

# Oligarchs vie for power in Georgia

Simon Whelan

24 November 2007

President Mikhail Saakashvili's attempts to outflank the Georgian United Opposition are not running according to plan. Commentators are even beginning to question his ability to salvage his political career.

By bringing forward the Presidential elections from 2009 to January 5 of next year, Saakashvili calculated that a fractious opposition would neither be able to agree upon a candidate, nor mount a creditable campaign against him. But nine of the ten party Georgian United Opposition group have supported local businessman Levan Gechelidze as their candidate in the presidential election. Billionaire Georgian tycoon Badri Patarkatsishvili has announced his plans to stand independently.

After meeting government representative Nino Burjanadze on November 19, an opposition spokesperson told reporters that unless the demands of the opposition are met, they will boycott the elections and return to street demonstrations.

The recent events in Georgia, which began on November 7, have stripped back whatever remained of the democratic veneer of the so-called "Rose Revolution" that brought the Saakashvili clique to power.

Faced with an opposition demonstration numbering in the tens of thousands, Saakashvili unleashed his riot police to beat the demonstrators. Some 550 people required hospital treatment for wounds meted out by the security forces. On the same day Special Forces raided the Imeldi broadcasting premises, and set about beating up journalists and physically destroying the stations ability to broadcast.

After dispersing the crowds with rubber bullets, water cannon and baton rounds, Saakashvili announced a state of emergency with immediate effect. All civil liberties were suspended and all but pro-Saakashvili media outlets silenced. It was during the state of emergency, with total control over national media outlets, that he announced an early presidential election while claiming that the opposition was in league with Russia.

Saakashvili was brought to power in 2003 in what amounted to a political coup engineered in Washington by the Bush administration. It was executed in Tbilisi by right wing American NGOs and their activists, some of them veterans from the so-called Colour Revolutions in Serbia and the Ukraine, who ensured that their man—a Harvard-educated lawyer—was brought to power.

With the completion of the crucial Baku-Tbilisi-Ceyhan oil

pipeline only months away, Washington wanted to place in power an administration that could provide security for the energy conduit that runs beneath Georgian soil. Eduard Shevardnadze was deemed insufficiently aggressive towards Russia and therefore incapable of wresting back the two breakaway Georgian republics of Abkhazia and South Ossetia, which are supported by Moscow and are close to the route taken by the pipeline.

Not only was the Saakashvili clique familiar with power after serving under Shevardnadze, more crucially they were fully prepared to transform Georgia into a pro-American outpost on Russia's south-westerly border.

In the intervening four years of Saakashvili's rule, he has functioned as the head of a comprador bourgeoisie totally dependent on the backing of the US and other Western powers. Georgia has been transformed into a free market trade zone with minimal taxes on investment and the rich. A program of wholesale privatisation and deregulation has won plaudits from the World Bank.

Once elected president in early 2004, Saakashvili quickly reverted to the undemocratic and authoritarian methods utilised by his mentor Shevardnadze. The opposition to his regime was harried at every turn with activists imprisoned on flimsy charges and anti-government demonstrations violently broken up. This did not stop a steady stream of top Republicans, including President Bush himself, from visiting Tbilisi and gloating over having engineered a regime change on Russia's border. Bush famously declared Saakashvili's government as a "beacon of democracy".

Recent events have demonstrated that western-backing alone does not guarantee Saakashvili can maintain his grip on power. Georgia has been destabilised by an explosive combination of external and internal factors. The regime of President Putin in Moscow has responded to the Saakashvili administration with a series of provocations of its own. The protracted conflict between Moscow and Tbilisi over Abkhazia and South Ossetia has intensified recently. During the state of emergency the Georgian government accused Russian armed forces of trying to take advantage of the situation and move extra troops and equipment into Abkhazia.

In response to the expulsion of Russian diplomats from Georgia following accusations of espionage, Putin immediately placed an indefinite embargo on Georgian exports to Russian

markets. The ban covering citrus fruits, wines, mineral water and tobacco in Georgia's largest export market has had a devastating impact in a country where half the population live and work in agrarian areas. Putin also ordered the repatriation of thousands of Georgian workers from Russia. The remittances sent home to Georgian families represented a not inconsiderable part of Georgian national income.

Such measures have compounded the wretched social conditions of Georgian workers and peasants, already declining precipitously because of the free-market measures enacted by the Saakashvili government.

The fall in living standards and social conditions has seen Saakashvili's approval rating drop by more than half, from 90 percent to just 40 percent in the past four years. One third of the population live on or beneath the poverty line, in stark contrast to the enrichment of the Tbilisi-based elite.

Tbilisi is currently experiencing an unprecedented construction boom, but Salome Zourabichvili, who is running as the deputy to Levan Gechelidze in the presidential election, told the *Economist* magazine that Georgia resembles nothing so much as a "Potemkin country". Beyond the new international hotels, boutiques and tourist attractions in the capital the lives of ordinary Georgian's remain squalid. The country's manufacturing sector is in ruins and scrap metal remains one of the country's chief foreign exports.

The United Opposition has sought to cynically manipulate popular hostility to Saakashvili's rule, but it is led by elements that actively assisted and even financed his rise to power only four years ago that have fallen out bitterly with their former leader. Such figures include Levan Gechelidze and Badri Patarkatsishvili, who are both standing in the upcoming presidential election early next year.

Saakashvili has tried to portray the opposition as a Russian creation, but there is no evidence of this. The western media, including the *Guardian*, *New York Times*, *Wall Street Journal* and the *Washington Post*, have rejected his claims, as have spokesmen for the Bush administration and the European Union.

The major issue uniting the opposition is the fact that Saakashvili's monopoly on power excludes other Georgian oligarchs from influence. His policies have also impacted negatively on their business interests. Gechelidze, for example, is a former financier of Saakashvili. But he relies on exports of wine and spirits to Russia. While the social layer he represents cannot be described as pro-Russian, they do want a less antagonistic relationship with Moscow in order to open up borders again to trade.

Patarkatsishvili, on the other hand represents a section of the Georgian bourgeoisie who watched from the sidelines during the ousting of Shevardnadze because of the favourable treatment they received from his administration. He established relations with the Saakashvili Administration once he came to power, but these took a turn for the worse when Georgia's

richest man felt that the government's highly selective anti-corruption drive was treading on his toes. Relations between the two went into meltdown when former Saakashvili Defence Minister Irakli Okruashvili accused the president of ordering the extermination of the tycoon.

Unlike the faction currently led by Gechelidze, Patarkatsishvili would be unlikely to seek more relaxed relations with Moscow. He is a close business associate of the exiled Russian oligarch Boris Berezovsky, who has called for a revolution to depose Putin. Patarkatsishvili's vast wealth, estimated at \$9 billion, is not tied up in Georgia, but is mostly in international investments.

Claims that he is a Russian stooge are most clearly undermined by his close relations with Rupert Murdoch's News Corporation, to whom he recently sold off a controlling share of Imeldi for one year. Martin Pompadur, on behalf of News Corp, told Agence France-Presse, "To allege that News Corp. is involved in a Russian-backed coup in Georgia is beyond ludicrous".

Imeldi is still off the air. Deputy Prosecutor General Nika Gvaramia has stated that the accusations against Patarkatsishvili do not extend to Imeldi and once the television station provides "guarantees" that it operates independently of Patarkatsishvili, it can reopen. But this could take months, keeping *Imeldi* silent during the election campaign.

The United Opposition is equally as keen as Patarkatsishvili to cultivate favourable relations with Murdoch. Imeldi is the only major news channel not controlled by the government. David Usupashvili of the United Opposition said without *Imeldi* the upcoming elections would be nothing but a "show". Gechelidze has said he will only stand if *Imeldi* is back on air by November 25. If not, then the opposition threatened that street demonstrations will begin again.

Regardless of differences over relations with Russia, as is evidenced by their continuing dialogue with US representatives like Matt Bryza, the opposition maintains a pro-Western orientation and must seek the benediction of Washington and to maintain the good will of the international investment markets. Washington and the European Union made condemnatory noises over the state of emergency and NATO Secretary General Jaap de Hoop Scheffer said that it might set back Georgia's application for membership. But thus far, the western powers and the US in particular have maintained their support for Saakashvili and continue to view him as an important ally against Russia, a guarantor of the Baku-Tbilisi-Ceyhan pipeline and a military partner in the occupation of Iraq.



To contact the WWSWS and the  
Socialist Equality Party visit:

**[wwsws.org/contact](http://wwsws.org/contact)**