

Chapter 9

Power Elites in Georgia: Old and New

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‘Elites’, as referred to in this Chapters, follows Pareto¹ and Mosca², who defined the condition of elitism as the exercise of state control by those individuals with personal and/or group resources disproportionate to those necessary for management of the state. The terms used to describe these resources differ, but theories have in common the fact that such societies the management of a minority over the majority/masses, even in cases of democratic systems (Schumpeter³). Other classical theories about the state and society⁴, such as Marxism (struggle of classes) and pluralism (inter-balanced sources of authority), describe various types of authority and, accordingly, different social structures.

In the late 1980s and early 1990s, newly-formed states began to emerge in the Soviet Union. New forces came to power within these states and their ‘new order’ moved in different directions. In this Chapter, we argue that due to different conditions in these new states, different social structures and state-society relations evolved and, accordingly, fulfilled different theories. The differing levels of legislative activity and the rules by which executive authority was administered both affected the eventual roles of elites. Our investigation focuses on how the state system in Georgia developed according to a theory of elites. Below we give concrete examples showing that, in Georgia, the legislation was developed according to the interests of strong elite groupings, based on the premise of permanently implanting

¹ Pareto, *The Rise and Fall of the Elites*, (New Jersey, 1968).

² Mosca, *The Ruling Class*, (New York, 1939).

³ Schumpeter, *Capitalism, Socialism and Democracy*, New York, 1942.

⁴ Keith, *Political Sociology*. (New York, 1999), pp. 32-53.

the management of the majority by a minority.

In the newly-emerged states, no one made considered choices between pluralistic, class or elitist structure, the economic and cultural environment, political conditions, the heritage of the Soviet Union, previous and contemporary politicians, or visions success and failure: these and many other, casual, interconnected, isolated and natural factors have determined Georgia as representing, from independence, a precise illustration of the theory of elites⁵. Therefore, the factors creating an environment conducive to rule by elites are examined, and the relevant institutional design enabling this are discussed.

Institutional Design

The political framework within which the elites operate, as provided by Constitution and law, has been described in a preceding Chapter and need not be related here at length. Georgia's Constitution mentions all the democratic fundamentals. The political system that it establishes is a Presidential-Parliamentary one with much of the power in the hands of the President. It should be kept in mind that Georgia's first years of independence were extremely difficult, with domestic conflict, a military coup, and a Constitution written in 1995 and recently amended. Other countries of the 'post-Soviet space' had much more peaceful initial years. Elected in the first multi-party elections in Georgia, in autumn of 1990, the Supreme Soviet of the Republic of Georgia was dispersed by a Military Council which, in January 1991, took power after a civil war and exile of the first President, Zviad Gamsakhurdia.

Between 1992 and 1995, the Parliament worked in conditions affected by the Abkhazian conflict and civil war from 1992 to 1994 and had little time to organise constitutional affairs. Within the parliament, chaired by Eduard Shevardnadze, conditions of general chaos meant that individuals were more interested in strengthening their own positions than in forming and strengthening the role of Parliament and democratic governance. Shevardnadze, the Head of State, during the constitution's

⁵ By our hypothesis, in the post-Soviet space there are countries in which the choice is made for the benefit of pluralism (Baltic countries), and also countries, in which the society is divided by possession/non possession by means of manufacture, and we deal with class/caste system (Turkmenia).

preparation and passage, was a charismatic figure, and the Presidency was given special rights (including a right to initiate legislation and exclusively manage executive authority), causing a bias of a state system towards a pronouncedly strong Presidential system.

Shevardnadze was a prominent member of the old Soviet *nomenklatura*. From 1972-1985, before his assignment as Minister for Foreign Affairs of the Soviet Union, he was the First Secretary of the Central Committee of the Communist Party of the Georgian Soviet Socialist Republic and the actual governor of the Republic. As the President of Georgia from 1995 until the 'Rose Revolution' he appointed Ministers of the government with the consent of the Parliament; removed them; submitted the draft of the state budget to the Parliament; halted or dismissed the local self-government representatives and/or territorial units if their activities endangered the sovereignty and territorial integrity of the country; signed and issued laws adopted by the Parliament; issued decrees and orders, on the basis of the Constitution and the law.

Because the President's rights are disproportionately large in comparison to other subjects of politics, political parties developed poorly and while Shevardnadze was in office the 'party in power', the Citizens' Union of Georgia, as the basic supporters of the-then President, grew alongside the state bureaucracy, much of it inherited from the previous regime. A characteristic sign of coalescence between the party in power and the state bureaucracy was demonstrated during the governmental crisis of 2001 with the resignation of the chairman of the Citizens' Union party Zurab Zhvania, who was Chairman of the Parliament between 1995 and 2001. Zhvania was replaced by Avtandil Jorbenadze, the State Minister. But in this political configuration, the former communist *nomenklatura* was much stronger (especially economically) than political parties were. The *nomenklatura* filled executive authority almost entirely, partly via their representation in the legislature provided by the parliamentary faction 'Citizens' Union' aided by other deputies, and in regional and local structures.

It is possible to say that the Constitution has not determined who the main subject of policy is: political parties of the Parliament or the state bureaucracy of the government and regional and local managers. The whole system is based on an uncertain balance between the two and

the President for many years was its adjuster. Such circumstances strengthened Shevardnadze's position at the expense of the country's stagnation.

Shevardnadze's Family⁶

Studies of post-Soviet states and societies frequently use the terms 'clans' and 'families' when Georgia is considered. Although this characteristic is certainly not unique to Georgia, it is prominent and notable. One such recent study used the example of Shevardnadze's own family as a large and typical clan that has dominated major business and political posts. Difficult times have fallen upon Shevardnadze and his family. However, the light that is being shed upon its structure and inner workings reveal the emergence and function of Georgia's most powerful family or clan, a political and sociological paradigm.

'Patron-client' relations,' it has been noted, 'make up informal networks that are the result and vehicle for vertical corruption, i.e. corruption *within* the branches of the state encompassing various administrative levels. Personal loyalties are the basis for such networks, illustrated, for example, by the preference given to friends and family over competent candidates when allocating professional positions. The general tendency to ascribe power to persons rather than office holders has helped to keep a limited number of families/clans in key positions per branch of state (ministry) and region'. The objective of the family or clan is profit, the establishment of political networks cutting across state agencies means eliminating investigations and enabling co-ordination among family and clan activities.

The dominant position of the family members and close relatives of Shevardnadze in the shadow economy was well known before the 'Rose Revolution' and more comes to light after it. In one high-profile case, Sul Khan Molashvili, a Chief Auditor in the Shevardnadze government, was held in detention, and prosecutors say that he profited from corruption and significantly assisted corrupt practices for the Shevardnadze family; critics say his treatment is part of an old feud with

⁶ In this part we base on articles published in the newspaper *New Version* (releases N8, N37 and N38, by Givi Targamadze, a member of anticorruption council created by the President of Georgia.

President Saakashvili, who served as Justice Minister under Shevardnadze for a time.

Within the family group, the several subgroups developed. The father-in-law Shevardnadze's son Paata, Guram Akhvlediani, was the Chairman of the Chamber of Commerce and the leader of the most influential of the subgroups – the 'clan Akhvlediani'. This subgroup developed business interests in mineral oil and aircraft. It also controlled the port of Poti. According to some, the law on the Chamber of Commerce passed by Parliament in 2002 was created specifically for the clan Akhvlediani. In general, this clan gave its activities a legitimate guise and consequently established its business on the decrees of the President.

The leading position in telecommunications business was occupied by Shevardnadze's son-in-law, Gia Jokhtaberidze, leader of 'clan Jokhtaberidze'. This clan had interests in state property, in industrial giants such as Rustavi 'Nitrogen' and Zestafoni factory of non-ferrous metallurgy. Jokhtaberidze obtained contracts for the benefit of the Magti telecommunications company, unsurprising as the interests of the state were at that time "protected" by the Deputy Minister of Transport and Telecommunications Gia Kakuberi – a witness at Jokhtaberidze's wedding.

The third group is represented by Shevardnadze's nephew, Nugzar Shevardnadze. In the first half of 1990s, this group was the strongest clan, but its position weakened as the 'clan Akhvlediani' increased its control of the mineral oil business. The 'clan Nugzar Shevardnadze' had a principal interest in the import of consumer goods. His relatives and friendly links testify to his influence: Kakha Targamadze, Minister of Internal Affairs of Georgia in 1995-2001, was his friend and a witness at his wedding. His son-in-law Merab Tkeshelashvili (whose father Melor Tkeshelashvili remains an old representative of *nomenklatura* elite of Rustavi and a member of parliament) became mayor of Rustavi city, and this naturally gave Nugzar an opportunity to augment his interest in the large state enterprises existing in Rustavi.

In the sphere of transport, the Shevardnadze's nephew, Avto Baramashvili, controlled ecological inspection on motor transport. His brother, Temur Baramashvili, held a high rank in the traffic police.

Especially close relations between the Shevardnadze family and the Chairman of Railway Department, Akaki Chkhaidze and the Chairman of the Road Fund Boris Salaridze assisted their interests.

Members of the Shevardnadze family dominated the state's few 'big' businesses. As to the private sector and, especially, local manufacturing, businessmen of a non-*nomenklatura* origin appear, although their entry in politics has incrementally taken place. Levan Gachechiladze, the leading shareholder of the leader of manufacture of wine in Georgia, GWS, and Gogi Topadze, the leading shareholder of beer manufacturer is company "Kazbegi" won seats in parliament in 1999. Gachechiladze is chairman of the New Right party, and Topadze is chairman of the political association "Industry Will Save Georgia" or the Industrialists—the sole political group to surmount the 7 per cent electoral barrier in the Parliamentary elections of March 2004.

The Banking Sector

The interests of the Georgian economic elite, to a great extent, are concentrated in the banking sector. For younger members of the former *nomenklatura*, the former members of the Komsomol), which provided economic support for the authority of Shevardnadze, joining the banking sector was a main goal. The investigations of journalists Lasha Tugushi and Eliso Chapidze have provided insight into the banking elite⁷. They uncovered that on January 13th 1994, a 'banking revolution' took place in Georgia. On that day, in five leading state banks, new managers were appointed: in the 'Industry Bank', Tamaz Maglakelidze, who from March to September had worked as the assistant to the then President of the National Bank Demur Dvalishvili⁸; in the 'Savings Bank', Ivane

⁷ *Resonance*, August 11 and 17, 2001.

⁸ On 9 September 1994 the former President of the National Bank Demur Dvalishvili committed suicide while being interrogated in Ministry of Internal Affairs building. The interrogation was conducted by investigator Kakha Bakuradze who was promoted to Deputy Minister of Internal Affairs in 2001. The investigation itself was included into the competence of the Central Administrative Board of Struggle Against the Organized Crime, the Head of which was Kakha Targamadze. In 1981-90-s Dvalishvili was the Minister of Finance of the Georgian SSR, and since November 24, 1992 up to October 11, 1993 - the President of National Bank. "The credit form" of political bribery is connected to his name, which was widely applied in Georgia - in 1993-94. During this period 99 % of credits of the National Bank were given on 15-20 firms, which had only a seal and a name.

Chkhartishvili; in 'Eximbank' Amiran Khetsuriani and Zaza Sioridze, the second cousin of Shevardnadze, at 'Agro Industrial Bank' Andro Devdariani; and Vladimir Pateishvili established the 'Georgia Bank'.

These five banks controlled 80 per cent of national bank holdings until a presidential Decree was issued whereby Industry Bank, Eximbank and the New Georgian Bank (the former Saving Bank) were combined as the United Georgian Bank. In capital terms, the share of the state totalled fifty six per cent: however, the authorized capital was illegally increased and the state was left with only a forty three per cent stake, because the shares the management passed to private persons.

The friendship between Chkhartishvili, Sioridze and Maglakelidze began in the 1980s in a Komsomol cell at the engineering economic faculty of Tbilisi State University, making this another *nomenklatura* network which continued and functioned well in the Shevardnadze era. Between 1998 and 2001, Ivane Chkhartishvili was Georgia's Minister of Economics. Tamaz Maglakelidze, close to the Shevardnadze family, and Deputy Secretary of Committee of Komsomol TGU in 1989-90, was Chairman of the Customs Department (1998-2000) and Chairman of Tax Inspection (1998). Zaza Sioridze was been Chairman of the Financial Budgetary Parliamentary Committee since 1995. His brother-in-law, Temur Giorgadze, was the Deputy Chief of Tax Service, and brother, Merab, Head of the Department of the Internal Control of Tax Service.

In the banking sector, TBC Bank occupied the leading place, the president of which Mamuka Kharadze, thought to be one the original leaders of the social movement 'New', from which political party 'New Rights' took its name. TBC group received from the state the exclusive right of bottling Borjomi mineral water, one of Georgia's largest exports.

There also are foreign investors and since 2000-2001, the appearance of two new players reflected changes in the disposition of forces among the economic elite of Georgia. They are individuals who in the 1990s gathered significant wealth in Russia. Badri Patarkatsishvili, for a number of years, was Boris Berezovsky's right hand man and remains wanted by the law-enforcement bodies of Russia. There are also different opinions expressed about the political sympathies of Patarkatsishvili. Recently, his TV Company "Imedi" began broadcasting. Bidzina Ivanishvili operates primarily in the area of the

business of television. Ivanishvili's "Channel 9" has been on air since 1999. Unlike the connection between Patarkatsishvili and the political elite, those of Ivanishvili are unknown.

Adjara was outside central control until May 2004. With a core population being ethnic Georgians, the authorities did not openly express separatist aspirations. Yet, at the same time, under the personal leadership Aslan Abashidze, the region resisted the centre on economic and political questions. Budgetary obligations were unsettled between the central Government and Adjara; and the Government refused the intentions of Abashidze to transform Batumi (capital of Adjara) into a free economic zone. As for nepotism and the character of the local elite, there were ample indicators of Abashidze's personal network. Abashidze was Chairman of the Supreme Soviet of Adjara; his son Giorgi was mayor of Batumi; his nephew Giorgi Tsintskaladze was Chairman of the Council of Ministers of Adjara; his cousin Antaz Mikava was the second Deputy of the Council of Ministers of Adjara; his brother in law Ilia Tsulukidze was Minister of Security of Adjara; his cousin Minister of Internal Affairs; his son in law Temur Komakhidze Minister of Culture of Adjara; another son in law Nodar Tamazishvili Minister of Communications; another cousin Giorgi Tsintskaladze was the Minister of Health; and his wife's nephew Guram Gogitidze was Head of Tax Service. Half of the members of the local parliament (40 persons) are A. Abashidze's close relatives.

The Economic Elite

The economic elite are close to the political establishment. Article 53 of the constitution forbids economic activities by the members of parliament, and Article 80 for the government. At the time of writing, there was no exact data on the widespread economic activities of government members or the "patronage" of parliamentarians by businesses, but more facts are revealed after the Rose Revolution. In 1998, the Parliament of Georgia passed a law "On the Incompatibility of Interests in Public Service and Corruption". This law obliged officials to provide information about their property and financial position.

Despite this, there were often cases where government officials of a high rank, working on a low salary over many years, accumulated

property valued at hundred of thousands or even millions of Laries. As previously mentioned, in the first half of 1990s, the former communist *nomenklatura* directly, or by means of relatives and clients, maintained a privileged economic position and economic influence by using material resources made available by the state. The economic elite represented a narrow circle of people. However, some groups in particular influenced the economy and, accordingly, the policy of the country.

Together with its economic and political value, the International Oil Corporation of Georgia retained a significant role in supervising the elite of the country. This was determined by that fact that the political stability and economic welfare of Georgia, to a great extent, remains dependent on the Trans-Caucasus oil pipeline.

Positions of Influence: Regions

Central Government control of South Ossetia and Abkhazia was lost as a result of ethnic conflicts in these regions and a significant part of the local Georgian population was exiled. These regions are supervised by the local 'ethnocracy', the basic guarantor of which is the Russian peace-making contingent. Negotiations with Tbilisi remain deadlocked. The local power networks do not differ substantially from those in Tbilisi; they are family-connected and friend-centred networks. In Abkhazia and South Ossetia, Russian business holds a stronger position than the rest of Georgia. In these regions, the basic means of payment is the Russian rouble, and the main investors are the private companies or state departments of Russia. In both enclaves, smuggling plays an important role, which is indicative of the non-coordination of relations with the central authority of Georgia and uncertain legal status of these regions.

Like the Georgian population expelled from South Ossetia, refugees from Abkhazia have their government in exile, the so-called 'legitimate government of Abkhazia', structured as it was before the outbreak of war. Despite the absence of the territory, this structure keeps the same ministries, police and even security services which are accountable to the central bodies. The leader of the government of Abkhazia in exile, Tamaz Nadareishvili, is the permanent Chairman of the Supreme Soviet of Abkhazia. Before the Abkhazian war of 1992-1993, Nadareishvili was the Deputy Chairman of a Supreme Soviet of

Abkhazia and he took active part in the conflict. According to a number of sources, Nadareishvili belongs to a narrow circle of affluent people from the region.

Adjara is a particular case. Since the independence of Georgia from the Soviet Union, Aslan Abashidze has been able to run Adjara as his personal fiefdom (which many people call 'Aslandia') and, because of the region's border with Turkey and the presence of a Russian military base in Batumi, has been able to cultivate good relations with both countries. Hence it has not been surprising to see that Abashidze's 'Revival' party was able to obtain up to 98 per cent of the votes in Adjara. Abashidze has extended his political party nation-wide and it is represented in the central Parliament. It claimed to be independent but somewhat surreptitiously Abashidze supported Shevardnadze and, in return, the central government gave him a free hand in Adjara. When Shevardnadze fell from power, so did Abashidze, a few months later.

Positions of Influence: the Governors

Article 2 of the Constitution states that: The internal territorial arrangement of Georgia is determined by the Constitution on the basis of the principle of division of power after the full restoration of the jurisdiction of Georgia over the whole territory of the country....The citizens of Georgia regulate matters of local importance through local self-government as long as it does not encroach upon national sovereignty. The procedure for the creation of self-governing bodies and their powers and relationship with state bodies, is determined by organic law.

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This article was used as a device by the President to appoint twelve regional governors, whose responsibilities are minimal but whose

rights extensive. Therewith, the internal policy of Georgia, the most critical role belongs to the Service of Regional Management of the Office of the President which coordinates the twelve regional Governors who, until 2002, were appointed by the President, and who have since been elected by such a procedure that easily opens the way for former Governors to gain legitimacy⁹.

Without parliamentary approval, Shevardnadze appointed provincial officials such as prefects and mayors. The mayors of two key cities, Tbilisi and Poti, were directly appointed. Furthermore, the system of Governors, or presidential representatives, which *de jure* was not legally sanctioned, and *gamgebelis*, appointed at a local or rayon level, allowed for an overpowering centralized power. In the end, the *rayon* *gamgebelis* are responsible to two political masters, the Governors and the policy and the Service of Regional Management of the Office of the President. The intricate system is operated by funding: the distribution of centrally collected taxes and municipal budgets often depended on the personal relations between the presidentially appointed *gamgebeli* at rayon level and a mayor or *gamgebeli* at the municipal level. Given the control of the entire system of state administration, the President could form his own administrative apparatus, which had the potential to act as a shadow government beyond the control of any other branch, wherein the Governors, were an appointed elite.

From 1994 until the spring of 2002, Badri Khatidze supervised the service of regional management. From 1981-91, Khatidze was deputy head of an organizational department of the central committee of the Komsomol and through this post supervised regions. Accused of corruption, however, Khatidze became a parliamentary deputy. At present, the former governor of Shida Kartli, Irakli Bochoridze supervised the regional management service.

The ties of some representatives of regional elites with other groups were indicative of the clan networks operating in Georgia. Zevva Gugunishvili, a deputy in Tbilisi (Chugureti) and the Chairman of the Parliamentary Committee of Public Health Services and Social

⁹ All regional governors were running for Council of any small village, have passed in it, have been submitted by the council of representatives of the given village in regional council (he is not elected directly), and regional council again approves them as head of regional executive authority - the governor (*Gamgebeli*).

Questions, is the brother in law of Vano Zodelava, the mayor of Tbilisi. Mediko Mezvrishvili, the governor of the Telavi region, was a witness to Nanuli Shevardnadze at her wedding, and her nephew Kakha Datishvili was the Chief Police of Tax in the Kakheti region. Significantly, the majority of regional governors during the communist period worked on *nomenklatura* posts in those areas in which they currently operate.

Positions of Influence - The State Administration

The powers of the Presidency according to the Constitution outweigh the power of the Parliament, but the President can use his powers in a political framework—that is, exert it to have the legislators accede to his policy—or construct submissive political bodies, or elites. Shevardnadze manoeuvred in the legislature to arrange and deploy political support groups; however, his objectives were holding onto power, not necessarily consolidating backing for a definite policy. However, outside the Parliament and without parliamentary approval, as the Head of State Shevardnadze could and did place supporters in positions of influence. The President selects the heads of the power ministries and appoints all senior military leaders. The President chooses provincial officials such as prefects and mayors. Additional power came from his control of the entire system of state administration. He could form his own administrative apparatus, which had the ability to act as a shadow government beyond the control of any other branch. Key agencies chaired by Shevardnadze since 1993 were the Council for National Security and Defense, the Emergency Economic Council, and the Scientific and Technical Commission, which advised on military and industrial questions.

The state administration and bureaucracy plays the largest role in the managing the country, the basic core of which, throughout the period when Shevardnadze was in power, remained the former Communist *nomenklatura*. In Georgia's We use the designations administration and bureaucracy, because this particular hierarchy has higher and lower levels, as are used in informal Western political writings. However, the notion of civil service, of senior civil servants dutifully working for their democratically chosen political masters, helped by more junior civil servants—trained, objective, dutiful—is hardly appropriate to Georgia's

circumstances. The *nomenklatura* lost the reins of government as a consequence of the national-democratic liberation movement of 1988-89 and the following period taken in the civil war of 1990-91, when the President Zviad Gamsakhurdia was expelled from the country and the military council called in Eduard Shevardnadze from Moscow as head of the country¹⁰. However, it was not removed from the state administration and has ensconced itself in the state administration.

From 1992 to 95, when national attention and political activity was directed entirely with ethnic and civil conflicts in Abkhazia and Western Georgia, the state bureaucracy carried out two large-scale programmes --introduction of the national coupon and 'voucherisation' of former state property and strengthening its dominant economic situation acquired during the Communist era. Like other Soviet republics, documentation of Georgian Communist Party activity between 1989 and 1991 detailing liquidation of local Communist Party and Komsomol property, disappeared. Journalistic investigation proved that property settled in the pockets of influential members of the *nomenklatura*. During the Presidency of Zviad Gamsakhurdia, the Cabinet of the Ministers created, on August 29, 1991, a commission investigate the Communist Party's liquidation. Bakur Gulua was made chairman. Gulua was almost the only one to keep a place in the state machinery after the overthrow of the government of Gamsakhurdia. The results of the commission's findings remain unknown to Georgian society and when Shevardnadze was in office the question was conveniently forgotten.

From 1995 onwards, the state administration has moved away from society. Although it has its internal disagreements and rivalries, it has become one big clan. The small size of the country and lack of resources made its creation and extent of control easier. The clannish character of the state administration is revealed by many examples, but two can be mentioned here. The brother of the Minister of Transport, Connections and Communications Merab Adeishvili, Gia Adeishvili, became the Deputy Minister of Fuel and Energy; and the brother of

¹⁰ However, it is impossible to say that the authority of times of Gamsakhurdia was free from representatives of the Soviet *nomenklatura*: decisions accepted at that time (the decision about privatizations of the land, outflow of money from Georgia), obviously specified presence in the government of the Soviet relicts.

former Minister of Economics, Manufacturing and Trade, Ivan Chkhartishvili, Shalva Chkhartishvili, the Deputy Head of Inspection for Large Tax-Payers. State administration and family interests interlock in the various spheres of the economy.

The National Security Council

Article 99 of the Constitution states that the Council of National Security is created for military development and organization of the defence of the country, which is headed by the President. The composition, authority and procedures of the Council of National Security are determined by legislation. However, the Constitution neither determines the Council's position in the structures of the government nor mechanisms for its control by the Parliament. This fact has transformed it into a separate object in politics. The Council's first secretary, Nugzar Sajaia (who committed suicide in his cabinet in February 2002) had the reputation of a "grey cardinal". Sajaia transformed the Council into a place that produced a new generation of top state officials: Sul Khan Papashvili became Head of the Service of Government Protection, Valery Khaburdzania became Minister of Security, Koba Narchemashvili became Minister of Internal Affairs and, Sul Khan Molashvili became Chairman of the Chamber of Control (i.e., the main state audit agency).

As the interests of ministers concerned with economic matters gravitated towards the office of the State Minister, the heads of the power ministries gravitated towards the Security Council. Nugzar Sajaia managed to heavily influence the former Minister of Internal Affairs Kakha Targamadze, and never engaged in open conflict with opposition political forces or the reformers in the Citizens' Union.

Sajaia was succeeded by Japaridze, the former Georgian Ambassador to the United States. After Japaridze assumed office, the United States offered to assist with developing a National Security Council system, which would provide strategic advice, improve decision-making, and coordinate national security actions. It was to become a viable institution prior to the next presidential elections in 2005. It would make strategic assessments and plan policy, Observers inside and outside Georgia do not question the need for reform.

Georgia's NSC is too large to be an effective management instrument today. Moreover, the country uses an overly broad definition of "national security", one that includes not only external relations and domestic security but also issues such as economic policy and the environment.

Although security was at the top of the Georgian political agenda, the Council did little to develop a suitable one. This bears importance for reform of the military and security structures in addition to showing political priorities for domestic and international actors. Russian is not willing to retreat from the South Caucasus as a sphere of influence and the many frozen conflicts in the region, illustrate the urgency of adopting a national security concept.

The Political Elite: the Parties

The parliamentary system established by the Constitution has not provided for an easy development of Georgia's political parties. They have established a position as forces in political affairs. The life of Georgia's parliament and elections has been dominated by blocs and alliances of political parties, of politicians who are not members of any political party, and even members of some political party purportedly being in opposition—but tacitly assisting the ruling group—or as groups coalescing to support the administration. Led by ambitious political personalities, they have emerged, divided, and disintegrated, according to the popularity and political fortunes of their leadership. Some parties have distinct political and economic views, although they do not dominate the political arena. There also is the factor of the media. Georgian commentators and external observers would agree that Georgia has a free press. Although by some the media has been perceived as biased, in general, it has managed to present a full picture of the issues put forward by political parties, as is related in considerable detail in the respective Chapter on media. The media have been a vehicle for parties moving toward power, conspicuously so in 2003 and 2004. In this regard, Georgia's political experience does not greatly differ from the other independent countries emerging from the former Soviet Union. Their parliamentary life has witnessed the emergence of parties, some with a relatively short life, tactical electoral alliances, party splits and membership shifts.

The elections of 2004, to all appearances, swept many of these formations from the political board. The Presidential elections of January gave Saakashvili an overwhelming victory with 96 per cent of the vote; the parliamentary elections in March gave the allied National Movement and Democrats 67 per cent of the vote. Only one party, the Industrialists got across the 7 per cent vote threshold and into the Parliament. However, of the Parliament's members, 150 members of 235 were elected in March on the proportional lists, where the vote count in the 2003 elections was considered fraudulent by the Supreme Court. There also are 75 single mandate constituencies where the results were not annulled and 10 seats given to representatives from (Abkhazia). Thus Saakashvili and his supporters did not overwhelmingly remove potential opposition from political groups and individual deputies. Given Georgia's parliamentary history, large electoral alliances like Saakashvili's have a record of fragmenting and crumbling.

We will give an overview of Georgia's parliamentary and party life. It cannot be traced in full detail, but a summary of the political alliances and alignments of 2000 can suffice, although of course shifts and realignments took place until 2003. The President's supporters, the largest bloc, the Citizen's Union of Georgia or CUG, was then led by the Chairman of Parliament, Zurab Zhvania, later Shevardnadze's rival. It was never a broad-based organisation nor was it defined by a political ideology. It represented a post-Soviet continuum of the Communist Party and opened the way for interested persons to come to power at central or local levels. Only one thing was required from them--loyalty to Shevardnadze. The Citizens' Union was ideologically eclectic and, by its structure, loosely articulated. It has been described as a nomenklatura-based party, among other things, trying to defend the interests of big business." (Nonetheless, the Union managed to get observer status with the Socialist International.)

The opposition was gathered in another bloc, the All-Georgian Union for Revival. The Union contained a similarly-named Revival party regionally based in Adjara; the Union of Georgian Traditionalists, who aimed at the restoration of the Georgian monarchy; the Socialist Party of Georgia; the former Communist Party leader Patiashvili; and the XXI Century, supporters of former President Gamsakhurdia. The bloc

promised to eliminate corruption and to restore public services. Actually the Revival party, although claiming to be in the opposition, often collaborated with Shevardnadze. Its leader Abashidze was thought to have struck a surreptitious deal whereby Shevardnadze would not try to reassert central control over Adjara in return for Revival's support in the Parliament. These suspicions were amply confirmed in the political in 2003 and 2004, when Abashidze proved to be a determined ally to President Shevardnadze.

By 2003, Shevardnadze's Union had crumbled and had been replaced by New Georgia, with a programme of independence, Georgia's integration into Europe, closer relations with the United States and NATO, the liberalisation of the economy, and increases in salaries. Five major parties (or groups) opposed New Georgia in the Parliamentary elections. There was the National Movement, led by led by Saakashvili, a coalition of three separate parties; the United Democrats, a moderate opposition party led by Burdjanadze (with Zhvania in the background); a left Labour party; a somewhat conservative New Rights party; and the Industrialists. There also was a Revival party, led by Abashidze—a separate party but actually in complicity with Shevardnadze.

The formation of the 'National Movement for Salvation of Georgia' came to the fore in 2001 after its future leader Mikhail Saakashvili left both his post as Minister of Justice and the government of the President Shevardnadze. In the local elections of 2002 in Tbilisi, the Movement obtained second place (with twenty four per cent of the vote) and was only a few hundred votes behind the Labour Party¹¹. Before that, the movement had a faction in the Parliament of 1999, working with reformers from the CUG.

The 'United Democrats' were another product of the disintegration of the Citizens Union when Zurab Zhvania departed from it taking along with him much of its powerful infrastructure. In the Parliament, the party had a faction consisting of twenty two people, in

¹¹ As against labourites, the pre-election slogan of movement is "Tbilisi without Shevardnadze" - was an appeal directed particularly against the President. On February 12, 2003 at the expanded session of the government, Saakashvili has directly declared to Shevardnadze: "I thought, that we (reformers) together with you could get rid of the corrupted officials, who sit in this hall. Now the only way for this purpose is that you should leave and together with you all these officials".

strong opposition to the government. It ran in local elections of 2002 as the Christian-Conservative Party and, in Tbilisi, garnered eight per cent of the vote. The non-*nomenklatura* intelligentsia who were disappointed in Shevardnadze sympathised with the United Democrats.

‘The New Rights’ similarly appeared on the stage once the disintegration of the Citizens’ Union began in 2001. Its leaders, young, influential businessmen Levan Gachechiladze and David Gamkrelidze entered the Parliament on Unions’ list in 1999, invited by Zhvania and Saakashvili, though Gachechiladze and Gamkrelidze left the Party because of their subsequent opposition to Zhvania and Saakashvili. With eighteen representatives, New Rights supported Shevardnadze in the Parliament as the Citizens’ Union disintegrated and Zhvania left the Party. In local elections of 2002 in Tbilisi New Rights achieved only third place but in city and rural Councils, it received a majority of all votes cast. The party turned against Shevardnadze and gained the image of an opposition party¹². The well funded organisation, it began an independent drive for voters in January 2003.

The ‘Labour Party of Georgia’, a socialist party, emerged as a national party in the elections of 2003 and 2004. Previously it had won in local elections. In the parliamentary elections of 1999, the Labour Party lacked only several hundred votes to overcome a seven per cent barrier and get into the national Parliament. It has sharply criticised the authorities for failing to solve social and economic problems. The Party ‘Industry will Save Georgia’ has a basic programme to protect businesses hurt by the government and lobby groups. Created before the parliamentary elections of 1999 and against a background of criticism of the government, the Party subsequently moderated its criticism of and gradually turned into a partner of the authorities.

If we look for origins of the rise and fall of parties, there is more than one reason. Certainly, on the one hand personal political ambition for leaders like Zhvania, and Saakashvili—the latter, for example, Chairman of the City Council of Tbilisi, November 2002, Minister of Justice in 2000-2001, Chairman of the Constitutional Judicial and Legal Parliamentary Committee and leader of the Parliamentary faction of the Citizens’ Union 1995-2000—played a role. They were named ‘young

¹² Not specified lists of voters - one of the basic preconditions of falsification of elections.

reformers'¹³. On the other hand, they easily cohabited with the old communist *nomenklatura*—who had positions of influence as members of the government, as regional leaders, and as intelligentsia, and were members of a new political organisation, while preserving their past relationships. Nonetheless, one of the reasons for the crumbling of the Citizens' Union was that people of various foreign policy orientations were present in it. There were pro-western young reformers as well as anti-westerners—which did not automatically mean Russophiles or reactionaries. They were of various ages, careers and mentalities. But probably principal reason was an attempt of young reformers to transform the Citizens' Union from being the party that won elections and then dutifully supported the executive into the party of power itself, in order to obtain control of the executive authority via the parliamentary majority. Moreover, the Labour Party, the Industrialists, and the New Right do have discernible political and economic orientations.

In the November 2003 elections, six parties or blocs crossed the 7 per cent threshold, the official count giving the first place to Shevardnadze's New Georgia, and another more reliable count giving the first place to the National Movement and the Burdjanadze Democrats. In addition to the two above, the winners were Labour; the Democrats, led by Burdjanadze; the Union for Democratic Revival; and New Rights. The Rose Revolution, the events of November 2003 was followed by presidential and parliamentary elections of January and March which in effect confirmed and consolidated the revolution. In the March elections, the joint National Movement and Democrats won easily, with only the Industrialists (or Industry will Save Georgia, to give them their proper name), getting past the barrier; in the preceding elections they did not get in, but were in the seventh place. However, of the 235 seats in the parliament only 150 were contested—only the results in electoral districts where deputies are elected by a majority and where results were deemed to be invalid—and the National Movement-Democrats got 135 of the 150 mandates, with 15 going to the

¹³ This name is connected to the reforms started in various sectors of the State system of Georgia, from which the most significant was reform of judicial authority. One of the reasons of the conflict between team Zhvania-Saakashvili and *nomenklatura* of Shevardnadze was also that after reform of judicial system did not follow the reform of Police and the Office of Public Prosecutor (see power structures).

Industrialists. In all, 16 parties or electoral blocs participated in the elections and 14 were swept from the board. Nonetheless, there is a considerable number of deputies who were not led into the Parliament by Saakashvili—and large blocs, like the one he and Burdjanadze led—have a record of crumbling in Georgian politics.

Conclusion

Since Georgia became an independent country, there have been political collapses and turbulence: with the disintegration of the Soviet Union, with a military coup which ended the Presidency of Zviad Gamsakhurdia, with the return to power of Shevardnadze, his ouster in the Rose Revolution, and finally, elections that brought the opposition into offices where policy is made.

The tides of politics have not decisively removed old elites and brought new ones to power and prominence. Shevardnadze was Georgia's most visible *nomenclature* member during the Soviet rule and, as has been related, during the first years of independence, the new economic elite, to a great extent, concentrated in the banking sector, often came from the old *nomenklatura*, the former members of the Komsomol. What has been said Ukraine holds true for Georgia, "Under the post-Communist banners of 'capitalism' and 'market reform', these [*nomenklatura*] networks have transformed bureaucratic into financial power, privatising not only the economy, but the state itself."¹⁴ But there are differences. In Georgia, as in the other post-Soviet societies, new forces have come to power and the 'new order' moved in different directions. The shape of the elites and their accommodation to the circumstances after the events of 2003 and 2004 is not yet entirely discernible.

In Georgia, the legislation was developed according to the interests of strong elite groupings, as the summary description of political alliances and alignments in the Parliament illustrates. The particular interests or compositions of the specific parties are determined by Georgia's conditions. Such conglomerates are not organizations built around certain policies and principles. Instead they are what political

¹⁴ James Sherr, Presentation Ukraine's Euro-Atlantic Course, DUPI Seminar, Copenhagen, October 19, 2002.

scientists call brokerage parties, political entities without fixed principles or policies whose leaders collect support from otherwise incompatible constituencies. Found in many of the post-socialist states, they are not unique to them; it has been noted that India's Congress Party has functioned as a brokerage party. As countries modernize, they tend to leave brokerage parties behind them. The process might be under way in Georgia.

A report by observers from the Organization for Security and Cooperation in Europe commended the conduct of the parliamentary elections. "The March 2004 repeat parliamentary election in Georgia demonstrated commendable progress in relation to previous elections. The Georgian authorities have seized the opportunity, since the January presidential election, to further bring Georgia's election process in closer alignment with European standards for democratic elections, including OSCE commitments and Council of Europe standards," the report said. But the report concluded with a note of caution. "However, in the wake of the events of November 2003, the political life of Georgia, as reflected in the election process, is not yet fully normalized" it said. "The consolidation of the democratic election process will only be fully tested in a more competitive environment, once a genuine level of political pluralism is re-established".