

GEORGIA UPDATE

WEEKLY EDITION • 8 July 2010

A Publication of the Government of Georgia

www.georgiaupdate.gov.ge

TOP STORIES

- Secretary Clinton Underscores “Deep Friendship” With Georgia, Calls for End to Russian Occupation
- Clinton Praises Georgia’s “Extraordinary Progress” in Town Hall with Women Leaders, Civil Society
- Minor Reshuffle of Cabinet Wins Vote of Confidence in Parliament



US Secretary of State Hillary Clinton and President Saakashvili took a stroll through a portion of the oldest section of Tbilisi, stopping at a cafe to toast her visit with a glass of Georgian wine—a Teliani Valley *satrapezo*. The President told Secretary Clinton that on her next visit she should make a point of sampling the capital’s night life. “I’m too old for your night life,” she said with a hearty laugh, and he replied: “That’s the first statement that I disagree with you on.” During her visit to Tbilisi on Monday, Clinton highlighted the country’s role as a “beacon and model for democracy,” while condemning Russia’s continued occupation of Georgia and calling on Moscow to abide by the August 2008 ceasefire agreement.

INTERNATIONAL MEDIA ON GEORGIA

WALL STREET JOURNAL: Crime group funded anti-Georgia rallies, report says

WASHINGTON POST: How to prevent another war in the Southern Caucasus

FOREIGN AFFAIRS: Letter from Tbilisi

NEW YORK TIMES: Georgia knocks Stalin off his pedestal

JAMESTOWN: Georgia’s anti-occupation strategy gains international support

ASSOCIATED PRESS: Russian security chief warns of Sochi threat

BLOOMBERG: Georgia says Russian snipers wound police near Abkhaz border

DALLAS MORNING NEWS: Spirit of ‘76, alive and well in Georgia

TECHWORLD: Georgia to reinvent country as IT haven

QUOTES OF THE WEEK

“I came to Georgia with a clear message from President Obama and myself: The US is steadfast in its commitment to Georgia’s sovereignty and territorial integrity. The US does not recognize spheres of influence.”

“We continue to call for Russia to abide by the August 2008 ceasefire commitment, including by ending the occupation and withdrawing Russian troops from S. Ossetia and Abkhazia to their pre-conflict positions.”

“The US and Georgia share a deep friendship. And we very much value the partnership between our countries. We are committed to the success of Georgia’s democracy and economy, and we are continuing to build on the framework for cooperation that was institutionalized in the US-Georgia charter on strategic partnership last year.”

“I believe that the potential of this country to serve as a beacon and model for democracy and progress is extraordinary.”

“Georgia has made real progress in the past few years...improving living standards, reducing corruption, and building one of the fastest reforming economies in the world.”

—US Secretary of State Hillary Clinton

UPCOMING MILESTONES

Jul. 12-13: Estonian FM Paet visits Georgia

Jul. 14-15: French FM Kouchner visits Georgia

Jul. 15-16: Luxembourg FM visits Georgia

Jul. 27: 12th Round of Geneva peace talks

Aug. 8: 2nd Anniversary of the Russian invasion

TOP STORIES

Secretary Clinton Underscores “Deep Friendship” With Georgia, Calls for End to Russian Occupation

US Secretary of State Hillary Clinton underscored on Monday the Obama Administration’s resolute support for Georgia, while making clear the US aims to reverse the Russian occupation of Abkhazia and S. Ossetia. “I came to Georgia with a clear message from President Obama and myself: The US is steadfast in its commitment to Georgia’s sovereignty and territorial integrity,” she said in Tbilisi during a press conference with President Saakashvili. “We continue to object to and criticize actions by Russia which we believe are wrong and on the top of the list is the invasion and occupation of Georgia.” Referring to Russia’s claim that it has privileged interests in former Soviet states, she said pointedly: “The US does not recognize spheres of influence.”

Clinton also rebuked Russia for failing to live up to the EU-brokered ceasefire agreement that ended the 2008 Russian invasion of Georgia. “We’re calling on the Russians to enforce the agreement they signed,” Secretary Clinton said, insisting that Russian troops had to withdraw from Georgia and denouncing Russia’s construction of permanent military bases in the occupied territories. Several times she referred to Russian troops as occupiers of the breakaway Georgian territories of South Ossetia and Abkhazia. She said the U.S. was “appalled and totally rejected” Russia’s rationale for the invasion.

Secretary Clinton offered praise, meanwhile, for the country’s reform efforts. “Georgia has made real progress in the past few years,” she said, “improving living standards, reducing corruption, and building one of the fastest reforming economies in the world.” She noted that the country’s economic and political growth was the key to reuniting the occupied territories. “The more Georgia can deal with its own problems, the stronger the case becomes,” Clinton told a meeting of Georgian women leaders in Tbilisi. “That is the greatest answer. That is the rebuke that no one can dispute.”

The Secretary of State—who met at length with President Saakashvili and senior government officials, as well as with civil society and opposition leaders—also focused on strengthening the bilateral relationship. “The US and Georgia share a deep friendship and we very much value the partnership between our countries,” she said. “We are committed to the success of Georgia’s democracy and economy, and we are continuing to build on the framework for cooperation that was institutionalized in the US-Georgia charter on strategic partnership last year.”

Meanwhile, President Saakashvili stressed his administration’s commitment to reform, modernization, and integration with the West. He also thanked the US for its “decisive” assistance in protecting Georgian independence. “Our substantial and friendly discussion today confirms to all of us that the support we receive, the partnership we have built is growing in substance and form,” he said.

The President also underscored the gratitude of the Georgian people for America’s support after the invasion. “I would like to take this opportunity to once again publicly thank you and the American people for their assistance and partnership provided in support of our democracy, our reforms, and for the \$1 billion of assistance that was so critical in our time of need,” he said. “These are all concrete examples of our lasting and strategic partnership, and they demonstrate a special US-Georgia relationship. Because our relationship was based on shared values and our common aspirations, I know that it can only deepen and grow under our leadership.”

[WASHINGTON POST: Clinton vows support to Georgia, pushes for Russian troop withdrawal](#)

[AP: Clinton Criticizes Russia for Occupying Georgia](#)

[AGENCE FRANCE PRESSE: Hillary Clinton slams Russia on visit to Georgia](#)



Clinton Praises Georgia’s “Extraordinary Progress” in Town Hall with Women Leaders, Civil Society

Secretary of State Clinton met with women leaders, members of Georgia’s civil society, and opposition party leaders during her visit to Tbilisi. “I believe that the potential of this country to serve as a beacon and model for democracy and progress is extraordinary,” she said in her opening remarks at a town hall meeting that featured women leaders from all walks of life—from Georgia’s First Lady, Sandra Roelofs, to National Security Advisor Eka Tkeshelashvili, government ministers and officials, representatives of the hundreds of thousands of Georgians displaced from Abkhazia and South Ossetia, businesswomen, educators, and leading NGO and opposition activists.

“Our view is that Georgia has made extraordinary progress and has demonstrated resilience in the face of very difficult circumstances, but of course we raise issues—whether it’s a criminal code or an independent judiciary or a free media,” she said. “We raise these issues as a friend, as a supporter, as a believer in the significance of Georgian democracy.” During a question-and-answer session, Clinton reassured the audience that the US was committed to Georgia’s territorial integrity. “We continue to speak out against the continued occupation and we support the use of the Geneva mechanism but it needs to be revived and it needs to be intensified. And we intend to try to do that. I am not going to stand here and tell you that this is an easy problem because this is not,” Clinton said.

Clinton also met with opposition leader Irakli Alasania, leader of Our Georgia-Free Democrats, and MP Giorgi Targamadze, leader of the Christian-Democratic. “I was assured as a result of this meeting that the US will continue its firm support to Georgia’s democracy and security,” Alasania said.

[US STATE DEPARTMENT: Travel Diary—Secretary Clinton Holds Town Hall With Georgian Women Leaders](#)

[CIVIL GEORGIA: Clinton Reaffirms Georgia’s ‘Steadfast’ Support](#)

[AP: Clinton—US Supports Democratic Forces in Georgia](#)

Minor Reshuffle of Cabinet Wins Confidence Vote in Parliament

A minor reshuffle of the cabinet won a Parliamentary vote of confidence last week. Vera Kobalia, co-founder of an NGO dedicated to protecting the rights of Georgia’s IDPs, was named the new economy minister, while Davit Tkeshelashvili, formerly the regional development minister, will head the president’s administration. In charge of a new ministry for sports and youth affairs is the former governor of the Shida Kartli region, Lado Vrdzelashvili. Also joining the cabinet is Tornike Gordadze, a young scholar who led a think-tank in France, who becomes deputy foreign minister in charge of European affairs.

Before the vote, PM Giluari said the government’s “goals and task remain unchanged,” adding that Georgia’s priority was to restore the country’s territorial integrity through peaceful, diplomatic means and through maximum use of the international monitoring mechanism.” The Prime Minister set clearly articulated the cabinet’s economic priorities as well: to increase foreign direct investment and advance the privatization of state assets.

INTERNATIONAL MEDIA ON GEORGIA

WALL STREET JOURNAL: Crime group funded anti-Georgia rallies, report says

Austrian police are investigating evidence that an organized crime group with operations across much of Europe funded protests last year in Georgia that were aimed at toppling President Saakashvili. The group's goal in attempting to remove Saakashvili's government was to "use corruption and intimidation to exert influence over the Georgian economy and politics in order to shield itself from the threat of criminal prosecution" in Georgia, the report said. A spokesman for the Austrian federal police investigative service said 48 suspects were arrested throughout Europe in March in connection with the group's broader activities.

online.wsj.com

WASHINGTON POST: How to prevent another war in the southern Caucasus

We should not be deluded into thinking that the Russia-Georgia conflict is over. Moscow is determined to break Tbilisi's will to align with the West. It may opt to wait out Mikheil Saakashvili's presidency before making its next move, but its goals are unchanged. While Georgia has weathered the war and the global economic crisis better than expected, the unresolved status of the breakaway provinces of Abkhazia and South Ossetia, and the presence there of Russian forces—effectively an occupation—are a drag on attempts to stabilize and reform Georgia. The border regime managed by unarmed EU monitors is weak. It is doubtful that mission would be adequate if real instability or tension arose. But the biggest danger, and the wild card, in the region may be the North Caucasus, where a nasty brew of radicalization, destabilization, and insurgent activity continues.

www.washingtonpost.com

FOREIGN AFFAIRS: Letter from Tbilisi

The government ministries in Tbilisi feel more like the offices of McKinsey & Company than the bureaucracies of a developing, "functional but imperfect democracy," as one young Foreign Ministry official put it to me. EU flags stand alongside Georgian ones in the marbled hallways. It is too easy to reduce Georgian fears of another Russian invasion to mere paranoia. Of the three former Soviet states to undergo "color" revolutions in the last decade, only Georgia's has endured. Meanwhile, the Kremlin has various military tools with which it can pursue its goal of regime change. With Abkhazia, Russia controls a strategic Black Sea port. And with over 5,000 military personnel based in South Ossetia, only 30 miles from the Georgian capital, it can credibly threaten to decapitate the Tbilisi government. It may be difficult to imagine Russia making such a daring move, but few in the West predicted the August 2008 war either.

www.foreignaffairs.com

NEW YORK TIMES: Georgia knocks Stalin off his pedestal

In the predawn darkness last month, Georgian authorities removed the domineering bronze statue of dictator and Georgian native Josef Stalin from Gori's central square. Culture minister Rurua dismissed reports that the removal was intentionally kept quiet, pointing out that several camera crews were present. The vast majority of Georgians shared his view of Stalin as "a mass murderer and a political criminal." Added Rurua. This is not a local issue, it is a national one." Georgian authorities will replace the statue with a memorial "to the victims of the Soviet dictatorship, victims of Stalin's policies inside and outside Georgia and victims of the 2008 war," as well as foreigners who died during Russia's invasion.

www.nytimes.com

JAMESTOWN: Georgia's anti-occupation strategy gains support

The White House last month released a "US-Russian Relations Fact Sheet" that outlined important issues in relations between the two countries, including the administration's ongoing disagreements with Russia over Georgia. Even more importantly, the US government for the first time openly qualified the illegal Russian presence on Georgian soil as "occupation," calling on Moscow "to end its occupation of the Georgian territories of Abkhazia and S. Ossetia," and pressing for "a return of international observers to the two occupied regions of Georgia." This announcement is important not only in light of the Medvedev talks in Washington but also Secretary Clinton's crucial visit to Georgia.

jamestownfoundation.blogspot.com

ASSOCIATED PRESS: Russian security chief warns of Sochi threat

A Russian state news agency quoted the country's security chief as saying terrorists intend to disrupt preparations for the 2014 Sochi Olympics. Federal Security Service chief Alexander Bortnikov said the Winter Games face the same kinds of threats that led to the cancellation of the 2008 Paris-Dakar motor rally. "We can clearly hear the intentions of various gang leaders to stage a similar scenario in the run-up to the Winter Olympics in 2014," he said.

sports.yahoo.com

BLOOMBERG: Georgia says Russian snipers wound policeman

Georgia's government said Russian snipers in the country's Russian-occupied territory of Abkhazia opened fire on police in the border city of Ganmkhuri, wounding one officer. The snipers started shooting last week, aided by a drone. Georgian forces didn't return fire, the ministry said. Rustavi 2 television also released a video of what it said was a Russian drone patrolling the border.

www.bloomberg.com

DALLAS MORNING NEWS: Spirit of '76, alive and well in Georgia

Georgia has remained a steadfast American ally. Ironically, when the war with Russia broke out, Georgia struggled to defend itself because its best troops were in Iraq and Afghanistan, where Georgia is currently the largest per-capita contributor of troops. This is a country that loves the US and is hungry for American-style freedom and democracy. "Democracy worldwide is in decline," Deputy PM Yakobashvili warned. The Georgians may be "the last of the Mohicans who still fight for democracy, even under the gun point," he added. "Georgia is the country that is fighting to be a democratic state—and look around us, who else is doing that?"

www.dallasnews.com

TECHWORLD: Georgia to reinvent country as IT haven

Georgia is determined to turn itself into a tax-free zone for IT companies. According to PM Gilauri, the state wants to lure foreign software companies to use the country as a cheap development center. Georgia already gives indigenous companies tax-free status if they operate from special industrial zones in the cities of Poti and Kutaisi, but the new breaks are squarely aimed at outsiders.

news.techworld.com

THINK TANKS/NGOs

INSTITUTE FOR WAR & PEACE REPORTING: South Ossetia—ethnic Georgians alarmed at new passport

Ethnic Georgians from the Akhlagori district, taken over by Russian proxies in S. Ossetia during Moscow's 2008 invasion, fear new rules obliging them to accept local passports will make it harder to cross into Georgia. One change worrying Akhlagori residents is a proposal to impose a tax on people wishing to leave or enter areas under S. Ossetian control.

www.iwpr.net