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THE NEW PHASE AND POSSIBLE OUTCOMES OF SOUTH OSSETIAN
CONFLICT

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Abstract

The main purpose of this Master's Essay is not in depth Georgian-South Ossetian conflict after Saakashvili's coming to power. The essay will particularly focus on the analysis of the following major factors: Saakashvili's drive to incorporate South Ossetia into Georgia and its ramifications for the regional security and Georgian-Russian relations, the Western position on Saakashvili's policies toward South Ossetia, the role of international mediators and the possible scenarios of further development.

List of Abbreviations

BTC.....	Baku-Tbilisi-Ceyhan
BTE.....	Baku-Tbilisi-Erzurum
CFSP.....	Common Foreign and Security Policy
CIS.....	Commonwealth of Independent States
CSCE.....	Conference on Security and Cooperation in Europe
EC.....	European Commission
ENP.....	European Neighborhood Policy
EU.....	European Union
EUSR.....	European Union Special Representative
IDP.....	Internally Displaced Persons
JCC.....	Joint Control Commission
JPKF.....	Joint Peacekeeping Forces
MCC.....	Millennium Challenge Corporation
NATO.....	North Atlantic Treaty Organization
NGO.....	Non-Governmental Organization
OSCE.....	Organization for Security and Cooperation in Europe
PACE.....	Parliamentary Assembly of the Council of Europe
PCA.....	Partnership and Cooperation Agreement
PfP.....	Partnership for Peace
TACIS.....	Technical Aid to CIS
TRACECA.....	Transport Corridor Europe-Caucasus-Asia
UNHCR.....	United Nations High Commissioner for Refugees
US.....	United States

Introduction

The roots of the South Ossetian conflict run deep, as far as the seventeenth century. For generations, South Ossetia has been a territory disputed between Ossetians and Georgians. And just as Ossetians and Georgians fight for it today, their respective historians have long quarreled over its true history. South Ossetia is an ancient historical land which is known as former Soviet autonomous region within the borders of Georgia. According to the Georgian version of history, it is located primarily in the part of historical Georgian province Shida Kartli, and its capital is Tskhinvali. The region is a mere 3,900 square kilometers and is surrounded on the south, east and west by Georgia and on the north by North Ossetia. The Ossetians are believed to be the descendants of Iranian-speaking tribes from Central Asia, whose medieval homeland was south of the Don River. As a result of Mongol invasions they migrated towards Georgia many hundreds of years ago forming three distinct territorial entities: Digor in the west; Tualläg in the south (in present-day South Ossetia); and Iron in the north (in present-day North Ossetia). Under Georgian influence most Ossetians adopted Christianity.

According to Jones (1993) Georgia demonstrated high level of tension between liberalism and nationalism, between majority and minority rights. After regaining Georgia's independence in 1918, Georgian officials soured their relations with the minorities (particularly Ossetians). Initially, minorities in Georgia had special status and one quarter of seats in the Georgian parliament. However, minority quotas were removed in 1919 along with the replacement of parliament by Constituent Assembly. Relations marked by bitter strain when Georgia launched a Georgianization program in the schools and government administration, and the Georgian Social Democratic party became the sole source of political patronage and power. In this situation all minorities began to feel high level of discrimination. The Georgian suppression of the June 1920 revolt in Ossetia is interpreted by

Ossetians as part of a Georgian strategy aimed at national Genocide. On the contrary, the Georgians view it as the first attempt by Ossetians to seize Georgian territory and break up the Georgian state. After 1921, the conflict between the national rights and political pluralism in Georgia was transmitted into a struggle over power sharing between territorially defined ethnic groups. In 1922, the Ossetians gained Autonomous Region status when the Russian Empire occupied Georgia. Following the 1921 Russian invasion of Georgia, the Soviet government granted a certain degree of autonomy over matters of language and education in their territory. However, the declaration of its independence is not recognized as a distinct entity by Georgia itself, as well as by any other country.

When and how the Ossetians migrated to the southern Caucasus is a disputable question. The Ossetians claim that their ancestors have been living in South Ossetia for as long as the Georgians. Moreover, they maintain that they populate their historical homeland in the South Caucasus; on the contrary Georgians believe that the Ossetians are merely guests in the region. These two opposite historical narratives about the Ossetians' presence in Georgia lie at the heart of Georgian-Ossetian conflict (ICG Europe Report N°159, 2004).

The modern Georgian-Ossetian armed conflict dates back to the breakup of the Soviet Union, when a South Ossetian attempt to declare independence from Georgia ended in several thousand deaths. Under the rule of Soviet Georgian government South Ossetia enjoyed some degree of autonomy, during which there was both high level of interaction and high rate of intermarriages between Georgians and Ossetians. It is also important to mention that although Russian and Georgian were administrative/state languages in the region, the Ossetians had the right to teach their own language (Ossetian) in schools. After the collapse of the Soviet Union in 1991, many states became independent, and the geopolitical situation changed both in the Transcaucasus and in Central Asia. Georgia ranked among the active

participants of the liberation movement that greatly promoted the process of decomposition of the Soviet Union. The dissolution of the Soviet Union created a mainly new situation in Georgia, especially in the South Ossetian region.

During that period there were two distinct regions in Georgia: Autonomous Republic of Abkhazia in the north-west and the Autonomous Region of South Ossetia in the north. As a result of Georgian intense political and emotional pressure on them, people in both areas felt that they are going to lose the autonomy they had preserved under the Soviet rule (Hewitt 2003).

In 1989, when Georgia began to move towards the independence, and there was an issue of territorial integrity, the rise of nationalism among both Georgians and Ossetians was quite obvious. The conflict started to accelerate as the Ossetian nationalistic organization, Ademon Nykhas, demanded full independence and international recognition or unification with North Ossetia aiming to get greater autonomy for the region with the consequence of integrating the region into the Russian Federation. The tensions in the region began to rise in November 1989, when the decision to unite South Ossetia with North Ossetia, approved by the South Ossetian Supreme Soviet, was opposed by the Georgian SSR Supreme Soviet. Obviously South Ossetia asserted its right to self-determination, whereas Georgia considered such separatist aspirations as a threat to its territorial integrity (Bliev 2006).

Getting its independence on April 9, 1991 the Georgian government, under the leader Zviad Gamsakhurdia, abolished the South Ossetian Autonomous Oblast declaring Georgian as the only official language throughout the country. Furthermore, South Ossetians were deprived of the right to teach their own language in Ossetian schools as Georgia advocated an increased role for Georgian instruction in all schools, including a Georgian language test for entry into higher education. As a result, the loss of Russian as a state language in Georgia

seriously threatened the Ossetians. As opposed to it, the Ossetians declared Ossetian as the official language of South Ossetia (Ratliff 2006).

The Georgian government asserted that the Ossetians' mass movements to Georgia began in the nineteenth century, and that they were illegally granted an autonomous region by the Bolsheviks in 1922 as a reward for their anti-Georgian activity during the civil war of 1918-1921. The Georgian President, Zviad Gamsakhurdia, called on South Ossetians to return to their real homeland in neighboring North Ossetia. Minority access to economic and political power was virtually eliminated as the Georgian government elaborated a theory of minority rights based on the assumption that minorities such as the Ossetians qualified neither for an absolute right to residence in the republic nor to equal status with the dominant ethnic group. These developments contributed to a state of emergency and led to a bitter war between Georgians and Ossetians (Cornell 2001).

Thus, Georgian nationalists under the command of Zviad Gamsakhurdia entered Tskhinvali, and the dispute descended into a full-scale armed conflict. The military operation began in January of 1991 and continued until June of 1992. As a result of bloody incidents occurred near Tskhinvali, approximately one thousand people died, and there was a huge number of refugees and internally displaced persons (IDPs) (Allen Nan 2002).

On 14 July 1992, Georgian government and South Ossetian separatists at the initiative of Russia signed Sochi Agreement not to use force against one another. The Agreement also created the Joint Control Commission (JCC) and the Joint Peacekeeping Forces group (JPKF) comprised of Georgian, Russian and North Ossetian peacekeepers. Thus, a so-called tripartite joint form of peacekeeping operation of Georgia, Ossetia and Russia was established under the auspices of JCC responsible for monitoring ceasefire agreements and seeking a political

solution to the conflict¹. The Organization for Security and Cooperation in Europe (OSCE) agreed to mediate and support peaceful settlement of the conflict having a mandate to promote negotiations between the two sides (Cornell 2001).

In 1994, a quadripartite Russian, Georgian, North Ossetian and South Ossetian team was established to reach a comprehensive political settlement in South Ossetia. In this phase of negotiations there were two opposite viewpoints: while Georgia was trying to preserve its territorial integrity, South Ossetia was claiming its independence (Allen Nan 2002).

In 1995 the Organization for Security and Cooperation in Europe (OSCE) in accordance with Russia set up a Mission in Georgia to monitor the peaceful regulation of the conflict. In May 1996 Georgian and South Ossetian sides at the initiative of Russian, North Ossetian and OSCE mediation signed a Memorandum in which the two sides called for providing a mutually beneficial political status over South Ossetia (Wikipedia 2006).

For 12 years third party interveners such as Russia, OSCE, EU, UNHCR and many NGOs conducted several efforts to bring the conflict to a resolution. However, in spite of the presence of Russian, Georgian, and Ossetian peacekeepers, tensions remain high and, after the Rose Revolution in 2004, the situation once again descended into an armed conflict.

All of these above mentioned events are considered as major sources of irritants that keep tensions on the high level between the two sides. Hence, the main purpose of this paper is to look at Georgian-Ossetian conflict from different perspectives and provide possible scenarios for the further developments. Thus, for doing the analysis, the following research questions will be addressed:

1. What were the reasons behind the new dangerous developments in Georgian-Ossetian conflict after Saakashvili came to power?

¹ The approximate number of peacekeepers was around 1,000 troops, including about 530 Russians, 300 North and South Ossetians, and 100-150 Georgians.

2. Could the unsuccessful attempts by Saakashvili to incorporate South Ossetia into Georgia have real bearing on his power status in Tbilisi?
3. Is the stalemate in the Georgian-Ossetian conflict conditioned by its inner and deeper aspects or primarily the strained Russian-Georgian relations?
4. What are the US and EU positions regarding Saakashvili's policies toward South Ossetia?
5. What are the capabilities and limitations of OSCE international mediators in determining the conflict-resolution process in South Ossetia?
6. What are the possible scenarios of further developments in this conflict?

Methodology

The following Master's Essay uses numerous sources including books, articles from journals and internet, newspaper archives, case studies and official reports. The methods applied in this research study are secondary analysis of existing data as well as historical and comparative methodology of international political analysis.

Literature Review

The Georgian-Ossetian conflict has its deep roots in the past. Regardless of the fact that a ceasefire has been agreed in 1992, the final comprehensive political settlement has yet to be reached. The negotiation processes has not been a fluent one: very often the parties have found themselves in a deadlocked position and sometimes at the peak of tension. The conflict in South Ossetia has not found a negotiated solution, and it is frozen along unsteady cease-fire line. The South Ossetian frozen conflict which has been at a deadlock for 12 years due to the complexity of the problem, rather negative mediation of external players, and the failure of the conflicting parties to compromise, has today evolved into a new phase. The developments under the rule of Saakashvili in the summer of 2004 also demonstrated that the conflict dynamic could revert to negative trends.

The unexampled nature of this conflict was the main reason of generating interest and attracting a lot of attention all over the world. Many famous political scientists, professors and foreign affair specialists covered this issue under their discussion and dedicated part of their articles to this event, organizing special programs devoted to it. Furthermore, a great number of authoritative books, scientific journals, official reports, case studies, magazines and newspapers wrote much about this issue.

Until recently, little effort has been directed towards studying the reasons and dynamics of the Georgian-Ossetian conflict or to prepare respective recommendations. The conflict poses on one side Georgia and on the other side South Ossetia that seeks to attain independence or join the Russian Federation.

Generally, there are two opposite schools of thought that contradict with each other over some major points. One group of analysts defends Georgia's interests and policy, whereas another group of analysts defends those of South Ossetia. Thus, there are pro-Georgian and pro-Ossetian sources. Pro-Georgian sources are mainly European, American

and above all Georgian sources, whereas pro-Ossetian sources are Russian and Ossetian ones. While pro-Ossetian sources argue that South Ossetian representatives claim their right to self-determination, pro-Georgian sources consider it as a threat to Georgia's territorial integrity.

For instance, Bliev, the author of the book Yuzhnaya Ossetia published in Moscow in 2006, mentions that the Ossetians trace their history to the ancient Alan tribes and speak a Persian language. Particularly he claims that the ancestors of the Ossetians have been living in South Ossetia for as long as the Georgians. This view is supported by many sources among which are the articles Georgia: A Failed Democratic Transition published by Jones in the book *Nations and Politics in the Soviet Successor States*, and Minorities in the South Caucasus published by Matveeva in *Sub-Commission on Promotion and Protection of Human Rights, Working Group on Minorities*. The authors of both articles argue that the Ossetians populate their historical homeland in the South Caucasus. These sources are known to be pro-Ossetian sources.

Pro-Georgian sources from their part claim just the opposite view. In this respect, Cornell, in his book Small Nations and Great Powers: A Study of Ethnopolitical Conflict in the Caucasus, points out that South Ossetia historically is a Georgian land, and the Ossetians are newcomers in the region.

In addition, pro-Georgian and pro-Ossetian sources view Russia's involvement in the Georgian-Ossetian conflict from different perspectives. Particularly first group of analysts assess Russia's participation as a threat to regional stability. Moreover, they claim that without Russian military support, the breakaway region will cease to be autonomous and Georgia will regain its control over the region. On the other hand pro-Ossetian analysts view this as genocide and ethnic cleansing.

The Reasons behind the New Dangerous Developments in Georgian-Ossetian Conflict

Under the government of Eduard Shevardnadze, from 1993 to 2003, it can be said that little progress was made in terms of achieving a settlement over the conflict. Of course, Russian and OSCE intervention helped to reduce violence and to reach significant agreements. However, a final comprehensive political settlement has yet to be reached.

In late 2003 Georgia's remarkable, bloodless "Velvet" or "Rose Revolution" brought 36 year old Mikhail Saakashvili to power. As a result of presidential election on January 4, 2004 Mikhail Saakashvili won an overwhelming victory and on January 25 was inaugurated as the new President of Georgia. The new Georgian president Mikhail Saakashvili was confident not only because of his political experience on Georgia's domestic and international stages, but also because of his young government composed mainly of western-educated leading members and western advisers. Among those was Salome Zurbishvili, who later became his foreign minister. Saakashvili was one of the drafters of the 1995 constitution, and was surrounded by his former revolutionary allies, Nino Burdzhanadze, another of the constitution's founding fathers, and Zurab Zhvania (Richards 2005).

No one can reject the fact that newly elected president Saakashvili has been at the heart of Georgian politics since 1995 holding the following key positions: a minister of justice; a chair of the parliamentary committee on rule of law and justice; a vice-president of the Council of Europe parliamentary assembly; and finally a chairman of Tbilisi city council (Nanava 2003).

The majority of Georgians barely surviving a collapsed economy believed that Saakashvili is capable of implementing real change by identifying real obstacles, and will implement immediate, dramatic reforms that will improve the condition of their poor country bringing substantial benefits to the population. Of course, the new leaders face significant challenges in consolidating their power and transforming state organs into effective and

legitimate institutions. Saakashvili and his advisors believed that amendments to the 1995 constitution will increase their ability to implement swift and drastic reforms providing them with more powers (Shaffer 2003).

One of the most important goals that Saakashvili tried to achieve was to restore Georgia's territorial integrity. However, this is not an easy task, because it includes the integration of three distinct entities (Ajaria, Abkhazia and South Ossetia) into Georgia.

As Freizer (2004) mentions, "Mikhail Saakashvili followed his highly symbolic, spiritual oath at the grave of David IV, creator of a united Georgia a millennium ago, by stating: "Georgia's territorial integrity is the goal of my life.""

This means that Saakashvili is ready to take radical steps. Hence, it can be assumed that Saakashvili will do his best to follow his oath, in other words, to regain Georgia's territorial integrity: that is to incorporate Ajaria, Abkhazia and South Ossetia into an independent Georgia. Obviously, Saakashvili's unification policy is a representation of a well thought strategy aiming to take the Caucasus away from Russia.

After putting an end to the de facto independence of the southwestern province of Ajaria in May 2004, president Saakashvili was determined to do the same thing with South Ossetia and Abkhazia. As a consequence, many South-Ossetians opposed this, fearing that an independent Georgia would lead to a renewed period of "Georgianization". As a consequence, the situation started to deteriorate and there were some open clashes between Ossetians and the Georgian army. It was argued that during those fighting Ossetians were helped by Russian mercenaries.

After Georgia fought bloody wars with forces in the autonomous northern territory of South Ossetia, the status of this region remains unresolved. As a result, President Saakashvili realized that the military operation in the region is senseless, and tried to seek the solution of South Ossetian conflict solely through dialogue and consultations. So Mikhail Saakashvili's

next most significant political challenge was likely to be reestablishing a stable territorial settlement in Georgia, one that ensures that centrifugal forces do not advance further. Thus, the Georgian government has intensified its efforts to bring the problem to international attention.

The problem is that since 1992 South Ossetia has been enjoying independence, now it does not want to be under the direct control of Georgia. In addition, its main purpose is to merge with the neighboring North Ossetia and thus become part of Russia. From here it can be assumed that Russia is certainly not an unbiased ally in the discussions. So there are two ways to solve this problem. The first is its integration into Russia, and the second solution is a fairly autonomous South Ossetia within Georgia. That is what Saakashvili has offered the Ossetians.

On January 25, 2005, in Strasbourg at the Parliamentary Assembly of the Council of Europe (PACE) session, a Georgian vision of the settlement of the South Ossetian conflict was presented by President Saakashvili. Later on October 27, 2005, the U.S. Government and the OSCE expressed their support to the Georgian action plan presented by Prime Minister Zurab Noghaideli at the OSCE Permanent Council at Vienna. On December 6, the OSCE Ministerial Council in Ljubljana unanimously adopted a resolution supporting the Georgian peace plan which was subsequently rejected by the South Ossetian authorities (Nichol 2006).

The factor that the official status of South-Ossetian region is unclear remains a major contributor to the unstable environment in Georgia. It seems that the forceful methods will deepen the region's alienation from Georgia and will lead to its drive toward Russia. Hence, other than forceful strategy is needed in this region. The independence of South Ossetia, or its integration into Russian Federation, is not, however, an immediate opportunity in the current environment.

According to Hopmann (2001), when parties are involved in hostility that undermines their collective security, their joint security can be ensured only by cooperative efforts to advance their common interests. In the case of Georgia and South Ossetia negotiators ought to search for common ground that will enable them to solve their joint problem in ways that will be mutually beneficial to both of them. A possible solution to the uncertainty might be for the international community to work with Georgia and the region to formulate a mutually acceptable status.

The Role of Georgian-Russian Interrelations

Long-lasting and close Russian-Georgian interrelations are on the special place in the history of Russian-Caucasian interaction. Since modern Georgia put step on the way of becoming independent state, and there were problems of territorial integrity, the rise of interests of Russian-Georgian interrelations became of great importance. Relations between the two countries reached a peak in February 1994 with the signing of the Treaty of Friendship and Cooperation that provided for political, military and economic cooperation between them. Among the important products of this treaty were joint air defense system and joint protection of the Georgia border (Bliev 2006).

As Shaffer (2003) notes, by virtue of its location the Republic of Georgia, despite its lack of economic resources and small population, has strategic geopolitical significance, since it is afforded control of transport lines to the entire southern Caucasus and Central Asia. The republic is likely to become an important transit state of major export pipelines of Caspian oil and gas – the Baku-Tbilisi-Ceyhan (BTC) oil pipeline and the Baku-Tbilisi-Erzurum (BTE) gas pipeline.

These events confirm the fact that the country's largest neighbor, Russia, wants to maintain its presence in Georgia, so much so, that it is ready to ignore any international norms and rules of behavior. This behavior includes the hosting of a gathering in Moscow of leaders of areas seeking separation from Georgia.

Relations between Russia and Georgia began to deteriorate after the 2003 Rose Revolution since Mikhail Saakashvili came to power. After his victory at presidential elections Saakashvili announced the establishment of good relations with all its neighbors as well as other countries one of the basic principles of its foreign policy.

President Saakashvili views membership of the EU and NATO as a long term priority. As he does not want Georgia to become an arena of Russia-US confrontation he seeks to maintain close relations with the United States, at the same time underlining his ambitions to advance co-operation with Russia (European Commission 2004).

As Freizer (2004) points out, on inauguration day, Saakashvili proclaimed: "Not only are we old Europeans, but we are ancient Europeans...Georgia [belongs] in the European family, in the European civilization...Our steady course is towards European integration."

The Georgian president has angered Russia by seeking closer ties with the West and NATO membership, most importantly when he first visited the Council of Europe in Strasbourg (28 January, 2004), and Germany (30 January, 2004) and then Moscow (10 February, 2004). As Georgia moves closer to the West, its ties with Russia sours to the point of open hostility. It is clear that NATO expands to include Georgia in order to strengthen its geopolitical influence in the Caucasus. The vital strategic interest in Western policy towards the entire Caucasus region is the goal of having control over Caspian Sea oil. A secondary aim is to provide sufficient political stability for the guarantee of the oil flow. On the contrary, the accession of Georgia to the current unreformed NATO structure would seriously affect Russia's political, military and economic interests, since Georgia is of particular

importance due to its geographical proximity to Russia, and because of its obvious complicity in Caucasian problems (Mainville 2006).

There is no doubt that Russia is very upset about Georgian determination to become part of NATO and more generally about their pro-American, pro-European foreign policy. Taking into consideration the fact that Georgia sits at a geopolitical crossroads between the Middle East, Europe, and Russia and is a key player in a new emerging energy system that will provide Europe with an alternative supply of oil and gas in the case of shortages or disruptions in the Persian Gulf, Russia will likely to regain its presence in Georgia, as well as play a decisive role in Caucasus.

Thus, the Caspian Region, to which the Central Asian and the Caucasian countries belong, due to its advantageous geographic location at the crossroads of major transportation routes remains a zone where the interests of many countries meet. In this respect, the situation in Central Asia and the Caucasus can be characterized by the fact that the interests of the leading players, the US and Russia, coincide within and beyond the region (Zonn and Zhiltov 2003).

Tensions have soared mainly due to Russia's involvement in the internal politics of Georgia, and in particular Georgia's confrontation with a couple of breakaway regions, South Ossetia and Abkhazia, that border Russia and that are supported by Russia and where the presence of Russian troops is inevitable. Obviously the Georgians are afraid the Russian policy to formally break off these territories to Russia.

Russian Interests and Policy

Up to now, Russia's primary goal has been to maintain the status quo in both South Ossetia and Abkhazia, by strengthening their effective independence. Russia can be expected to continue its present strategy of dragging out and stalling negotiations, seeking to limit the presence of OSCE and UN monitors along the borders of the separated regions. This policy can be viewed as equivalent to freezing the conflicts and maintaining the Russian military presence in the region, which is a good strategy to keep Georgia within the Russian sphere of influence and to weaken Saakashvili's regime. However, at present, Russia's concern may not be so much to maintain the status quo in South Ossetia, but rather to provoke an open military conflict, bringing Russian troops into the region under the pretext of "protecting the rights of its citizens." Of course, this is a reasonable explanation, since the majority of South Ossetian residents are Russian citizens (about 90%) (Falkowski 2006).

Long-lasting attempts by the Russian Federation to penetrate the Caucasus once more confirm the fact that Caucasus is extremely important strategic region to Russia. The collapse of the Soviet Union forced Russia to adapt to the rapidly changing new geopolitical environment. Restoring control over most of the former Soviet republics, Russia tried to reanimate its status as a great power in the Southern Caucasus. Here the statement *why Georgia is a key country for Russia* should be met immediately. Without turning Georgia into its satellite, Russia realizes that not only will it be unable to restore control over the Southern Caucasus, but it will also be unable to play a major role in the region. Control over Georgia will allow Russia to control the entire Southern Caucasus, as well as feel confident in the Northern Caucasus. Control over Georgia will provide Russia with the opportunity to close energy resource-rich Azerbaijan's access to the Black Sea. It will also make possible for Russia to interfere in the creation of a Europe-Asia corridor and transit routes between Central Asia and Europe, retain its monopoly in transporting energy resources and other

commodities from Central and Eastern Asia to Europe as well as retain its major military presence in the Black Sea. What is more, by controlling Georgia and, consequently, the entire Southern Caucasus, Russia can ensure its significant influence on the Middle East countries. These are the reasons, for which Russia believes that Georgia should be kept in its military-political orbit. Definitely, Russian interests contradict to Georgian interests, in view of the fact that after Mikhail Saakashvili's coming to power, Georgia has been determined to restore its territorial integrity.

Tensions in Bilateral Relations

According to Peuch (2002) the deterioration of the security situation in the Pankisi Gorge, a small mountainous region bordering Russia's breakaway republic of Chechnya populated mainly by ethnic Chechens known as Kistins, appeared on the agenda of Georgian-Russian relations. The area is believed to serve as a base of operations for armed separatists from Chechnya. While Moscow accuses Tbilisi of giving shelter hundreds of Chechen terrorists in Pankisi, Georgians unanimously reject these claims as false and suggest that Russia tries to undermine Georgian independence. As Kipp (2003) mentions: "Russian officials repeatedly claim that Georgia continues to serve as a sanctuary to Chechen and international terrorists that cross into Chechnya from bases in Georgia's Pankisi". However, Georgia denies the Russian claims admitting that only a small number of fighters may be located in Pankisi.

It is a fact that under the rule of Shevardnadze Georgian government was both harboring and providing Chechen militants in Pankisi moral, political and material support, including arms supply. At that time Tbilisi's policy was to trump Moscow in response to Russian support for South Ossetian and Abkhazian separatists (Anjaparidze 2004).

The conflicts over South Ossetia and Abkhazia, Corso (2005) notes, continue to aggravate Georgian-Russian relations. Tensions in bilateral relations began even before the collapse of the Soviet Union, with the emergence of Georgian nationalism as a potent political force. Many Georgians believe that the Russian peacekeepers stationed in the conflict zone are tools to preserve Russia's influence in the region. While Georgia accuses Russia of imperialism, Russia criticizes Georgia for nationalism and pursuing an anti-Russian foreign policy. More generally, Russia guarantees regional peace and security through its peacekeepers, whereas Georgia accuses Moscow of actively working to maintain regional instability and of trying to annex breakaway republics and supporting secessionist leaders in their quest for independence. As Peuch (2006) notes, Officials in Georgia argue that Russian peacekeepers threaten its national security and the lives of Georgian citizens living in the conflict zone. Moreover, they claim that Russian peacekeepers are supplying separatist forces with armaments in violation of demilitarization agreements. Georgia accused Russia of providing armored personnel carriers, tanks, other military equipment, fuel, and training. Most of the equipment was allegedly brought through the Roki tunnel linking North and South Ossetia. Moreover, it accused Russia of allowing up to 1,000 Russian armed forces to fight on the South Ossetian side. They also accuse them of carrying out sabotage raids against Georgian targets.

Russian-Georgian relations marked by bitter strain as Georgian government and parliament have visibly sought to remove Russian peacekeepers from conflict zones. Bilateral relations have come under increasing strain on 15 February 2006 when the Georgian parliament adopted a resolution demanding the replacement of Russian peacekeepers with an international force believing that such a shift would quickly produce a peace treaty. Officials in Tbilisi argue that Russian troops in South Ossetia are not peacekeepers in the internationally accepted sense, rather they pursue the aim of promoting South Ossetia's

secession. Unsurprisingly, the resolution brought disappointment not only among Russian politicians, but it also irritated South Ossetian political elite. As a consequence, Russian State Duma approved its own statement, warning Georgian officials that such a resolution would affect Russia's crucial interests. In addition, Russia declared that it can not remain indifferent to continued claims aimed at replacing Russian peacekeepers with NATO troops, because this would lead to the escalation of new armed conflict (Dzugayev 2006). As Peuch (2006) notes, the leader of South Ossetia's government Eduard Kokoity warned that Georgian parliament has the right to vote through any necessary resolution, however, to unilaterally review the Sochi agreement is not its moral right. He added that the forced removal of Russian peacekeepers from the conflict zone could lead to open confrontation. Georgian-Russian relations took another blow in the summer of 2004 when Tbilisi sent troops to South Ossetia, triggering some deadly armed conflicts. Moscow viewed this as forcefully establishing control over the separatist provinces of South Ossetia and Abkhazia.

Russian politicians think that in order to normalize relations with Russia, Georgia should meet three conditions: firstly it has to stop seeking closer ties with the West and NATO membership; secondly it has to stop forcibly reasserting his control over breakaway regions (South Ossetia and Abkhazia); and finally, it has to abandon rattling the Russian leadership with harsh and strict provocative rhetoric. As opposed to Russian preconditions, there is a general consensus among the Georgian policymakers that for Russia to have friendly interrelations with its southern neighbor it has to accept Georgia's pro-Western geopolitical orientation; it has to maintain regional stability simply not supporting Georgia's two breakaway regions; and finally Russia has to agree to withdraw its peacekeepers from the conflict zones (Torbakov 2006).

It seems that neither of these conditions will be accepted by both Georgian and Russian authorities. In case of Georgia, first of all, it is highly unlikely that it will stop its

integration into NATO, because NATO membership is a matter of principle for the new Georgian government composed mostly of western-oriented politicians; taking into consideration the fact that the current Georgian government came to power on the pledge of restoring Georgia's territorial integrity, it can be said that the second condition also cannot be met; the third one also seems out of the question due to the hot-tempered nature of most of the Georgian leadership. For its part, Russia also will likely not accept Georgian criteria, since Russia wants to stay in the Caucasus and Georgia is the key to it. Russia realizes that it is impossible to retain geopolitical influence in the Caucasus leaving Georgia; a case in which Russia will lose its strategic positions in the South Caucasus. However, in the summer of 2005, after numerous negotiations, Russia and Georgia signed an agreement on a withdrawal of Russian troops, to be completed by 2008.

Currently Georgian relations with Russia represent the most complex dimension. For historic, geographic and economic reasons Russian foreign policy is supporting South Ossetia and Abkhazia in their drive to independence. After the collapse of the Soviet Union Russian contribution to destabilization in the Southern Caucasus, particularly its military actions supporting separatism in Georgia, and Georgia's intentions to join NATO and blocking of a Russian military base have raised a question that goes beyond the deterioration in Georgian-Russian relations. Neither Russia nor Georgia will benefit from increased tensions in the South Caucasus. On one hand events there affect Russia's southern border areas, on the other hand they undermine Georgia's territorial integrity. This situation, indeed, has a negative impact on the achievement of a final comprehensive political settlement over South Ossetian conflict.

The US and EU Positions Regarding Saakashvili's Policies toward South Ossetia

Recently European Union (EU) declared that Building Security in its Neighborhood is one of its main strategic objectives. It is clear that EU aims to become a strategic actor in its own geographic neighborhood. Using its main tool, European Neighborhood Policy (ENP), EU offers neighboring countries to develop close ties with the EU making political and economic reforms that conform to EU standards² (Commission of the European Communities 2004).

The EU's new neighborhood policy is of great importance not only for the EU, but also for the United States (US) and transatlantic relations, since their friendly relationships in the European neighborhood could bring about huge benefits for both. Increase in their communications could enhance regional security and stability, promote democracy and improve energy security. Thus, if EU and the US are unable to collaborate in the European neighborhood, this could increase strains in the transatlantic relationship, and could even lead to increased policy competition between EU and the USA in the European neighborhood. EU and the US have increasingly coordinated their efforts to promote democratic change and resolve the frozen conflicts in the former Soviet Union. More generally, they focused on the South Caucasus due to its strategic importance. The US began to deal with economic, military, and diplomatic issues of new democratic Georgian government, trying to resolve frozen conflicts, ensure the stability and security of this vital energy and transport corridor (Baun 2006).

² Neighboring countries are those in Eastern Europe, the South Caucasus, Northern Africa, and the Eastern Mediterranean.

The US Interests and Policy

As it is known, the strategic objectives of Georgian foreign and security policy are the Membership of NATO and the integration with EU. On the other hand, its geopolitically important location at the crossroads of Europe, Central Asia and the Middle East is among the interests of both NATO and the US. Seeking close ties with Georgia they attempt to ensure access to Caspian energy resources. The fact that Georgia borders with Azerbaijan, Armenia and NATO member Turkey confirms the possible security cooperation between NATO and the South Caucasus. In addition, NATO and the US see Georgia as a land corridor for the transportation of oil from the Caspian Sea to the Mediterranean (Darchiashvili 2003).

For geopolitical reasons, Georgia is of great strategic value for the United States. Situated between the Caspian Sea and the Greater Middle East, Georgia's importance is undisputed... With the opening of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline the strategic value of Georgia increased dramatically. From the U.S. perspective this pipeline is important to diversify the oil supply of the West and to be less dependent of the Greater Middle East countries (Peters and Bittner 2006, 20).

One thing becomes clear that to shape security environment, NATO and the US should promote deeper military relationships with the South Caucasus states, particularly Western-oriented Georgia. However, this is not an easy task because of Russia's military influence in Georgia. The United States views Russia from a distance, as a geo-strategic partner or rival. Relations with Moscow definitely affect US policy in the former Soviet Union. Hence, as Baun (2006) states, one of the main objectives of the United States is to restrict Russian influence and enhance its presence in strategically important regions of the South Caucasus. What is more, democracy promotion, energy security and the fight against terrorism are also included in the US agenda in the South Caucasus.

After 9-11, the Bush administration concluded that decades of U.S. support for non-democratic leaders ... led not to stability but rather contributed to terrorism. While U.S. government support for democracy promotion is not new, such sustained attention and allocation of resources marks a new emphasis on democratization (Craner 2006)

The events of 11 September, 2001 marked a new phase in Russian-American interrelations, when Russia supported the United States in the fight against international terrorism³. As a consequence, the Bush Administration reviewed its foreign policy toward Russia. Newly developed geopolitical situation in the world motivated both countries to find a common language at the peak of the antiterrorist campaign (Zonn and Zhiltov 2003). The fight against terrorism became a widespread phenomenon and an essential issue on the US-Georgian agenda. In May 2002, the US military in a “train and equip” program began providing security equipment and training to help Georgia combat terrorist groups in its Pankisi Gorge and to enhance its border security. It sounds as if US supports the Georgian anti-terrorist capabilities to regain control over the Pankisi Gorge, a valley which is considered one of the main shelters for terrorists. Besides military support, the US, through its Millennium Challenge Corporation (MCC), aims to reduce poverty and stimulate the economic growth in Georgia with a grant of \$295.3 million (Peters and Bittner 2006).

The cornerstone and the chief tool for the US to deepen its military engagement in the South Caucasus is NATO’s Partnership for Peace program (PfP)⁴. Among the PfP activities are civil emergency planning, civil-military relations, defense policy and strategy, and military reforms. This initiative reflects NATO’s desire to promote the democratic transformation of South Caucasian countries, particularly Georgia. Currently Georgia is one

3 For the United States, Georgia became a more important military ally for its operations in Iraq and it is supporting Georgia’s mission for NATO’s Individual Partnership Action Plan (IPAP) or Membership Action Plan (MAP). Georgia’s Westward orientation concerns Russia, which opposes US military presence in the former Soviet space.

4 The PfP program contains 19 NATO members and 26 partner states including all three South Caucasus states (Armenia, Azerbaijan, Georgia).

of the most active constituents of NATO's PfP program. It has been participating in this program since 1994, at the program's inception. In fact Georgia uses PfP as an instrument to bring its armed forces closer to NATO standards. Georgia has made an essential progress in terms of military reform and restructuring. Participation in PfP remains crucial to joining NATO, as it successfully transforms the military and defense establishment based on Western models and develops interoperability with NATO forces. Georgia efficiently works with NATO in peacekeeping, operating with a Turkish peacekeeping battalion in Kosovo. NATO and the US can play a considerable role in strengthening Georgia's security mechanisms, since increased security cooperation in defense planning and air defense exist within the PfP framework. The recent expansion in US-Georgian security cooperation aims to help Georgia develop military capabilities necessary for preserving its territorial integrity and strengthening its border security (Detemple 2000).

The US participation in the conflict-resolution process increased along with the US interests in the region; this is especially related to oil resources in the region. The United States views democracy promotion as one of the key goals of its foreign policy and an expression of its national identity.

It is a commonly held assumption that democracies do not go to war with each other and open trading economies also see no incentives in waging wars. Therefore, democratization of the emerging states serves Western interests in their stability as trading and political partners. In this case political and normative interests are mutually supporting. However, in other cases geopolitical considerations come into conflict with normative commitments and undermine the normative and practical coherence of the international agenda (Sabanadze 2002, 28).

In this respect, one can argue that democratic countries seem to be more stable, more friendly towards the West, and more effective in combating terrorism and international organized crime. Undoubtedly, for the US the promotion of democratic stability and good governance is directly connected with the achievement of strategic security and energy needs.

Hence, the fundamental assumption is that promotion of democracy becomes an element of security policy. According to Jeffrey:

The United States remains committed to a peaceful resolution, one that strengthens Georgia's territorial integrity, improves the lives of the people of the region, and contributes to greater stability and security in the South Caucasus... Left unresolved, the conflict in South Ossetia not only undermines Georgia's territorial integrity and impedes development of a strong and prosperous Georgia, but also poses a continuing threat to the stability of the greater South Caucasus region (2005).

US diplomacy, certainly, supports Georgian territorial integrity. As a matter of fact, it welcomed President Saakashvili's initiative to settle the Georgian-South Ossetian conflict through peaceful means⁵. The United States, considering Georgia's proposal for peace as an essential step in a peace process, encourages both Georgia and South Ossetia to intensify their efforts to find a sustainable and peaceful resolution to the conflict. Since Georgia is viewed as a strategic partner and key ally in the South Caucasus, which is a region of increasing potential and strategic significance, NATO and the US have used PfP as an instrument to expand security cooperation with Georgia and establish a foothold in the South Caucasus. However, as Sabanadze (2002) states, the direct involvement of the US and NATO in peacekeeping operations in the South Caucasian territory, particularly in Georgia, seems highly sensitive for Russian officials and has been uncompromisingly rejected by Russia.

The EU Interests and Policy

While talking about international mediation in the conflict, it is worth mentioning that the main goal of great powers as well as other states is self-interest, because the instability not only in South Ossetia, but also in the South Caucasus as a whole threatens the security of European Union. Geo-strategically important location, energy resources, pipelines and the challenge of international crime and trafficking may be considered as crucial factors that

⁵ In January of 2005, Georgian President Saakashvili put forth a proposal for an autonomous status for South Ossetia within Georgia, which was acceptable for the United States.

direct the attention of international community, including the European Union, to this region. Hence, through formal and informal channels progress has been made on issues such as refugee return, trade, and reconstruction. The main focus of the analysis of international involvement in ethno-political conflicts is on the mediation efforts, peacekeeping operations, as well as on rehabilitation and assistance programs provided by the international donors. There are numerous definitions of mediators and mediation, but here it is most appropriate to set afore Saadia Touval's example cited by Bercovitch:

Mediation is a form of third-party intervention in a conflict. It is not based on direct use of force and it is not aimed at helping one of the participants to win. Its purpose is to bring the conflict to a settlement that is acceptable to both sides and consistent with the third party interest ... Mediators are political actors; they engage in mediation and expand resources because they expect to resolve a conflict and gain something from it. For many actors, mediation is a policy instrument through which they can pursue some of their interests without arousing too much opposition (1997, 134).

As it was already mentioned, Georgia plays a crucial role for Europe's neighborhood policy. It is a country whose geographic location, role as an energy transit route and its frozen conflicts make it strategically important for the international community. Political instability in Georgia undermines the economic implications for the EU, since unresolved conflicts in its territory have the potential to generate full-fledged war in European neighborhood. Georgia became an important transit-route after the opening of Baku-Tbilisi-Ceyhan pipeline⁶, with the potential of bringing oil from Azerbaijan through the Caucasus to the Mediterranean coast of Turkey. Georgia is currently committed to reform and democracy, and shows its strong desire to be part of the European club (Leonard and Grant 2005).

The EU has an interest in Georgia developing in the context of a politically stable and economically prosperous southern Caucasus. In this respect, the conflicts in Abkhazia and Tskhinvali region/South Ossetia remain a major impediment to development in Georgia and contribute to regional instability. The EU supports the principle of Georgian territorial integrity (European Commission 2004).

⁶ The 1,800 kilometers Baku-Tbilisi-Ceyhan pipeline is opened on May 25th 2005.

As Solana (2004) points out, EU policy aims to support all efforts at reform in Georgia, and to encourage further strengthening of such efforts by the Georgian government. Left unresolved conflicts, in Abkhazia and South Ossetia, have generated most recent international interest in Georgia. The EU's focus has long been on the support of Georgia's territorial integrity. In EU agenda democracy promotion and respect for shared values of human rights are important factors in promoting stability in the whole South Caucasian region. The OSCE has an important role in Georgia and the South Caucasus, and the EU supports its work. Thus, one thing is fairly certain that EU has an interest in achievement of strategic security and energy needs, and is committed to the territorial integrity of Georgia as well as to a peaceful settlement of the conflicts. Hence, it is natural that EU efforts are directed at the promotion of democratic stability and good governance with an underlying assumption that democratic countries are inherently stable and peaceful.

Since 2003 the EU has become increasingly engaged in the South Caucasus, particularly in Georgia, becoming more of a security actor. It has appointed an EU Special Representative⁷ (EUSR) for the South Caucasus, in accordance with the Council's wish for the EU to assume a more active political role, and employed the Commission's Rapid Reaction Mechanism to support post "Rose Revolution" democratization processes. It has included Georgia in the European Neighborhood Policy (ENP). The appointment in July 2003 of the EU Special Representative for the South Caucasus was a further step in deepening relations with Georgia. However, it is Georgia's "Rose Revolution" in November 2003 which opened up new perspectives for EU-Georgia relations. (Masseret and Zacchera 2004).

The most important reason for the European Union to take a more specific interest in Georgia is that it is a strategically important country with a renovating regime that is calling

⁷ Heikki Talvitie was appointed EU Special Representative (EUSR) for the South Caucasus on 7 July 2003.

for European help. Moreover, it plays a crucial role in the EU's ability to take responsibility for the European neighborhood security, and to develop a meaningful policy for a country that cannot yet be considered a candidate for accession. Most importantly, Georgia is a key to the European Neighborhood Policy (Leonard and Grant 2005).

The principal goal of the EU Special Representative, Heikki Talvitie, is to support the three states in the South Caucasus (Armenia, Azerbaijan, Georgia) in performing their political and economic reforms with a special emphasis on such areas as democratization, rule of law, human rights, and good governance. In addition, the EUSR is supposed to prevent and resolve the existing conflicts assisting in good cooperation with key national actors in the neighboring region. This, of course, is a good way to encourage the peace process, promoting the return of refugees and internally displaced persons (IDPs), encouraging and supporting intra-regional cooperation between the states on the economic, energy and transportation issues, and above all making existing EU instruments and machinery more effective and visible in the South Caucasus. Obviously the EU wants to improve the prospects of regional stability because of its numerous strategic interests in the region. Among its interests are the desire to become the largest customer for Caspian oil and gas⁸; the objective of reducing transport costs, in the context of increasing trade development between Europe and Asia⁹; and finally the strategic objective of the Common Foreign and Security Policy (CFSP) as an extension of the security zone around the Europe. Seemingly, it was thought that the EU should make its efforts to solve the South Caucasian problems which include the frozen conflicts and the potential renewal of hostilities, weak institutions and insufficient development, combined with widespread corruption, and the poor democratic

⁸ It is a fact that European companies have taken the lead in most major oil and gas production projects in the region.

⁹ Georgia is considered as a gateway to an alternative route to Asia. The Transport Corridor Europe-Caucasus-Asia (TRACECA) project was specifically designed with the objective of reducing transport costs. Besides, since 1990, the project has been the main stimulus for closer cooperation between regional government authorities and for the EU playing a leading part in the region.

institutions of South Caucasian countries (Masseret and Zacchera 2004). The European Union properly is taking a stronger interest in Georgia in promoting the rule of law, good governance and respect for human rights and democratic institutions; reducing poverty; and enhancing stability and security through measures that could help to settle the unresolved conflicts¹⁰. These events once more confirm the fact that as the US, The EU also views democracy promotion as one of its basic foreign policy objectives and a starting point for its emerging role in the world. Consequently, democracy is a key constitutive principle of the EU and a heart of its identity; therefore, democracy promotion is both an expression of EU identity as well as a moral obligation which deals with security issues.

Russian factor is among the major ones in EU relations with its eastern neighborhood. The EU shares a common border and neighborhood with its large and powerful neighbor Russia. For many EU countries Russia is an essential trade and investment partner and for most of them Russia is of vital importance for its energy, especially natural gas supplies. From a security perspective, the EU needs Russian cooperation to resolve the troublesome frozen conflicts and other security problems in their shared neighborhood, maintaining friendly relations. Tense Russian-Georgian relationships, certainly, concern EU, since the crisis in bilateral relations affects the situation in the South Ossetian region. The EU and the international community lend their support for achieving final settlement over the conflicts in Georgia in various ways. The EU tried to make both Russia and Georgia not only improve their bilateral relations, but also concentrate their efforts on achieving a peaceful settlement over the conflict. The Union also insisted on the parties to fully abide by the earlier agreements. Through its observer status, the EU Commission plays an important role in the Joint Control Commission of the Georgian-Ossetian conflict solving process (Baun 2006).

Since 1997 The European Commission (EC) of the EU has been engaged in the

¹⁰ The EU assistance to Georgia from 1992 to 2004 amounted to about € 420 million.

conflict with its first grant of € 3.5 million for the purpose of supporting rehabilitation in the conflict zone which includes the financing infrastructure and economic rehabilitation, focusing on projects that bridged the two communities. With its second grant of € 1.5 million the EC planned to reactivate economic links between Georgia and South Ossetia. More generally, reactivation of economic links includes the restoration of the Gori-Tskhinvali railroad link, the Tskhinvali railroad station, and the gas network in Tskhinvali. In 2003 under the third € 2.5 million rehabilitation program EC projected to start a joint Georgian-South Ossetian customs collection mechanism and to repair the main north-south road. Later, as a result of the disagreement on the location of the customs point between the two sides, the project was changed to support more general shelter and infrastructure rehabilitation, particularly for the refugee return process in South Ossetia. The most recent rehabilitation program was signed in January 2004; however, its implementation has yet to begin. It can be assumed that EU was active in providing opportunities for both Georgians and Ossetians to create links between communities to come to common solutions, thus having the potential to ensure confidence and trust (ICG Europe Report N°159 2004). Partnership and Cooperation Agreement (PCA), entered into force on 1 July 1999, is one of the EU instruments that supports the respect of democratic principles, the rule of law and human rights, as well as the consolidation of a market economy in Georgia. Based on Technical Aid to CIS (TACIS) program the EU's objectives are to foster the implementation of the PCA and provide grant assistance for projects in priority areas (Commission of the European Communities 2004).

As Salinas (2001) mentions, TACIS is a specific program and has a crucial role for the Caucasus region, since its activities are concentrated into the following six areas: institutional, legal, and administrative reforms; private sector and economic development; the consequences of change in society and infrastructure networks; environmental protection; the rural economy; and nuclear safety. It is also involved in promoting regional cooperation and

linking assistance levels to progress in conflict resolution. Lately the shift in EU assistance to Georgia from humanitarian assistance to promoting trade and investment was quite obvious.

As Leonard and Grant point out:

The EU could have a major impact on Georgia if it linked incentives to the reform process there. It needs to acknowledge Georgia's European identity, and keep open the prospect of eventual membership; play a meaningful role in resolving the frozen conflicts; use the 'European neighborhood policy' to ensure that Georgia stays on a democratic track; and support Georgia's application to join NATO by encouraging the government to stick to peaceful ways of resolving the frozen conflicts (2005, 1).

Certainly, the EU is not so involved in direct settlement of South Ossetian conflict. In fact, working in partnership with the UN and OSCE, it aims to provide confidence building in support of negotiations. It is likely that EU will continue to view democracy promotion as the best conflict resolution mechanism in the case of the South Ossetian conflict, moreover it will remain consistent to its notion that achieving good governance and social and political reform, eliminating corruption and abuse of power, establishing the rule of law and protecting human rights would mostly strengthen stability and security. Of course, this is a successful but long-term strategy for addressing the conflict. However, in the South Ossetian conflict management case there is a need for more specific short-term strategy (Europe Report N°173 2006).

The Capabilities and Limitations of OSCE International Mediators in Determining the Conflict-Resolution Process in South Ossetia

The OSCE is the only Eurasian security body, which provides its 56 member states to sit at the same table as equal partners. In this body all Euro-Atlantic, Central Asian as well as Caucasian states have the opportunity to build overarching commitments on standards and values to prevent new divisions within Europe and beyond. The OSCE cooperates with other international organizations and institutions such as the United Nations, the European Union, NATO and the Council of Europe. As opposed to other institutions, it promotes a broad understanding of collective security by seeking consensus-based agreements, which reflect the political will of its member states. The OSCE cooperates closely with other organizations on counter-terrorism, border security, excess munitions disposal, civil emergency planning, combating intolerance, promoting free and fair elections, as well as conflict prevention and resolution.

After Sochi agreement in 1992, a long-term mission from the Conference on Security and Cooperation in Europe (CSCE), present-day Organization for Security and Cooperation in Europe (OSCE), has been requested to mediate and support the peaceful settlement of the conflict having a mandate to promote negotiations between Georgia and South Ossetia. As it was already mentioned above, Joint Control Commission (JCC), the Joint Peacekeeping Forces group (JPKF), comprised of Georgian, Russian and North Ossetian peacekeepers, and a quadripartite Russian, Georgian, North Ossetian and South Ossetian team are also involved in promoting a comprehensive political settlement in South Ossetia. The OSCE's conflict resolution machinery includes two principal components: first, the political negotiations of both Georgian and South Ossetian plenipotentiary delegations with the participation of Russia, North Ossetia, and the OSCE; and the second, the Joint Control Commission (JCC) supporting confidence-building, measuring and helping to address issues of mutual concern

such as refugees and internally displaced people (IDPs). Moreover, the JCC is a platform to facilitate the peaceful resolution of the South Ossetian conflict, which has three major working groups, dealing with military and security issues; economic issues; and refugee and IDP issues. All four parties (Georgia, Russia, North Ossetia and South Ossetia) and the OSCE participate in the JCC working groups. In addition, the JPKF participates in the working group on military and security issues, the European Commission (EC) in the working group on economic issues, and the United Nations High Commissioner for Refugees (UNHCR) in the working group on refugees and IDPs. The OSCE has also a mandate to build confidence in the zone of conflict, to observe the CISPKF in South Ossetia, to dismantle stockpiles of ammunition and neutralize dangerous chemicals from former Soviet bases. These initiatives are known to contribute to the improvement of interethnic relations between Georgia and South Ossetia (OSCE Mission to Georgia 2006).

As mentioned before the OSCE mission's main goal is to contribute to the settlement of South Ossetian issue. Acting mainly on the official Track 1 Diplomacy it has been trying to bring the leadership of the two parties to have a dialogue and to foster a final status agreement. The mission also conducted a series of Track 2 Diplomacy activities, including meetings with Georgian and South Ossetian scholars to analyze the conflict, trainings for journalists and the establishment of a Georgian-South Ossetian joint information center. However, OSCE's main focus has been to impact the high-level leadership and less attention was paid to the middle-level leadership. It also includes border observation activities (the border between the Russian Federation and South Ossetia) and military issues-monitoring activities of Russian peacekeepers stationed in-between Georgia and South Ossetia (Balas 2005). What the OSCE has been attempting to do in the Georgian-South Ossetian conflict for the last fourteen years has been a specific type of third party intervention, more exactly conflict resolution, having mediation as a major component of its operational activities.

Although the OCSE mission suggested many proposals for agreement and showed several mediating attempts, there are no visible impacts on the ground. The mission seems to lack in most of its activities in its involvement in the Georgian-South Ossetian conflict, since it does not have the leverage to apply a credible combination of carrots and sticks, in other words, it does not have the ability to put political pressure or to at least offer political, economic and security guarantees to the parties. In fact, OSCE cannot perform these roles, because it lacks the power to put pressure on the parties, and its guarantees are not trusted¹¹ (Balas 2005).

The OSCE particularly played an important role in confidence-building and stability-increasing measures as well as in facilitating the political process aimed at a comprehensive peaceful settlement of the Georgian-Ossetian conflict. In 2003 it continued to work towards peaceful settlement of the conflict facilitating the JCC meetings and its subsidiary bodies. Currently, it is increasing its activities aimed at facilitating the two parties to implement the OSCE Mission's proposals. OSCE is also exploring the possibilities to enhance its efforts in the field of confidence building with a view of contributing to an atmosphere of trust and positive examples of cooperation. To reduce the number of ammunition in the region the OSCE Mission to Georgia has supervised the Rapid Reaction program, financed through the OSCE Voluntary Fund, of voluntary handover of armaments within the zone of the conflict. This program is aimed to diminish the threats of accidental eruption of violence caused by great amounts of arms in general circulation in the conflict zone. What is more, the € 2.5 million grant from the European Commission to the conflict zone rehabilitation, focusing on the voluntary return of refugees and IDPs, is also directed towards trust-building and peaceful conflict-solving process. Overall, the Mission succeeded in promoting cooperation with the JPKF; engaging actively in a series of JCC meetings aimed at injecting impetus to the

¹¹ It is a fact that Georgia as well as South Ossetia (through Russia) can veto any action taken by OSCE. For example, the South Ossetians trust the Russian peacekeepers to defend their interests, more than the guarantees of the OSCE for political autonomy.

political process for a peaceful resolution and at preventing renewed violence; promoting confidence between the sides in order to defuse tension; producing, with the four sides, a number of concept papers that propose ways of moving the political process forward; coordinating preparations to implement a project for the rehabilitation of the zone of conflict and for the return of refugees and IDPs funded by the European Commission to rebuild confidence and foster transparency and market economy practices; and facilitating the start of the official JCC newsletter, aimed at promoting objective and transparent accounts of the JCC's work (Cornell et al., 2005).

Whether the OSCE third party intervention is a success or failure becomes difficult to answer. However, based on the fact that the stalemate in the Georgian-Ossetian conflict continues and there is no final agreement to the conflict, it could be considered that OSCE's intervention tilts more towards a failure than a success.

Possible Scenarios of Further Developments in South Ossetian Conflict

The conflict between Georgia and South Ossetia is one of the most inflexible conflicts in the South Caucasus. Since before independence, the South Caucasian region has been plagued by conflict and instability. The ethno-political conflicts in the region that raged in the early 1990s led to the great material destruction and led to the political instability, economic hardships, and the increase in transnational organized crime that has characterized the region in its first decade of independence. In short, ethno-political conflict was the root of the problem of state weakness that has continued to plague the South Caucasus; and the failure to resolve the conflicts has forced the region into a deadlocked situation. The conflicts came on the heels of the weakening and subsequent collapse of the Soviet Union. Despite a declared

ceasefire and numerous peace efforts, the conflict remains unresolved and the large part of the South Ossetian region is out of the control of the central Georgian government. International mediators' own interests and geo-strategic calculations have played their crucial role in the failure of final conflict settlement process. The status of South Ossetia, which is most difficult to agree upon mutually, is the core obstacle for the parties to solve the conflict. The two sides remain unwilling to accept compromises on the key issue of status. Lack of progress on the matter of status prevents in debt movement on other issues such as the return of IDPs and refugees and economic and social questions. As Wennman (2006) points out during last fourteen years Georgia succeeded to control South Ossetia in the short term but was unable to maintain territorial control in the long term. Under the rule of Shevardnadze (from 1992 to 2003) the South Ossetian conflict remained frozen and the overall post-conflict situation in Georgia was characterized as no war no peace. This situation was known to represent the best possible outcome for all domestic and international stakeholders. In fact Georgian, Russian and the US interests are of crucial importance for maintaining stability in the region.

From the domestic perspective, Georgia has an economic interest to avoid the renewal of armed conflict, since its possible recurrence will not only destroy the conditions of further exploitation of the BTC pipeline which became a pillar of the Georgian economy, but also will drive away multilateral and bilateral donors.

From the international point of view, the current situation of the South Ossetian conflict is fostered by Russian and the US geo-strategic interests in stability. It is widely understood that Russia has an interest in keeping control over South Ossetia because of its security interests in the South Caucasus. It tries to prevent Western expansion into the former Soviet space avoiding potential consequences for the North Caucasus. The vital strategic interest in the US policy is to keep stability in the region to ensure a pro-Western regime and

to safeguard its investments into the BTC pipeline as well as to promote its alliance with Georgia given its territorial proximity to the Middle East and its role as a transport corridor. What is more, democracy promotion, energy security and the fight against terrorism are also included in the US agenda in the South Caucasus.

Obviously Georgia's Rose Revolution brought about huge changes in Georgian policies. Since the new elite came to power on the pledge of restoring Georgia's territorial integrity, the South Ossetian frozen conflict has entered a new phase of conflict-solving process. The new government realized that the long term unresolved status of the conflict is detrimental to Georgia, and the final settlement could be achieved through military operation. As a result, president Saakashvili tried to break a twelve-year deadlock and take another step to restore Georgia's territorial integrity, but seriously miscalculated.

According to Cornell:

The role of external actors in turn prevented speedy resolution of these conflicts. This cemented a no-peace-no-war situation... Russia is the main external actor that has had strong political and economic interests in the conflicts. Moscow sows the separatist movements within the Georgian republic as a mean to keep the latter in the orbit of its influence. Georgia, having suffered humiliating defeat in the Ossetian and Abkhaz wars, had to join the CIS. Russia deployed its peacekeepers both in South Ossetia and Abkhazia and frozen the conflicts. Moscow tried to keep the status quo and integrate these republics economically (Cornell et al., 2005, 31).

Hence, the stalemate in Georgian-Ossetian conflict was also influenced by external actors. Obviously Russian military presence in the zone of the conflict and its third party support increased the long term cost of maintaining frozen conflict and contributed to Georgia's defeat. In fact, South Ossetia has strategic advantage over Georgia in terms of its military support from Russia and its province of North Ossetia. These factors taken together minimized the possibility of the implementation of military operation in the region which ultimately frustrated Georgia's attempts to forcefully retake South Ossetia. As a consequence, Georgia realized that the use of armed force against South Ossetia is a very risky attempt and

ultimately a self-defeating military strategy with incalculable political and economic opportunity costs for Georgia. In other words, the new war would undermine Georgia's prospects for economic development and would have dire consequences for the country's international standing, especially in the eyes of the West. Thus, one thing is fairly certain that the outlook for a peaceful reintegration of South Ossetia into Georgian central control seems impossible as long as Russia continues to support South Ossetia.

The international community so far brought a little result in addressing the conflict. Actually, conflict resolution and management process was weak. Although negotiations continued, no final settlement reached over the conflict. Nevertheless, the international community has done a lot in terms of strengthening stability and security by promoting democracy; achieving good governance and social and political reforms; eliminating corruption and abuse of power; establishing the rule of law and protecting human rights. This is a successful but long-term strategy for addressing the conflict. However, in the South Ossetian conflict management case there is a need for more specific short-term strategy.

In sum, it is obvious that under the rule of president Saakashvili there has been no improvement in the deadlock between Georgia and South Ossetia and no visible solutions are on the horizon. The situation in the conflict zone remains unpredictable and insecure, and the final solution over the conflict is not anticipated in the near future, since a full willingness to compromise on both Georgian and South Ossetian sides requires long and difficult negotiation processes. Georgian, Russian and the US interests in stability, of course, minimize the possibility of reemergence of the full-scale armed conflict: however, nothing can be predicted and the armed conflict may escalate in any time due to the hot-tempered nature of most of the Georgian leadership. A possible solution to the uncertainty might be for the international community to work with both parties to formulate a mutually acceptable temporary status waiting until the conflict would perhaps transform into a solvable phase.

With no military option, economic pressure and international isolation of the South Ossetian government are the major levers at Georgia's disposal. Georgia also needs to decide whether territorial integrity in the traditional sense is more important than stability and economic development. It also becomes clear that a new military campaign is not considered an option for the foreseeable future. Actually, any attempt to impose a military solution is bound to fail. The international community has made it absolutely clear that there military solution is unacceptable. Therefore, Georgia attempting to use force would find itself in isolation, with no probable prospects for European or Euro-Atlantic integration. Moreover, any use of military force would lead to a major human and economic cost. There are strong pragmatic reasons for continuing the status quo. The final settlement will depend less on ideas of fairness or on international law than on the durability of the ceasefire line and the midway-point between the demands of the parties. Whatever form relations between Georgia and South Ossetia take, it will be possible to speak of genuine peace and security in the region only if the principle of equal rights lies at the foundation of these relations. It is widely known that in the practice of international law territorial integrity cannot be considered prevailing over the right to self determination. As soon as the sides to the conflict accept this fact the probability of its final solution will augment. Besides, it would be mutually contributing if the two parties engage in more active direct negotiations. This conflict being both similar to other conflicts and different from them will be solved only if the parties realize that the status quo may be more detrimental in the long run, and that the sooner solution is better for both of them equally.

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