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Why the Relations with the EU is Significant for Georgia?

Collaborative Research Paper |

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Introduction

The power of attraction of the European Union is increasing. Some authors have argued that the EU is a normative power, civilian power, and invisible superpower. If taken into account that EU was purely economic unity in the beginning, it will be clear that EU has been metamorphosed. The explanation of its transformation is rooted in its working system. The idea of EU was based on the theory of spillover effect. It means that states' one economic sector integration created its integration in further sectors in order to fulfill and make their relationship more efficient. The way how EU works is attractive for many states. Especially for small, post-communist states like Georgia. Nowadays Georgia's one of the main foreign policy is European integration. It has already made several steps to achieve this with the EU-Georgia Association Agreement, and Deep and Comprehensive Free Trade Area (DCFTA). Georgia is an important partner for the EU both within the European Neighbourhood Policy (ENP) and its eastern dimension under the Eastern Partnership (EaP).

This paper poses a question: Why European integration is important for Georgia, while it has problematic neighbour Russia, which is one of the main opponent of this movement and which can cause serious political problems for the state? Liberal intergovernmentalism will be suitable to explain the policy of Georgia and its benefits from this. This paper argues that since the formation of the common security and defense cooperation, Europe turned into the "Visible

¹ This piece of piece of collaborate research was initiated and supervised by Prof Dr Nino Kereselidze, Vice-Director of the Centre for International Studies among the MA and PhD Students of the International Relations program at the Faculty of Social Sciences and the researchers and staff at the Centre of International Studies.



Superpower” by developing permanent security structure (PESCO) attracting external countries including Georgia.

Theoretical Framework

Liberal Intergovernmentalist (LI) Theory is an approach which is usually used to study interstate cooperation in world politics. LI has two fundamental levels: states are actors and states are rational. According to the first level, the international system is anarchic so the main actors in it are states. They prefer to achieve their goals with intergovernmental negotiations, rather than making centralized authority which is based on enforcing policy. From this side, EU is the best International Regime that is seen for policy coordination for states.

According to the second level, states are rational actors. It means that actors calculate the benefits from their actions and choose the one that maximizes their outcome under circumstances. Like Frank Schimmelfennig and Ulrich Sedelmeier (2004, 669) put it “EU Integration can best be understood as a series of rational choices made by national leaders. These choices responded to constraints and opportunities stemming from the economic interests of powerful domestic constituents, the relative power of states stemming from asymmetric interdependence and the role of institutions in bolstering the credibility of interstate commitments”. The result of aggregated individual actions which is based on efficient pursuit of states preferences is collective outcome.

Significance of EU for Georgia

In long-term perspective the relationship with EU would be beneficial for Georgia for several reasons. EU is one of the biggest trade exporter and importer in the world. Even being EU’s trade partner requires certain standards which might be difficult to achieve for the country as Georgia with a limited budget, but this relationship will have advantages for Georgia. For the state it is very important to negotiate with EU especially because Georgia has neighbor Russia which is using a different type of force to keep dominance in the region is not sustainable. The main aspects of trade partnership between Georgia and Russia, is that Georgia’s economy has suffered from Russian trade embargo for many times that created many economic issues for the state. In this case, EU assistance and support helps to diversify trade to change the approach of Georgian producers and improve marketing, pricing, packaging strategies to meet common European standards would put Georgian trade in the new level. Participating in the European Common market will give Georgian producers chance to widen their partners and not to be dependent on one. The study reveals that widening trade partnerships would need years and investments and AA and DCFTA is an instrument which gives opportunities for the Georgian SME’s to overcome emerged problems.

European Integration is rational choice by Georgian decision makers. It is very important for Georgia to develop and become more stable country, and for achieving this, EU membership is



the best opportunity. More precisely, there are many spheres in which Georgia could benefit. On the one hand EU is important partner for Georgia. On the other hand, EU is interested negotiating with Georgia. In 2008, during Georgia-Russia conflict, EU sent the EU Monitoring Mission in Georgia (EUMM) to observe the process and keep peace after the cease-fire. That shows that EU is interesting the region and stability in it which is discussed below.

EU involvement in Russo-Georgian Conflict

While results on the EU's involvement is tangible as evidenced by peacekeeping agreement and the EUMM deployment, significant work remains to be done as far as confidence building is concerned. The EU Monitoring Mission in Georgia (EUMM) is an unarmed civilian monitoring mission. It was established by the European Union on 15 September 2008. Over 200 civilian monitors were sent by EU Member States to contribute to the stabilization of the situation on the ground following the August 2008 conflict. They monitor compliance by all sides with the EU brokered Six-Point Agreement of 12 August, signed by both Georgia and Russia, and the Agreement on Implementing Measures of 8 September 2008. The Mission has its Headquarters in Tbilisi and three Regional Field Offices in Mtskheta, Gori and Zugdidi.

The Mission started its monitoring activities on 1 October 2008, beginning with oversight of the withdrawal of Russian armed forces from the areas adjacent to South Ossetia and Abkhazia. Ever since, the Mission has been patrolling day and night, particularly in the areas adjacent to the South Ossetia and Abkhazian Administrative Boundary Lines. The Mission's efforts have been primarily directed at observing the situation on the ground, reporting on incidents, and, generally, through its presence in the relevant areas, contributing to improving the security situation. The Mission's mandate consists of stabilization, normalization and confidence building, as well as reporting to the EU in order to inform European policy-making and thus contribute to the future EU engagement in the region. 27 of 28 EU Member States contribute personnel, from a variety of civilian, police and military backgrounds. This mixture of professional skills and experiences has been vital to ensure a balanced and effective approach to a complex environment.

The Memorandum of Understanding signed between EUMM and the Georgian Ministry of Internal Affairs in October 2008 introduces a degree of transparency (and imposes restrictions) on the equipment used and the activities performed by the Georgian police forces in the adjacent areas. Under an agreement reached at the Geneva Discussions in February 2009, regular meetings between all the parties to the conflict were to take place to discuss and resolve specific incidents and issues, with the aim of developing greater confidence and co-operation between the parties (EEAS, 2017).

While results on the stabilization component of EUMM's mandate are tangible, significant work remains to be done as far as confidence building is concerned. At the same time, the Mission insists that giving it access also to South Ossetia and Abkhazia would help increase transparency,



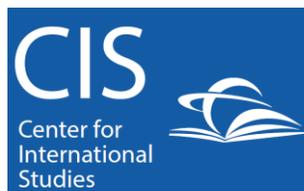
bring clarity on incidents that have already taken place and thus decrease the risk of future destabilizing incidents. Moreover, the 2008 Six-Point Agreement, together with the Implementing Measures, remains the basis for the continued presence of EUMM on the ground and its efforts towards stabilising the situation. Point Five of the Agreement remains to be implemented, as the continued presence of Russian Federation military personnel and equipment in both South Ossetia and Abkhazia represents a violation of this part of the Agreement. The Charter establishing the EUMM does not permit the regional bloc to participate in peacekeeping missions in Africa or anywhere outside the EU.

Agreements between EU-Georgia

PESCO is a Treaty-based framework and process to deepen defense cooperation among the member states. In 2009 the Permanent Structured Cooperation (PESCO) was enabled by the Treaty of Lisbon and it was initiated in 2017. On 13 November 2017 ministers from 23 member states signed a joint notification on PESCO, ratified later by leaders of each member nation. On 7 December 2017, Ireland and Portugal also notified their decision to join PESCO. The aim is to improve the European military capabilities. It is designed to make European defense system more efficient and prominent. The 25 Member States are participating in the Organization and main supporters and contributors are France and Germany. While the UK is withdrawing,

PESCO will develop to allow in future participation. Obviously, it is very significant that military capacities enhanced within PESCO remain in the hands of Member States. According to the statement of the EU foreign policy chief Federica Mogherini: "This achievement today is an historic day for European defense, but it's not only a celebrating day, it's the beginning of a story (Schulz, 2017)." Drawing on the LI theory, as noted by Andrew Moravcsik (2017), if a superpower is a political entity that can consistently project military, economic, and soft power transcontinental with a reasonable chance of success, Europe surely qualifies. Its power, moreover, is likely to remain entrenched for at least another generation, regardless of the outcome of current European crises. In sum, Europe is the "Invisible Superpower" in contemporary world politics.

Currently, after the formation of the common security and defense cooperation, this paper argues that Europe turned into the "Visible Superpower" by developing permanent security structure (PESCO). However, it is just beginning of the development and consolidation of the European military forces. Europe has decided to contribute more investment to its security and strengthen its defense system in order to make European defence system much more effective. Obviously, PESCO has completely changed identity of Europe and it is the step forward to the new era of European prosperity, strength and common security.



Sectoral Partnership

By signing the Association Agreement (AA) in June 2014, relations between the EU and Georgia were brought to a new level. The AA, with DCFTA foresees far reaching political cooperation and economic integration with the EU by significantly deepening mutual ties and bringing Georgia closer to the EU. The EU supports Georgia's reform agenda through financial and technical cooperation. More than 100 projects are currently being carried out in Georgia. The EU and Georgia agreed on the priorities for EU cooperation for 2017-2020 with an indicative financial allocation of €371 – €453 million. Furthermore, additional “more for more” funds have been made available under the incentive-based approach. EU support to agriculture is about raising the income of Georgian farmers and over 1,500 farmer cooperatives have been created with EU support. In addition, 59 Information and Communication Centres have been established in the regions, allowing farmers easy access to training and education materials to improve their farming skills and enjoy more plentiful harvests. The EU is working hard to ensure that Georgians have proper access to justice. It helped to establish the Government's Legal Aid Service, which has provided over 140,000 Georgians with free legal counseling and aid.

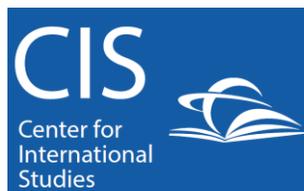
EU support has helped to reform juvenile justice in Georgia in particular by launching since 2010 Diversion Programmers redirecting all juvenile offenders to reintegration activities rather than criminal prosecution. So far over 1,655 juveniles have benefitted from these measures. The EU is supporting the Government in making its finances more transparent. Since 2014, the Government publishes a citizen's guide to the state budget, clearly explaining how and where money is spent. Georgia is also benefiting from €46 million of EU macro-financial assistance, half of which is in grants with €23 million between 2015-2017 (EEAS, 2017).

Apart from financial assistance, the EU is supporting the modernization of the higher education system in Georgia in line with the Bologna reforms, enhancing the quality and relevance of education, improving skills development, notably through increased mobility between the EU and Georgia for students, academic staff and researchers.

DCFTA

On 22 July 2013, negotiations for a Deep and Comprehensive Free Trade Area (DCFTA) were successfully concluded between the European Union and Georgia as part of the Association Agreement. The Deep and Comprehensive Free Trade Area (DCFTA) covers trade in goods and it includes energy, together with services and traditional flanking measures. This includes rules of origin, customs and trade facilitation, together with anti-fraud provisions and trade defense instruments.

Reflecting on the significance of DCFTA on Georgian reality, it can be noted that in the short term the benefits of DCFTA are more likely to be more political than economic. However, both politically as well as economically AA/DCFTA represents a challenge for the country as extensive



reforms are definitely needed to be carried out. In the interview, an EU expert (Interview 1) pointed out that DCFTA is distinguished from the other agreements as it suggests the regulations of the constitution and harmonization of institutions in order to step closer to the EU and its administrative mechanisms.

On the security front, deepening political ties with the EU raises the risk of escalated tension and aggression with Russia” as well (Khuntsaria 2015:7). Yet, it is a myth that Georgia-Russia trade relations are likely to worsen as a result of DCFTA. Taking into consideration that EU and Russian markets are distinct and different from each other, trading with the EU does not mean that it will be carried out at the expense of trade with Russia. Stable and predictable legal environment is vital for business ties to grow and this is what makes the difference when business decide to trade.

At this stage, despite the challenges Georgia faces nowadays, the country has an opportunity of a sustainable and growth oriented economic policy in the course of time and accordingly DCFTA has no better alternative so that the agreement can substantially contribute to the stable and reasonable development of Georgian economy.

Conclusion

European Union is becoming serious visible power for external countries to attract. Partnership with the EU is important for Georgia not only for its economy, but for political and social as well. Russia, which is using a different type of force to keep dominance in the region. To avoid the threats from Russia, Georgia needs alternative cooperation in the face of the EU. More precisely, EU plays an essential and vital role in Russo-Georgian conflict resolution. Having close ties with EU, Georgia benefits in almost every aspect of state’s life. Sectoral partnership between EU and Georgia means that Georgia is benefiting by EU in all major sectors such as economy, agriculture, justice, and good governance. Apart from that, by signing DCFTA, Official Tbilisi guaranteed itself real changes in regards to country’s trade capabilities. European integration is still in process for final goal it needs time, but gradually Georgia is becoming closer. The way is not so easy but in long perspective it result advantages for Georgia and it puts the country in higher level of development.



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