

# The Army and Society in Georgia

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## WESTERN DIRECTION RETAINS GREAT IMPORTANCE

*by Irakli Aladashvili*

The previous issue of the "Army and Society in Georgia" examined the MoD Eastern Direction Troops (a newly created territorial command of the Georgian armed forces). Some days later after the issue had been published, the defence minister dismissed the commander of the EDT General George Toradze and assigned Colonel Ramaz Lursmanishvili to the post, while Toradze was appointed deputy rector of the Joint Military Academy.

The given article is focused on another territorial command of the MoD - Western Direction Troops (WDT). The WDT was created in the summer 1998 under General Zaur Uchadze, while Colonel Sandro Elbakidze was appointed chief of the WDT staff. At that time the WDT included the strongest units of the Georgian army, the Senaki-based 2nd MRB of the MoD being the most important of them. The brigade was deployed close to the Enguri river - a border line between the Georgian and Abkhaz conflicting parties. Maybe for this reason it used to be the best-supplied and best-manned unit of the army.

The last year's October 19 mutiny in western Georgia led by Colonel Akaki Eliava tested abilities of the WDT Command. Eliava began with taking several high ranking officials (who attempted to negotiate with the mutineers) hostage, including the security minister, the regional state commissioner and, most importantly, General Uchadze himself. As a result, the WDT appeared without the commander. Angered defence minister dismissed General Uchadze and some of his inferiors immediately after the mutiny was put down. In addition, the whole 2nd MRB (just this unit was involved in the mutiny) was dissolved and its servicemen dispersed among other units. Most of them appeared in the Kutaisi brigade. Consequently, the Georgian armed forces have in fact lost the advantage of time and distance as Kutaisi is much far from the Enguri river than Senaki.

The WDT is now commanded by Colonel Koba Kobaladze, a 31-year-old veteran of the war in Abkhazia. He has graduated the Riyazan paratrooper military college of Russia and Frunze military academy (Moscow). Colonel Michael Sadunashvili (also a graduate of Frunze academy) was assigned as the chief of the WDT staff instead of his predecessor Colonel Elbakidze.

At present, the WDT embodies:

21st MRB (deployed in Kutaisi)  
25th MRB (Batumi)  
Reconnaissance Battalion (Khoni)  
Senaki Battalion  
Marine Battalion (Poti)  
Airborne Strike Battalion  
Kutateladze Alpine Battalion

The HQ of the WDT is situated in Kutaisi and consists of several services:  
Air defense  
Artillery  
Engineer  
Logistics  
Medical  
Personnel training  
Reconnaissance  
Tanks and armoured vehicles

Although the Batumi-based 25th MRB is formally subordinated to the WDT, under current political circumstances Aslan Abashidze, the Adjarian leader, seems likely to do his best to control the brigade. Theoretically, in case of a war the HQ of the WDT should also take command of all the other military units deployed in the region - the Internal Troops (Kutaisi-based 2nd Operational Brigade, Tqibuli-based Special Task Brigade, Batumi Battalion) and SDFD (Poti Brigade). However, though there is no respective legislation basis yet (except temporary regulations).

The conflict zone in Abkhazia remains one of the top priorities in the list of the WDT missions as tensions may emerge there any time. However, another not less (if not more) important task has been recently assigned to the WDT - defence of the Baku-Supsa oil pipeline in western Georgia.

GUAM (Georgia-Ukraine-Azerbaijan-Moldova) defence ministers have resolved to set up a joint multi-national peacekeeping battalion and launch joint military exercises to perfect the defence system of the pipeline. The first such exercise with participation of Ukraine, Georgia and Azerbaijan was carried out in the Yagludzha firing ground near Tbilisi on April 13-16. It is noteworthy that official inauguration of the Supsa oil terminal took place on the very next day - April 17 - when the first tanker was loaded with Caspian oil. Presidents of Ukraine, Georgia and Azerbaijan attended the ceremony. Along with the Internal Troops and MSS, the WDT was also responsible for security measures during the inauguration.

At the end of March the HQ of the WDT held staff war games supervised by General Johnny Pirtskhalaishvili, the Chief of the General Staff of the Georgian Armed Forces. During the exercise particular missions were defined for each military unit. According to independent military experts, the current combat efficiency of the WDT units are not quite satisfactory, maybe due to insufficient financing and the ongoing military reform. Besides, the WDT, as well as the rest of the army, still suffers from such ills as corruption, embossment and the lack of professionalism. Lots of deficiencies were revealed in the WDT during the defence minister's inspection this January. Only the Khoni-based Reconnaissance Battalion and the Poti-based Marine Battalion proved more or less efficient.

It is also important that Colonel Akaki Eliava and dozens of his armed supporters are still hiding in forests of western Georgia. From time to time they threaten with terrorist attacks against the Poti sea port, the oil pipeline and the Supsa oil terminal. Although negotiations between high ranking officials of the MIA and Eliava continue, the government may decide to use force against him and his gunmen. If so, the MIA special task forces may act together with the WDT units.

# **ABOUT GEORGIA'S ECONOMIC SECURITY**

*by Archil Melikadze*

To keep economic security of Georgia one should defend the country's economic development strategy from potential threats. It means that it is essential to consider issues of economic security only in connection with a particular strategy. If the country's development strategy changes, consequently the threats change, and the issues of economic security should be revised.

The economic development strategy declared by the Georgian government could be summarized as follows: improvement of quality of life of the Georgian population and sustainable development through economic liberalization and integration in the international economic system (unfortunately, very often concrete actions of the government contradict with the declared strategy; such contradiction itself is one of the threats to economic security, which will be discussed later). In more details the mentioned strategy includes: privatization of most of the state assets, significant reduction and revision of the government's economic role, price liberalization, financial liberalization, removing trade barriers, removing capital controls and support of foreign investments, active participation in international economic organizations, structural reforms, reform of the social sector.

There are particular threats to the presented strategy (e.g. monopolies, shadow economy, financial instability, etc.). There are internal contradictions between different policies in the frame of presented strategy (e.g. social impacts of economic liberalization). As was stated above, economic security means defending this strategy from the mentioned threats. Consequently the country's economic security conception and strategy should contain the following issues:

- Analyses of threats to the country's development strategy
- Description of the system of economic indicators which are appropriate to identify the threats
- Analysis of political means of defending from these threats and development of a relevant strategy

In this article we present those factors and processes which contain potential threats to the economic strategy chosen and declared by the government of Georgia. One can divide these in two groups - economic processes within the country and external factors resulted from the integration of the country in the international economic system. Potential threats could be caused by the following internal processes and factors: monopolies, public goods, regional inequality, instability of public finances, instability of a monetary and banking system, functioning of a real sector of the economy, functioning of strategic sectors of the economy, shadow economy, social and political factors. We further discuss the following factors caused by international integration: trade liberalization, currency exchange regime, liberalization of capital flows, increase of foreign debts, foreign direct investments, impact of other countries' trade policies on Georgia, participation in international economic organizations and multi/bilateral economic treaties.

## **INTERNAL ECONOMIC FACTORS AND PROCESSES**

### *Monopolies*

Out of nearly 20 monopoly companies registered by the Antimonopoly Committee more than a half are natural monopolies. Most of monopolies are in the following sectors: energy distribution, telecommunication, transport and water supply. By suppressing market competition, monopolies lead to inefficient distribution of resources and reduction of social welfare.

More specifically, the following problems are associated with monopolies: poor quality of services and products, reduction in variety of products offered, less

than optimal levels of production, high prices, high overhead costs, hindrance of technological development (in some cases). Very often monopolies gain significant political power in the country and try to use this leverage to push for favorable government decisions (not optimal from social point of view).

#### *Public goods*

Nonexcludability feature of public goods is the main problem in providing these goods and services. In central planning there was no such problems - all public goods were supplied by the government free for customers. Now, in transition, the traditional functions of the public sector have disappeared and market forces alone are insufficient to cope with this problem.

At present the problem of public goods has caused deterioration of the country's infrastructure (natural gas, heat, water and electricity supply, highways). There are other threats associated with this problem: increase of external debts, accumulation of arrears (in foreign debts and between Georgian enterprises), slowdown in economic development and integration in international economic system.

#### *Uneven regional development*

Georgia has very diverse regions. Each region is specific by its ethnic distribution, social infrastructure, level of economic development. Uneven regional development could cause following problems:

- Increase of social tensions in regions due to migration
- Political tensions between regions (especially between the regions populated by ethnic minorities)
- Economic integration of the border regions with neighboring countries

#### *Instability of public finances*

Budget income has drastically decreased during the transition, mainly because of poor tax collection. The government was forced to decrease public spending as well - mainly capital investments and social programs. The consequences are: deterioration of crucial economic infrastructure, increase of social tensions and resistance to reforms.

Different sources of financing of the budget deficit in such situation could also contain specific threats:

- Credits of the National Bank of Georgia - stimulates inflation
- Foreign loans - increase of foreign debts and, in some cases, accumulation of arrears
- Non-bank financing - increase of interest rates and decrease of private investments
- Decrease of reserves - exchange rate instability

#### *Instability of banking and monetary systems*

Strict monetary policy implemented by the National Bank of Georgia since 1994 decreased the inflation rate and had significant positive impact on overall economic stabilization. But such successful monetary policy is hampered by underdevelopment of monetary instruments and weaknesses of the banking system. These factors played major role in the recent financial crisis.

Because of underdevelopment of the banking system it could not serve as a financial intermediary. Consequently it could not mobilize financial resources and channel them to investments. This jeopardizes long term economic development.

#### *Real sector of economy*

Drastic decrease of production during the transition indicated that Georgian enterprises were not prepared to these changes. The problem was aggravated by the following factors: civil and ethnic wars, the energy crisis, blocking of major transport routes to Russia. But the major problem was underdevelopment of market mechanisms in the country. Problems still remain despite the ongoing reform process - inefficient market information, failures of the tax system, unreformed economic management institutions.

These factors could lead to the following threats: decrease of exports and suppression of import competing industries, consequent increase of trade deficit and possible devaluation, negative impact on long term economic growth.

#### *Strategic industries*

Strategic industries are those that have one or several following features:

- Significant contribution to the state budget or/and considerable amount of workforce (agriculture)
- A vital part of economic infrastructure (transport, communications, energy)
- Crucial importance for the country's defense capabilities (military industry)
- Determines the country's international competitiveness and has significant income in foreign currency

The following threats are associated with low efficiency of the strategic industries: low budgetary income and related social problems (high unemployment, fewer social programs, etc), hindrance of economic development, weakening military and political capacities, low international competitiveness.

#### *Shadow economy*

Shadow (informal) economy comprises from unregistered and illegal business activities which do not pay taxes. It is difficult to assess the share of shadow economy in Georgia but no doubt it is considerable.

Shadow economy contains the following threats for economic development: high inefficiencies in resource redistribution due to high transaction costs, insufficient market information, high risks, reduction of budget revenues, low efficiency of the government's economic policy, strengthening criminal groups, hampering international integration, increase of corruption.

#### *Social factors*

The transition process has very serious social implications - increase of unemployment, redistribution of wealth, change in social groups and their relationships. At the same time there are radical changes in education, healthcare and social security systems. All of these lead to more social tensions in the country.

#### *Political factors*

Different groups of interests try to influence the public economic policy to get certain benefits (tax exemptions, trade restrictions, price regulations, subsidies, etc). Such benefits reduce social welfare and hamper long-term economic development. Activities of the special groups of interests are responsible for deviations of concrete political actions from the declared economic development strategy. This the most serious threat to economic security of Georgia.

### **INTEGRATION INTO INTERNATIONAL ECONOMIC SYSTEM**

#### *Trade liberalization*

One of the first steps of economic reforms in Georgia was removing of trade restrictions. In long term such policy leads to efficient redistribution of

resources and supports economic growth. But in short term the policy of trade liberalization contains certain threats. Local companies were not ready to compete on an equal basis with much more efficient foreign companies. As a result most of the import competing industries were suppressed. From one side this caused increase of trade deficit and, consequently, financial instability; from another side - higher unemployment.

#### *Exchange rate regime*

There is a managed floating exchange rate regime in Georgia. The National Bank of Georgia (NBG) is actively involved in trades on the Tbilisi Interbank Currency Exchange (TICEX). For almost four years NBG kept the exchange rate stable. In fact, stable exchange rate was used as a nominal anchor for the financial stabilization in Georgia.

Such policy could lead to the following problems: real exchange rate appreciation, which decreases the country's international competitiveness and makes further devaluation inevitable (exactly this happened at the end of 1998).

#### *Liberalization of capital flows*

The Georgian government removed almost all restrictions on capital flows. It is very easy today to convert local currency to foreign and transfer capital abroad. There are no restrictions on establishment of subsidiaries of foreign banks in Georgia.

One should consider the following potential problems of unrestricted capital flows. Capital inflow could cause inflation, real exchange rate appreciation and decrease of international competitiveness, more instability of the banking system, increase of foreign debts and consequent decrease of local aggregate demand. Capital outflow could cause decrease of local investments and hamper economic growth.

#### *Foreign debts*

At present the government has accumulated considerable foreign debts (mainly from multilateral financial institutions and foreign governments). The following threats are associated with high foreign debts:

- High service payments that increases budget deficit and decreases foreign assets
- Accumulation of arrears that hinders confidence among Georgia's economic partners
- Increase of possibility of political pressures of other countries on Georgia

#### *Foreign direct investments*

There is a lack of local investment resources in the country. High foreign debts and undeveloped financial institutions make impossible to borrow on the international capital market. In such case it is essential to support foreign direct investments. But the following threats should be taken into account:

- Social and ecological problems caused by foreign investors
- Accumulation of significant political power by foreign investors
- Increase disbalance in regional development of Georgia
- Stimulation of corruption in the government

#### *Impact of other countries' trade policy on Georgia*

Trade restrictions, export subsidies and other means of trade policy used by Georgia's trade partners could cause the following problems to the country:

- Decrease of exports, increase of imports and resulted increase of trade deficit

- Less income for Georgian companies and slowdown of economic development
- Disruption of vital resource supplies

#### *Participation in international organizations and bilateral treaties*

Participation in international organizations and bilateral treaties are important means of Georgia's integration in the international economic system. The country gets significant resources for its development (foreign credits and investments, technical and humanitarian assistance). At the same time one should take into account that:

- Interests of Georgia and donor organizations are not identical; in some cases the donors could impose such conditions on their assistance which are not in line of the country's development strategy
- Inefficient spending of foreign governments' assistance to Georgia could increase the country's foreign debts and hinder development of local financial market
- Inefficient utilization of technical and humanitarian assistance could increase corruption and hinder public management system reform

#### **Conclusion**

The country should have a strategy of economic security to address the threats and problems mentioned in the article. But these threats and policy options of avoiding them should not be considered separately. In some cases dealing with one particular problem could create others. Consequently the economic security strategy should be considered in a systematic way, taking all potential problems into account.

## **Military Chronicle**

*Georgian press reports*

### **Conflict zones**

In his interview with the newspaper Zurab Samushia, the commander of the Georgian guerrilla unit "White Legion", says his unit will make every effort to spoil the coming parliamentary and presidential elections in Abkhazia scheduled for this autumn as they are, in his opinion, illegal. In Samushia's words, Sukhumi may attempt to use repatriation of the refugees to the Gali district to discredit the White Legion - if there is a new bloodshed, the Abkhaz authorities will blame it just on the guerrillas.

"Alia" No. 37, March 8, p. 3

According to Abkhaz sources, about 1,000 Georgian refugees (Tbilisi claims their number to be much smaller) returned to Abkhazia in March and passed respective registration. Konstantin Ozgan, vice premier of Abkhazia, said Sukhumi planned preventive measures against possible guerrilla attacks which may, in his opinion, intensify after the beginning of the repatriation. To this end, the Abkhaz government has worked out a special security scheme, including re-organisation of the Gali district militia. Its personnel has been enlarged and reached 360, five of them are reported to be Georgian refugees. In his words, Sukhumi is going to co-operate with the RPF in maintaining safety of the refugees.

"Dilis Gazeti" No. 53, March 12, p. 5

According to Londer Tsaava, deputy chairman of the Council of Ministers of Abkhazia, David Shengelia, the commander of the guerrilla unit Forest Brothers, has been appointed state commissioner for emergency situations of the Gali district (pro-Tbilisi) administration. He is a rather influential person and is held in great esteem by the refugees, he says.

"Resonance" No. 67, March 13, p. 2

Two Russian peacekeepers were killed in the Gali district of Abkhazia in March. The Abkhaz authorities blamed the incident on Georgian guerrillas. For his part, Zurab Samushia denied his unit's involvement. In his opinion, the case is connected with a bitter rivalry between Abkhaz and Russian forces for control of the so-called "black business" in the region. In his words, the command of the Russian Peacekeeping Force is going to launch a punitive operation in the district.

"Resonance" No. 77, March 23, p. 4

Two Georgian citizens were killed by Abkhaz militia in March when fishing at the Enguri river - the border between the Gali district of Abkhazia and Zugdidi district of Georgia. Although a RPF check-point is located about 100 metres from the spot, Russian peacekeepers made no actions to prevent the incident.

"7 Dge" No. 35, March 26-28, p. 2

## **Army-building**

In March David Tevzadze, the defence minister, removed Avtandil Davitadze, the head of the MoD budget-treasury department, from office for "improper financial policy". However, according to informal sources, Davitadze was dismissed after he protested against financial violations of the Army Support Society (Guram Tevzadze, the defence minister's brother is one of its managers). Last year the president granted the Society an exclusive right for supplies to the army, while the finance ministry allocated a purpose-oriented subsidy of 5 mln GEL: 3.5 mln GEL on foods, 1 mln GEL on clothes and 0.5 mln GEL on fuel. The Society had to account for the whole spending till the end of 1998 but it has failed to submit justification documents on spending of 2,683,000.00 GEL so far. Allegedly, Davitadze was fired because he refused to endorse the MoD's yearly financial report unless the documents were submitted. In his words, the money was obviously spent not on purpose. For instance, the Society purchased nine Jeep-Cherokee cars for the MoD (though the MoD had already 14 such cars before). On the whole, according to available information, the MoD's spending looks rather suspicious. For instance, too large sums were reportedly spent on the minister's visits to foreign countries - \$259 thousand (it the time of Vardiko Nadibaidze the sum amounted to only \$13 thousand) - and on repairs of his villa - \$17 thousand. Davitadze suggested that the issue should be examined by the Audit Chamber. However, the minister objected and on March 19 ordered all the military units to reject any financial inspections unless he permitted the contrary. It is noteworthy that the Audit Chamber which usually examines the MoD budget twice a year was unable to begin its regular audit (scheduled for February 8-March 11) as, according to Nika Enukidze, one of the senior inspectors of the Chamber, the MoD has not completed its yearly financial balance report so far. Commenting on the case, the president said no conclusions should be drawn until the Military Procurator's Office investigates the case. For his part, Revaz Adamia, the chairman of the parliamentary defence and security committee, claimed that anti-Tevzadze campaign was a part of anti-Georgia campaign, while Davitadze's accusations, in his words, were based on his personal ambitions. "I and my committee fully support Mr. Tevzadze", he said.

"Dilis Gazeti" No. 29; 45, March 3, March 23-25; pp. 1, 3

"Resonance" No. 59, March 5, p. 3

"Droni" No. 34, April 3-6, pp. 1, 2

On March 2 the parliament passed a bill which defined the total size of the Georgian military forces (the MoD, SDFD, Internal Troops and SSS) as 45,072 servicemen.

"Sakartvelos Respublika" No. 59, March 6, p. 1

In March 152 officers graduated a special officer training centre of the Joint Military Academy. For the first time in Georgia's modern history there are three female officers among them: Junior Lieutenant Lela Chikovani and Junior Lieutenant Keti Tevzadze (defence minister's daughter) - work in the MoD department of military policy and bilateral relations, while Junior Lieutenant Nazi Asharova serves in the 1st Artillery Brigade.

"Meridiani 44" No. 31, March 17-19, p. 6

The majority of the Georgian privates are 18-25 years old. In compliance with the Russian tradition, commanders of platoons of the Georgian army - junior lieutenants or lieutenants - are of the same age. Actually, they have to do the same job that in western armies sergeants do. But unlike these young officers, western sergeants are mostly of 30 years old or over and as a rule have enough experience. Nowadays, the Georgian army lacks professional officers and there are several hundred vacant positions of platoon commanders. Meanwhile, only about one hundred cadets graduate the Joint Military Academy every year plus several dozens of graduates of the naval academy. Previously, the MoD attempted to solve the problem by drafting reserve officers. But this solution did not prove effective. Therefore, the MoD plans to introduce contract service in the army. At present, the defence budget allocates 160 GEL (about \$72.7) to maintain a private and 200 GEL (about \$91) an officer or an NCO every month. If approximately similar money is offered as salary, enough people may join the army voluntarily. First of all, the MoD hopes to enlist veterans of the wars in Afganistan and Abkhazia, provided they are fit for the military service. If implemented, the project will start with technical arms. According to the MoD plan, a tank platoon may become the first to be manned entirely with professionals. Afterwards, the contract service will be introduced in commando units, air force, air defence, navy and engineer troops. However, the project will require amendments to the current legislation.

"Droni" No. 29, March 23-25, pp. 3, 9

Gennady Haidarov, commander of the Navy who occupied the post since May 1998, was dismissed. General Johnny Pirtskhalaishvili temporarily took the office, though he retains, at the same time, his position of the chief of the general staff. Haidarov was re-assigned to his previous position - the head of the Batumi branch of the Joint Military Academy (usually referred to as the naval academy). Capt. Ivanov, the chief of the Navy staff, was also dismissed - as a Russian citizen he cannot serve in the Georgian armed forces. However, he had served in the Navy for almost an year by the defence minister's order.

"7 Dge" No. 36, March 29-30, p. 5

According to Gogi Gogashvili, the head of the MoD military inspectorate, 12 military objects and 15 military sites were inspected in 1998. The inspection revealed serious financial and other violations such as embezzlement (500,000 GEL), improper use of finances (22,326 GEL), etc. One of the main problems of the armed forces, in his words, is that the current legislation does not match modern requirements. For instance, there are no normative acts on inventory of military property. Examination of the Tbilisi Arsenal (military depot) revealed a huge mismatch between the ammunition inventory prepared by the MoD and the real situation. In fact, no data corresponds with the reality. Most of the ammunition and technical devices are stolen. Similar facts were also revealed in the Dedoplistqaro military depot. In Gogashvili's opinion, the army needs a unified and computerised control system and professional officers as active officers and NCOs have poor knowledge of law.

"Svobodnaya Gruzia" No. 59, March 30, p. 1

"Meridiani 44" No. 31, March 17-19, p. 6

## **Visits, negotiations, co-operation**

On March 9, on his way back from Japan, Eduard Shevardnadze held talks with Islam Kerimov, the Uzbek president, in Tashkent. After the two-hour talks focused on the problems of regional security, Shevardnadze said Georgia may withdraw with the CIS collective security system, though it would remain a CIS member.

"Resonance" No. 64, March 10, pp. 1, 2

The parliamentary defence and security committee demanded to withdraw the Russian military bases from Vaziani (some 20km east from Tbilisi) and Gudauta (Abkhazia). According to Revaz Adamia, the committee chairman, a respective recommendation will be submitted to the president soon. In his words, the former is allegedly involved in training of terrorists and illegal trade with weapons,

while the latter is the main pillar of the separatist regime of Abkhazia and is uncontrolled by Tbilisi. Although Russia will do its best to prevent the withdrawal, the goal, in his opinion, can be achieved in 3-4 months. As to the Russian peacekeeping force in Abkhazia, in Adamia's opinion, it should be replaced with UN multi-national troops. At the same time, he claims that for the time being Tbilisi should abstain from demanding to withdraw Russian bases from Adjara and Akhalkalaki as it may lead to destabilisation. Georgia is interested in strategic partnership, including military co-operation, with Russia, he says. Nowadays, the issue is being examined by a special ad hoc commission created by the president's February 28 decree and led by the foreign and defence ministers. However, the Georgian-Russian agreement on military bases, in Adamia's words, have not justified itself. Georgia signed it on condition that Moscow would assist Georgia in the army-building and help restore territorial integrity of the country. But Russia in fact fulfilled none of them. On the whole, in Adamia's opinion, Georgia should withdraw from the CIS collective security and ultimately aim at the membership of NATO.

"Dilis Gazeti" No. 54, 62; March 13, March 23; pp. 4, 5  
"7 Dge" No. 34, March 24-25, pp. 1, 2

A delegation of the Turkish armed forces led by Engin Alan, the commander of the Turkish task forces, visited Georgia on March 1-6 to examine prospects of the realisation of the last year's Turkish technical assistance program (\$5.5 mln) to the Georgian armed forces. The program will begin in April. Turkish specialists are to install electronic devices in the Gori training centre, build a sport complex in the Joint Military Academy and an officer hotel in Tbilisi, provide all the necessary equipment for a military orchestra, assist naval forces and some other services, etc. As a result of the visit, Georgia and Turkey signed a protocol on five-year military co-operation programme on March 4. According to the document, Turkey will provide Georgia with non-combat military equipment (cargo vehicles, medical devices, etc.) and assist in personnel training. A group of Georgian officers will pass training in Turkey. The delegation also visited the SDFD to learn the problems of the Georgian frontier defence.

"Resonance" No. 59, March 5, p. 3  
"Akhali Taoba" No. 58, 59; March 2, 3; pp. 2, 3

The March 4 closed-door sitting of the CIS chiefs of staffs in Moscow was focused on the problems of CIS military co-operation. General Johnny Pirtskhalaishvili did not participate in the sitting as, in his words, he was short of time. The Georgian delegation was led by General Guram Nikolaishvili, representative of Georgia in the CIS military co-operation staff.

"Sakartvelos Respublika" No. 58, March 5, p. 1

A group of experts of the U.S. Coast Guard visited Georgia to examine security problems in the Poti sea port and Supsa oil terminal on February 21-March 4. In some time to come American experts will come up with recommendations for Georgian frontier guards which must help create a fundamentally new defence and security system at these strategically important objects.

"Akhali Taoba" No. 61, March 5, p. 2

The Georgian parliament ratified a Georgian-Bulgarian frontier co-operation agreement on March 5. According to David Tchelidze, deputy chairman of the SDFD, the agreement provides for co-operation in the field of frontier defence and international transportation.

"Sakartvelos Respublika" No. 59, March 6, p. 1

According to David Tchelidze, deputy chairman of the SDFD, a group of the Russian frontier officers (of various ethnic groups - Georgians, Armenians, Russians) have expressed willingness to contract with the SDFD and serve in the Georgian frontier troops as instructors. In his words, they will enjoy certain preveleges but have to apply for the Georgian citizenship to this end. To date, the SDFD has received already about 50 such applications and satisfied almost half of them.

"Dilis Gazeti" No. 51, March 10, p. 5

General Johnny Pirtskhalaishvili participated in a meeting of the chiefs of staffs of NATO and partner countries on March 10 in Brussels.

"Sakartvelos Respublika" No. 64, March 11, p. 1

An international conference on the problems of the Caucasian regional security took place in Tbilisi on March 13 with participation of Armenian, Azeri, Daghestaini, Georgian, Russian and Ossetian experts.

"Resonance" 68, March 14, pp. 1, 2

According to Grigol Katamadze, deputy defence minister, the main obstacle to the development of the Russian-Georgian military co-operation is one of the Russian Duma's 1992 resolutions that prohibits any military assistance to Georgia until complete settlement in Abkhazia. The problem of Georgia's share of the former Soviet military property is, in his opinion, a political rather than clear military issue which cannot be solved without Russia's constructive attitude.

"Akhali Taoba" No. 69, March 13, p. 5

Vazgen Sarkisian, the Armenian defence minister, visited Georgia. On March 8 he held closed-door talks with Zurab Zhvania, the chairman of the parliament, David Tevzadze and chairmen of some parliamentary committees on prospects of the two countries' military co-operation. The next day, at his meeting with Vazha Lortkipanidze, the state minister, Mr. Sarkisian said Georgia and Armenia should intensify their military co-operation first of all in such fields as personnel training and joint exercises.

"Dilis Gazeti" No. 51, March 10, p. 3

An Azerbaijani military delegation led by General Safar Abiyev, defence minister of Azerbaijan, visited Tbilisi on March 17-18 for talks with Eduard Shevardnadze, Zurab Zhvania, Vazha Lortkipanidze, the state minister, and David Tevzadze. Prospects of the two countries' military co-operation, joint activities in the framework of the PfP program and security problems of the Baku-Suspa oil pipeline were on the table. According to Mr. Abiyev, deployment of Russian military bases in Georgia poses certain threats to the national security of Azerbaijan. Besides, Azerbaijan is dissatisfied by the fact that Armenian tanks are being repaired in Georgia (at Russian tank repair works). Late at night on March 17 General Ivan Kuzmuk, the Ukrainian defence minister, paid a short visit to Tbilisi. In the Tbilisi airport he had talks with David Tevzadze and Safar Abiyev. The three ministers discussed prospects of the GUAM (Georgia-Ukraine-Azerbaijan-Moldova) military co-operation and prospects of the creation of a GUAM collective peacekeeping battalion. Along with peacekeeping missions, the battalion is supposed to protect the Caspian oil pipeline.

"Meridiani 44" No. 31, March 17-19, p. 2

"Resonance" No. 73, March 19, p. 2

Hikmatulla Tursunov, defence minister of Uzbekistan, visited Tbilisi on March 28 for talks with his Georgian opposite number on the prospects of the two countries' military co-operation, particularly joint exercises in the framework of the PfP program. After the talks both ministers signed a protocol on further development of the Georgian-Uzbek military co-operation. According to some sources, Uzbekistan is interested to purchase two Su-25K fighters produced by the Tbilisi Aircraft Works. On March 30 Mr. Tursunov met Eduard Shevardnadze and Vazha Lortkipandize, the state minister.

"Dilis Gazeti" No. 68, March 30, p. 5

"Sakartvelos Respublika" No. 84, March 31, p. 1

The Georgian defence minister has appointed Colonel Archil Tsintsadze, 32, military attache to the USA. Besides, Temur Djavakhia and Zurab Kemularia were assigned as Georgian military attaches to Germany and Ukraine respectively, while David Nairashvili as Georgia's representative in the NATO. According to Grigol Katamadze, deputy defence minister, the newly appointed attaches will leave for their countries as soon as the finance ministry allocates required finances.

"Dilis Gazeti" No. 61, March 22, p. 15

"Sakartvelos Respublika" No. 73, March 20, p. 1

Valery Chkheidze, the SDFD chairman, has visited the USA. At his press-conference at the end of March he said the USA granted \$12,378,000 to the Georgian frontier defence. Most of this money will be spent on the defence system of the Supsa oil terminal and on the development of the Coast Guard. The SDFD will get American radars that are capable of controlling the Abkhaz coastal waters, one helicopter and one small patrol aircraft. The SDFD also plans to set up a special training centre for frontier and customs officers. A tender for the establishment of an electronic control system at the Georgian borders will be held in the USA in May. The system (known as "Iori") was designed by Georgian specialists and approved by the NSC last May. According to Chkheidze, the Adjarian sector of the Georgian-Turkish border will be controlled by local residents but under the SDFD.

"Droni" No. 32, March 30-April 1, p. 1

"Resonance" No. 30, March 30, p. 3

## State security

According to Zaza Mazmishvili, the head of the counter-intelligence department of the MSS, security services have recently exposed a spy in the MoD. However, he declined to elaborate on the case.

"Alia" No. 34, March 2-3, p. 2

On March 12 the Georgian president decreed to award MG Vakhtang Kutateladze, the minister for state security, the military rank of Lieutenant-General.

"Sakartvelos Respublika" No. 66, March 13, p. 1

Following the president's order, Vakhtang Kutateladze visited Batumi on March 15-16 to examine the so-called "Rembo" case. Some time earlier Aslan Abashidze, the Adjarian leader, had declared that a former serviceman of the Internal Troops Omar Kedelashvili, nicknamed "Rembo", voluntarily surrendered to the Adjarian police and told them that he was a professional "killer" trained by the security services to assassinate Abashidze. Kutateladze held confidential talks with Abashidze and the leadership of the Adjarian security ministry. After Kutateladze's return to Tbilisi the MSS made a statement claiming Abashidze's accusation to be groundless.

"Resonance" No. 70, March 16, pp. 1, 2

"Alia" No. 42, 44; March 16-17, March 20-21; pp. 1, 2

According to Valeri Gelbakhiani, the Adjarian leader Aslan Abashidze's advisor, the Adjarian security service checked an attempt to export 242 bombs to Bulgaria though Batumi. In his words, the bombs belonged to the company "Delta" under the co-ordination council of the State Chancellery (the council is chaired by Vazha Lortkipanidze, the state minister). According to Gelbakhiani, the company was formerly administered by Niko Lekishvili, former state minister, while at present its president is his brother Givi (Karlo) Lekishvili. Gelbakhiani blamed Tbilisi for illegal exports of explosives as, in his words, there is no agreement between Georgia and Bulgaria on military technical co-operation. Several days later after his accusations, the MoD and the Ministry of Justice made a joint statement on the case. According to the statement, the Georgian army has inherited a lot of outdated Soviet ammunition. The state scientific-technical centre "Delta" is authorised to carry out their utilisation. To this end, the centre has founded a specialised "Gamma-centre" Ltd. which signed a contract with the Bulgarian military factory "Dunarit" in November 1998. The contract stipulates joint utilisation operations both in Bulgaria and Georgia till 2000. The ministry of Justice licensed the exports of the outdated bombs (these Soviet-made bombs were produced in 1972-74 and cannot be used) on the basis of the NSC resolution and in accordance with the president's Decree 582 (October 15, 1997) on licensing of export/import operations of military production and technical documentation.

"Resonance" No. 83, 84; March 29, 30, pp. 1, 3

"Svobodnaya Gruzia" No. 59, March 30, p. 1

In 1992 the Georgian branch of the former Soviet KGB was transformed into an information-analytical bureau under Irakli Batiashvili (currently member of parliament). The bureau worked out a project to create a special task force - the "Omega" unit - for anti-terrorism, anti-smuggling and other missions. The USA allocated \$46 mln to finance the whole project. American experts selected 51 candidates out of about 200 applicants for two-year training in the USA. In 1993 the Omega got back to Georgia with special armaments granted by the USA. In 1993-95 it carried out more than 200 special operations - all of them were successful and, more importantly, bloodless. However, after Georgia's defeat in Abkhazia, Batiashvili was dismissed and replaced with Igor Giorgadze who was distinctively pro-Russian. His policy obviously aimed to ruin the unit. This may be explained by Russia's irritation which did not want Georgia to have such a strong unit with pro-Western orientation. Giorgadze actually ignored Omega and gave preference to another unit, "Alfa", trained by Russian instructors. He intended to transfer Omega into a governmental safeguard service - to guard restaurants, night-bars, private companies, etc. Giorgadze's successor, Shota Kviraia, continued this policy. After the August 29 (1995) attempted assassination of Shevardnadze, the Omega was actually dissolved. Its commander, Nika Kvezereli, was arrested and charged with organisation of the attempt (the court, however, did not find him guilty and he was sentenced to seven years' imprisonment for the abuse of office). Later on, some other Omega officers were also arrested. Besides, a number of former Omega members were found dead in suspicious circumstances, some are still missing.

"Droni" No. 24, 25; March 9-11, March 11-13; pp. 2, 5, 10

## Miscellany

Union of Veterans from Abkhazia held its conference in Tbilisi on March 4 with participation of about 400 delegates. Tamaz Nadareishvili, the chairman of the Tbilisi-based Supreme Council of Abkhazia, Vakhtang Qolbaia, deputy chairman of the parliament, and some high ranking officers of the Abkhazian law-enforcement bodies (Tbilisi-based government) attended the conference as guests. The Union was founded by Georgian veterans of the war in Abkhazia. At present, it is chaired by David Gulua and associates about 6,000 members, some of which are members of the Liberation Party of Abkhazia. The conference expressed concern that the Georgian government regards Georgian guerrillas as terrorists and denounced Sukhumi's recent unilateral decision to start repatriation of the refugees on March 1.

"Akhali Taoba" No. 61, March 5, p. 6

A group of the Georgian MPs passed firing tests under Johnny Pirtskhalaishvili, the Chief of the General Staff of the Georgian Armed Forces, at one of the MoD firing grounds near Tbilisi. It must be mentioned that the MoD had "called up" all the MPs but most of them avoided the tests. The exercise included a brief theoretical lecture on the current armaments of the Georgian army and firing tests. According to the MoD press centre, Eduard Surmanidze, deputy chairman of the parliament, proved the best at the tests. Zurab Zhvania, the chairman of the parliament, also did quite well. Such tests may help MPs better understand problems of the army, Mamuk Giorgadze, the leader of the Popular parliamentary group, said.

"Kavkasioni" No. 9, March 10-16, p. 12

According to Ghia Khukhashvili of the "Saknaftobprodukti" (Georgian Oil Products), fuel and some other essential products (wheat powder, cigarettes, etc.) are being smuggled into Georgia from Russia through the Tskhinvali region (South Ossetia) on a large scale. The situation, in his words, is rather alarming: Russia is in fact carrying out an economic subversion against Georgia. The fuel-smuggling is mainly implemented by the Russian military which import about 10,000 tons of fuel (petrol, diesel and black oil) in Georgia every year for the Georgia-stationed Russian military bases, let alone transits of fuel through Georgia for the Armenia-stationed Russian base. Some of this fuel is allegedly sold at the Georgian markets. It is noteworthy that although the Georgian parliament has not ratified a Georgian-Russian agreement on customs

exemptions for the Russian military bases in Georgia, Russia does not pay customs duties on imported fuel. Georgian customs officers merely register the amount of imports and send respective documents to the Georgian finance ministry and the finance department of the HQ of the Russian Troops in Georgia. For his part, Sergey Chaplgin, the head of the automobile and road service of the HQ of the Russian Troops in Georgia, denied that the Russian fuel was sold within Georgia.

"Resonance" No. 71, March 17, pp. 1, 2

At the March 17 trial of Otar Chkhartishvili, the former commander of the Georgian navy who is charged with embezzlement and bribery, in the Supreme Court the defendant accused the prosecutor Nikolaishvili of attempting to extort a bribe (\$50 thousand) from him. For his part, Nikolaishvili demanded to cease the trial and re-investigate the case.

"Akhali Taoba" No. 74, March 18, pp. 4,8

The radioactive situation in the Khaishi village of the Swaneti region and some neighbouring areas has reportedly grown rather alarming. A lot of local residents have developed leukemia. Two reasons arguably account for such a situation: high voltage electric transmission lines (they are located some 20-25 metres from houses, though medical standards require the distance to be not less than 100 metres) and radioactive contamination. Locals use radioactive containers with strontium for heating (the containers are said to have a temperature of about 300 centigrade). These containers are remnants of equipment that was used during construction of the Hudoni hydroelectric plant (the construction is now suspended due to protests of environmental activists). However, Ghvtiso Kharatian, a former researcher of the standardisation department, doubts this information. No radioactive waste, in his words, has such a high temperature. Besides, in his opinion, if there was such strong radioactive contamination all the locals would have died already.

"Resonance" No. 76, March 22, pp. 1, 2

One private was killed and another wounded when a wall crashed in one of the military sites of Tbilisi. According to official version, the old building was situated too close to the railroad and its destruction was caused by vibration. However, some anonymous sources claimed that the command of the unit used to order servicemen to pull down old buildings in order to sell bricks. Colonel Diler Lortkipanidze, the commander of the unit, refused to comment on the incident.

"Alia" No. 46, March 23-24, p. 10

A cargo vehicle attempted to illegally cross the Russian-Georgian border at the "Nizhny Zaramag" check-point (North Ossetian sector) on March 23. To check the attempt, Russian frontier guards used guns and fired at the vehicle. The driver, a Georgian citizen, was arrested.

"Akhali Taoba" No. 81, March 25, p. 2

## **Press Digest**

The Armenian and the Azeri defence ministers' visits to Georgia (who appeared in Tbilisi at short intervals in March) suggest that the Georgian leadership intends to establish pragmatic military relations with the two neighbouring countries, the Kavkasioni (No. 9) comments. Obviously, the newspaper argues, without Transcaucasian military co-operation it would be hardly possible to create a regional security system. For the Droni (No. 24) the Armenian minister's visit must be undoubtedly regarded as a "breakthrough" in the Georgian-Armenian relations. However, the Kavkasioni emphasises, Armenia remains Russia's main military and political ally in the South Caucasus, while Azerbaijan keeps strengthening its strategic partnership with Turkey. After Russia deployed its modern MiG-29 fighters and C-300 SAM systems (let alone tactical surface-to-surface missiles) in Armenia the military balance in the region appeared broken in favour of Armenia. In response, Baku indicated that it

may welcome deployment of American or NATO bases in Azerbaijan. In the Kavkasioni's opinion, one cannot but agree with Azeri analysts who evaluated Moscow's action as "the factor of confrontation". Under such circumstances, one wonders whether it will be possible to find common ground between pro-Russian Armenia on the one hand and increasingly pro-Western Georgia and Azerbaijan on the other. According to the newspaper, however, despite its political alliance with Russia, Yerevan has never rejected "the road towards the West". The western influence is especially visible in the Armenian armed forces. For instance, Armenia has already put into practice what independent Georgian military experts have been in vein proposing for years: the institute of professional NCOs and the institute of chaplains instead of political officers (politruk) were introduced into the army, the term of the military service was reduced to 18 months. In addition, Erevan created the military police to fight against desertion and other crimes, and actively participates in the PfP program. While the Droni suggests that Georgia should try to benefit from discords between pro-Russian and pro-Western orientations in Armenia, the Kavkasioni believes that the following two recent developments will substantially reduce the Russian influence in the South Caucasus. First, the Baku-Supsa oil pipeline had been reconstructed and began to operate last December. Second, in October 1998 the zone of responsibility of the European command of the U.S. armed forces expanded over Ukraine, Moldova, Byelorussia, Georgia and Azerbaijan. Being stricken with a severe economic, financial and political crisis Russia will be hardly able to respond efficiently, except demonstrating its imperial ambitions that may only further reduce its influence in the region, the Kavkasioni claims.

Uzbek defence minister's visit to Georgia has in fact resulted in nothing except a co-operation protocol which was none but a "gesture of courtesy", the Droni (No. 33) remarks emphasising that Georgia and Uzbekistan have not signed a military co-operation agreement yet, though it was initialed two years ago. According to Meridiani 44 (No. 37), Uzbekistan may purchase two Su-25K fighters produced by the Tbilisi Aircraft Works (TAW). However, the newspaper points out, Uzbekistan, like other former Soviet republics, lacks finances and, therefore, the fighters may be only bartered for some Uzbek production. One must consider, the newspaper argues, that Uzbekistan is actually rich with only cotton. Georgia hardly needs this product - the Georgian light industry is in fact dead and its rehabilitation is impossible since the entire former Soviet market is overwhelmed by American, European, Turkish and Chinese production. So, in the newspaper's opinion, the aircraft deal will either fail or yield few benefits for Georgia. This does not mean, however, that the TAW production makes no sense. But Georgia must find a solid partner with access to the world market. For instance, Georgia may co-operate with Turkey in joint production of fighters, the Meridiani 44 suggests.

A Turkish military delegation's visit to Georgia in March was rather interesting, the Droni (No. 23) reports. During negotiations in Tbilisi the delegation led by General Engin Alan, commander of the Turkish special task forces, discussed details of the implementation of the last year's Turkish assistance program to the Georgian army which totals \$5.5 mln. This program is focused entirely on logistical problems and, therefore, one wonders why the Turkish delegation was led by the commander of the special task forces. General Alan hardly wasted his time in Tbilisi only on the officially reported themes, the newspaper argues. It is the second time he has visited Georgia. After his first visit last year several Turkish commando officers were assigned as instructors of the Poti Marine Battallion for some time. Supposedly, the newspaper claims, the current visit of the Turkish "chief commando" might have some "implicit" aspects such as, for instance, assistance to Georgian commando units. Although official reports say nothing about such kind of co-operation, there is one thought-provoking fact. In accordance with the co-operation protocol signed in Tbilisi, for the first time in the history of the Georgian-Turkish military relations a 10-men group of Turkish military experts will permanently work in Georgia for at least five years in order to learn the problems of the Georgian army-building and define possible ways of assistance. The protocol specifies the following fields that need assistance first of all: complete computerisation of the Georgian armed forces, medical equipment

(including ambulance), cargo vehicles, aviation (non-combat) equipment, etc. A similar group is rather successfully working in Azerbaijan at present, the Droni emphasises.

#### **ABBREVIATIONS :**

AGM - air-to-ground missile  
AIFV - armoured infantry fighting vehicle  
APC - armoured personnel carrier  
ATGW - anti-tank guided weapon  
FGA - fighter, ground-attack  
EDT - Eastern Direction Troops (MoD)  
MBT - main battle tank  
MD - military district  
MG - machine gun  
MoD - Ministry of Defence  
PFC - fast patrol craft, coastal  
PfP - Partnership for Peace program  
SAM - surface-to-air missile  
SID - State Intelligence Department  
SLM - sea-launched missile  
SSM - surface-to-surface missile  
CIS - Commonwealth of Independent States  
MIA - Ministry of Internal Affairs  
MRB - motor rifle brigade  
MSS - Ministry of State Security  
NSC - National Security Council  
RPF - Russian Peacekeeping Force  
SDFD - State Department of Frontier Defence  
SSS - State Safeguard Service