

# Georgia: “Rose revolution” destabilises southern Caucasus

## Part 2

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*The following is the conclusion of a two-part series on the US-backed coup in Georgia and its aftermath. The first part was posted December 29.*

With regards to Georgia, in June this year Steven Mann, an American advisor on energy issues, had warned Shevardnadze, “Georgia should do nothing that undercuts the powerful promise of an East-West energy corridor.”

In July, ex-secretary of state, Texas oil man and Bush family intimate James Baker landed in Tbilisi. Officially his mission was to end an impasse between Shevardnadze’s regime and the opposition concerning the composition of the Central Electoral Committee. Baker’s law firm, Baker Botts, boasts on its web page of how they “continue to be the leading international law firm involved in the re-emergence of the oil, gas and related hydrocarbon transportation industries in the Caspian region and has one of the most active practices in the US with respect to other types of investment in the region.”

Spurned by Washington, by August Shevardnadze was leaning on the Kremlin for support. He curried favour with Moscow by signing a strategic deal with Russia’s Gazprom. Another Moscow-based company, Unified Energy Systems (UES), acquired a formerly US-owned controlling stake in Georgian power plants and distribution networks.

The Bush regime responded to this infringement of their dominance by announcing large cuts in aid to Georgia. Behind the scenes they were already preparing to bring down Shevardnadze. Earlier last summer the World Bank had expressed its displeasure at Tbilisi and suspended social and energy industry programs to Georgia.

In early October Senator John McCain, General Shalikashvili and Strobe Talbott were scheduled to land in Tbilisi. With their visit imminent and the pressure from Washington intensifying, Shevardnadze told reporters, “I don’t know what they are planning to do with us, are they coming to help us or to bury us?” They were intent on burying him.

The National Democratic Institute for International Affairs, a Washington body headed by former Clinton Foreign Secretary Madeleine Albright, sponsored the visit by McCain et al. McCain told Georgians, “We would want Georgia to become as independent as possible from Russia or any other country.”

Richard Miles, by now ambassador to Tbilisi, had been actively

grooming the US-trained lawyer Mikhail Saakashvili to bring about a succession. Shevardnadze walked straight into their trap by crudely attempting to falsify the results of the November 2 election. Miles was the chief of mission to Yugoslavia between 1996 and 1999. He was one of the main players in pushing the Kosovo crisis into a war, in which NATO could then intervene and crush Serbia. In 2000, Slobodan Milosevic was unseated in circumstances very similar to those that would subsequently be employed against Shevardnadze.

Tactics included the extensive grooming of Saakashvili and his entourage, US pollsters, strategists, consultants and non-governmental organisations employed to defeat the ballot rigging through “parallel vote tabulations” and instant exit polls. The propaganda battle was won through extensive coverage on anti-Shevardnadze television channels like Rustavi-2.

The Kremlin considers Georgia and the south Caucasus much like Washington considers Central America—as its backyard. Putin has urged the new regime in Tbilisi to come to its senses and recognise the “geopolitical reality” facing Georgia. The Kremlin does not consider lightly US interference in Central Asia and the Caucasus; their investment in oil and gas pipelines that deliberately avoid Russia territory, the establishment of military bases across the region, and last but by no means least, the creation of comprador regional governments working at the behest of Washington.

Russian policymakers have taken on board the lessons of recent US military interventions. Anatoly Chubai, Russia’s former privatisation chief, presently heads Unified Energy Systems (UES). In September, in a Russian daily, he wrote of the need for Russia to promote “liberal capitalism” and to construct a “liberal empire.” Adding that economically and culturally Russia is a “natural leader” of the Commonwealth of Independent States (CIS), he insisted that it must “beef up, increase and strengthen its leadership position in this part of the globe.”

On national television he cited free market economic practices and aggressive expansion as the foundation of a future Russian foreign policy. Only through their adoption and an aggressive programme to establish an empire could Russia “occupy its natural place alongside the United States, the European Union and Japan, the place designated for it by history.”

During the summer Chubais negotiated the Georgia-UES deal,

buying up contracts and infrastructure. The recent opening of a military base in Kyrgyzstan reinforces Chubais's ambitions. This Russian project for a "Eurasian Union," with its echoes of the anti-Bolshevik Prince Nikolai S. Trubetskoy's Pan-Eurasian nationalism, brings Russia directly into conflict with America's designs on the region.

The south Caucasus is in the forefront of Russia's strategy to increase its leverage over those states it considers its "near abroad." Moscow acknowledges that it intends to employ similar tactics in the rest of the Russian orbit, including the Ukraine and Central Asia states formerly part of the Soviet Union.

The Russian electricity giants RAO and UES, which are majority owned by the government, have been at the forefront of attempts to establish regional supremacy. RAO has acquired large stakes in energy ventures in neighbouring Armenia and Georgia and has announced plans to export energy to Turkey and Azerbaijan.

In October Chubais travelled to Yerevan, the Armenian capital, to finalise the deal with its leader Robert Kocharian. Chubais holds no official post in the current Putin administration, but he met with not only the premier but also his defence minister, Serzh Sarkisian. Speaking after the deal was signed, Chubais revealed that Armenia would be incorporated into a Russian-led energy supply network consisting of 10 former Soviet republics including Georgia and Azerbaijan. UES controls 80 percent of Armenia's power generating capacity and wants to lease and repair high voltage transmission lines that span from Armenia to Azerbaijan and Turkey. The World Bank has expressed serious concerns about this increasingly aggressive domination of the region's energy supplies by Russia.

UES does not seem overly worried by the fact that Baku and Ankara have tense relations with Yerevan. Chubais wishes to utilise the south Caucasus region as a bridgehead to the Turkish market. He has referred to Turkish opportunities as "fantastically attractive" in terms of wholesale prices for energy and development. In addition the Russian government have their eyes on other big projects like the Turkish aluminium sector and other heavy power consuming industries.

Chubais is frank about the need to impose Russian power over the surrounding region, stating boldly that "Russia should be strong. Period."

Possibly the most effective lever Moscow has over Tbilisi is its relationship with Georgia's two autonomous republics of Abkhazia and South Ossetia, and a third, Ajaria, with limited autonomy from Tbilisi. While repeatedly stating their support for Georgia's integrity, Russia has invited leaders of all three to Moscow. Prime Minister Mikhail Kasyanov has restated that his government will continue to provide assistance to the three regions.

The Russian government has warned America against any further attempts to base troops in the Caspian region. Nikolai Ryabov, Russian ambassador to Azerbaijan, explained how "Caspian security problems will be resolved by countries of the region without meddling by the US, which is trying everything possible to worry a region that is thousands of kilometres from its borders."

Because of the pipelines the geopolitical significance of Georgia

has grown way beyond its 5 million population. The pipelines are due for completion in 2005 and will carry a million barrels of crude oil per day from the oil-rich Azeri, Chirag and Gunashli fields of the Caspian to Turkey. The Russians oppose the route taken because it circumvents Russian soil, undermining its energy interests and influence in the former Soviet region. In addition the US-backed route competes with the Russian's Baku-Novorossisk line, which runs from the Azerbaijan capital through Chechnya to the Black Sea port. Amongst the first phone calls made by acting President Burdzhnadzze on coming to power was to British Petroleum, pledging that the interim administration would do all in its power to support the new oil and gas pipelines.

Earlier this year Gazprom signed a framework agreement on supplying gas to Georgia. It could make it easier for Russia to cut supplies to Georgia during winter as they have done before, and might also allow Gazprom to steal a march on the Baku-Tbilisi-Erzurum gas pipeline by delivering its gas to the Turkish market first via the existing networks.

The recent arrest of Mikhail Khodorkovsky, the ex-boss of Yukos, is part of similar calculations by the Putin regime. Soon after the arrest, Sergei Ivanov, the Russian defence minister, called for more state control over Russia's energy reserves. Ivanov complained that the oil companies are not investing enough in exploring for new reserves and that the oil produced currently is down to the previous efforts of the Soviet Union. When Khodorkovsky started at Yokos it was making huge losses. It is now so profitable that Exxon-Mobil, the American oil giant, is interested in purchasing it.

Russia's efforts to dominate the energy supplies of the south Caucasus have not passed Washington by. Participants at a recent roundtable meeting on October 15, entitled "Georgia Energy Security: Potential or Peril," urged Georgia to take back control of its energy sources. The event was sponsored by a Georgian émigré business group called the Georgia Forum. It supports Georgia's political and economic development and better relations between Tbilisi and Washington.

Brenda Schaffer of Harvard University's Caspian Studies Program advises the Bush administration to work as partners with Moscow. She recently wrote, "Washington should adopt a policy that recognises and incorporates the key role that Russia plays and will continue to play in the area.... If Russia does not view the peace arrangements as minimally contributing to its own security, it will work to undermine them." But such a modus vivendi is unlikely, given the voracious appetites of Moscow and Washington.



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