable, prosperous, and democratic society. Now, however, prospects for official relations are dimmer.

Relations will take a turn for the worse if Georgian Dream uses the foreign agent law and other measures to rig the October elections. For example, as is done in Russia, it might deny access to voting stations for independent monitors from NGOs tagged as “foreign agents.” Advertising in “foreign agent” media could be banned. Russia has done this,⁴⁷ forcing many independent media into bankruptcy or to relocating abroad. On May 20, Georgian Dream proposed a new law to make elections opaquer. The law would dissolve an election advisory group composed of international and local experts.⁴⁸

The foreign agent law might not be the end of the downward spiral. Georgian Dream might also emulate Russia by introducing a law that allows the government to ban organizations it deems as “undesirable.”⁴⁹ In Russia, repressive laws and arbitrary enforcement have wiped out much of civil society.

A startling speech by Ivanishvili on April 29 may portend even worse U.S.-Georgian relations.⁵⁰ He charged that, in the Saakashvili era, Georgia was ruled by “outside masters.”

⁴⁴ Piper Hudspeth Blackburn and Jennifer Hansler, “US Issues New Visa Restrictions, Will Review Relationship with Georgia in Response to ‘Foreign Agents’ Bill,” CNN, May 23, 2024.

⁴⁵ “Ambassador Fischer: ‘If Agents’ Law Passes, Germany Will Not Vote to Open EU Accession Negotiations with Georgia,” Civil Georgia, May 22, 2024.

⁴⁶ Robin L. Dunnigan, “Statement from Ambassador Dunnigan,” U.S. Embassy in Georgia, May 2, 2024.

⁴⁷ Lucy Papachristou, “Russia’s Parliament Approves Bill Banning Advertising on Websites of ‘Foreign Agents,’” Reuters, February 28, 2024.

⁴⁸ “Georgia to Dissolve CEC Advisory Group Before Elections,” JAMnews, May 20, 2024.

⁴⁹ “‘Undesirable’ in Russia: What Does the Label Mean and What Are the Consequences?” *Radio Free Europe/Radio Liberty*, February 20, 2024.

⁵⁰ “Bidzina Ivanishvili: We Still Have to Fight for Freedom and Sovereignty in Order to Fulfill Ilia Chavchavadze’s Admonition That ‘We Should Embrace Ourselves,’” Interpressnews, April 29, 2024.

Ivanishvili blamed a fictional “Global War Party”—implying the United States and its allies—for Saakashvili’s alleged “inhumane, sadistic, and unpatriotic” actions. After the October elections, Ivanishvili threatened, UNM would “strictly answer for all [its] crimes” over two decades. This hints at politically driven show trials. The West ought not to be silent about this risk. It could become a travesty of justice and provoke civil unrest.

Sometimes Western intentions are good, but outcomes go awry. Let me cite two examples.

First, in April 2008 at a NATO Summit in Bucharest, the United States failed to persuade allies that Georgia and Ukraine should be given Membership Action Plans to help prepare to join the alliance.⁵¹ Instead, NATO simply declared that the two countries “will become members.”⁵² This rejection likely calmed Kremlin concerns about how the West might respond to its planned invasion in August. Indeed, the West’s objection was muted.⁵³ Months later, a new U.S. administration, giving priority to such interests as nuclear arms control, pursued a “reset” in relations with Russia.⁵⁴

In the second example, last December, the EU granted Georgia membership candidate status despite the government’s anti-democratic shift and hostile posture toward the West. This concession enabled Georgian Dream to pretend to Georgians that their country was going toward the EU when, in fact, it was moving away.⁵⁵

A lesson in both instances is that the West ought to be forthright with Georgia and not make premature promises.

As with the new U.S. visa policy, Georgia’s friends should apply restrictive measures against the current leadership but not against the Georgian people. Meaningful and targeted sanctions now might raise the costs to and help deter Ivanishvili and his team from making further attempts to rob Georgians of their freedom and independence.

Coordinated U.S. and European measures may have the greatest effect. The leverage of the EU, with its accession privilege, is of special value.

Georgia’s relations with the West will someday improve. An NDI poll last November showed that 79 percent of Georgia’s respondents backed EU membership.⁵⁶ An IRI poll revealed that 77 percent saw Russia as the greatest political threat to Georgia.⁵⁷ These attitudes—and three decades of democratic progress and close Western ties—will surely influence Georgia’s

⁵¹ Steven Erlanger and Steven Lee Myers, “NATO Allies Oppose Bush on Georgia and Ukraine,” *New York Times*, April 3, 2008.

⁵² North Atlantic Treaty Organization, “NATO Decisions on Open-Door Policy,” April 3, 2008.

⁵³ Peter Dickinson, “The 2008 Russo-Georgian War: Putin’s Green Light,” Atlantic Council, August 7, 2021.

⁵⁴ Office of the Press Secretary, “U.S.-Russia Relations: ‘Reset’ Fact Sheet,” White House, June 24, 2010.

⁵⁵ Directorate-General for Neighborhood and Enlargement Negotiations, “Commission Adopts 2023 Enlargement Package, Recommends to Open Negotiations with Ukraine and Moldova, to Grant Candidate Status to Georgia and to Open Accession Negotiations with BiH, Once the Necessary Degree of Compliance Is Achieved,” press release, European Commission, November 8, 2023.

⁵⁶ National Democratic Institute, “NDI Poll: Georgian Citizens Remain Committed to EU membership; Nation United in Its Dreams and Shared Challenges,” press release, December 11, 2023.

⁵⁷ International Republican Institute, “IRI Georgia Poll Shows Political Threat from Russia, Concerns with the Presence of Russian Citizens, High Political Polarization,” November 15, 2023.

future direction. So, too, in a negative way, will Russia's occupation of one-fifth of Georgia's territory.

These considerations build confidence that the current lurch toward an authoritarian, pro-Russian course will not last. Georgians will not be denied the European and democratic future that they have worked so hard to attain.