

**GEORGIA'S PARLIAMENTARY ELECTION: HOW  
FREE AND FAIR HAS THE CAMPAIGN BEEN, AND  
HOW SHOULD THE U.S. GOVERNMENT RESPOND?**

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**HEARING**  
BEFORE THE  
**COMMISSION ON SECURITY AND  
COOPERATION IN EUROPE**  
ONE HUNDRED TWELFTH CONGRESS  
SECOND SESSION

SEPTEMBER 20, 2012

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**September 20, 2012**

COMMISSION ON SECURITY AND COOPERATION IN EUROPE  
WASHINGTON, DC

The hearing was held at 12:30 p.m. in room 2255, Rayburn House Office Building, Washington, DC, Hon. Christopher H. Smith, Chairman, Commission on Security and Cooperation in Europe, presiding.

*Commissioners present:* Hon. Christopher H. Smith, Chairman, Commission on Security and Cooperation in Europe; and Hon. Steve Cohen, Commissioner, Commission on Security and Cooperation in Europe.

*Witnesses present:* Sec. Thomas Melia, Deputy Assistant Secretary of State, Bureau of Democracy, Human Rights and Labor, U.S. Department of State; Dr. Ariel Cohen, Senior Research Fellow for Russian and Eurasian Studies and International Energy Policy, Heritage Foundation; Dr. Mamuka Tsereteli, Director, Center for Black Sea-Caspian Studies, School of International Service, American University; and Dr. Archil Gegeshidze, Senior Fellow, Georgian Foundation for Strategic and International Studies.

**HON. CHRISTOPHER H. SMITH, CHAIRMAN, COMMISSION ON  
SECURITY AND COOPERATION IN EUROPE**

The Commission will come to order.

And good afternoon to everyone. Thank you for being here.

I want to welcome all of you to our hearing on Georgia's parliamentary elections, which is now only 11 days away. The campaign has brought Georgia to a crossroads. It is the most crucial event in Georgian democracy since the Rose Revolution of 2003.

At that time, everyone will recall Georgians responded to a rigged election with a peaceful protest. It was a great moment in Georgian history, the first of the color revolutions. The Rose Revolution brought Mikhail Saakashvili—I've said it a million times—and his team of Western-oriented, modernizers into office. Hopes were high in Georgia that Saakashvili strengthened the state and launched many reforms.

Russia's 2008 invasion and occupation of the Georgian regions of Abkhazia and South Ossetia failed to topple the president, and our

country has strongly supported Georgian sovereignty. Vladimir Putin's invasion was yet another revelation of his cynical brutality.

As an aside, I would note that I was in Georgia in the days following that invasion working to affect the return of two girls—daughters of one of my constituents—and, as it turned out, several other young people who were caught behind Russian lines. And I was deeply impressed by the courage and the determination that I encountered in every Georgian that I met.

That brings us to the present moment. Only a year ago, President Saakashvili's ruling National Movement seemed poised to easily win the October 2012 parliamentary election over a fragmented opposition. But in October of 2011, a man by the name of Ivanishvili began to unite elements of the opposition into a new coalition that posed a serious challenge.

Mr. Ivanishvili is a multibillionaire and thought to be a newcomer to politics—and though he was such a newcomer, he had vast resources. The government quickly stripped him of his citizenship, and the parliament passed campaign finance laws that limited the use of his assets.

At the same time, the instruments of the state, budget, police and security services began to be deployed against the party and its supporters, though to what extent is a matter of dispute. Consequently, the election campaign has raised very serious questions about Mikheil Saakashvili's reputation as a reformer.

I'm sure we'll hear from our witnesses to what degree his government has institutionalized genuine democratic governance as opposed to the appearance of it. I don't mean to prejudge this question. It is a difficult one that our witnesses are outstandingly qualified to grapple with.

But the main questions we'd like to hear our witnesses answer touch on the conduct of the campaign, specifically the opposition's charges that the Georgian state has targeted Ivanishvili and his supporters through harassment, intimidation, beatings, selective enforcement of the law and violations of freedom of assembly and expression.

If substantially true, that would be terribly sad. It would indicate that the Rose Revolution had gone bad. At the same time, Ivanishvili and his coalition have been targeted as working on behalf of Russia. The Georgian government sometimes seems to paint the conflict not as one between two political parties but between the Georgian state and its foreign enemies trying to subvert it. We certainly need to hear your thoughts on that as well.

I do believe that members of this Commission will have open minds on all of these questions and that each of your testimonies will be an important aspect in informing Congress and our own government on the conduct of the Georgian election campaign, now in its last days.

We are fortunate to have some outstanding witnesses who will speak to this, but before doing so, I'd like to now yield to my friend and colleague, Mr. Cohen, ranking member, for comments he might have.

**HON. STEPHEN COHEN, COMMISSIONER, COMMISSION ON  
SECURITY AND COOPERATION IN EUROPE**

Thank you, Mr. Chairman, and to our panel and interested parties.

I look forward to the testimony and the edification, for I will be traveling to Georgia with, I believe, Congressperson Kay Granger and Dreier to monitor the elections. I am certainly concerned about elections all over the world—including in my home city of Memphis, where they're probably worse conducted than maybe they are in Georgia and other places. And maybe Georgia is going to be a great experience, and I'll learn something to improve Memphis. But I look forward to observing and participating, and hope that the people of Georgia will have a free and fair election and elect the person who is, indeed, the winner of the contest.

And with that, I yield back the remainder and just look forward to your testimony.

Mr. SMITH. Thank you, Mr. Cohen.

Before going to our first panelist, I'd like to point out, and would not want to fail to mention, the terrible scandal that broke yesterday in Georgia concerning gross abuses in prison. Videos have emerged that reveal the most horrifying of tortures, including the sadistic rape of men by prison officials. The Georgian minister of corrections has resigned. Individuals have been arrested, and the government has pledged to punish all those responsible and to uproot this problem.

I welcome those actions and promises, but I also would note the statement made by the national security adviser who said, quote, "We as a government made a grave mistake when we did not properly evaluate the signals coming from the ombudsman and other civil society groups about the systemic problem in the penitentiary system." That is a telling admission. It's precisely the systemic nature of this abuse that evokes the greatest concern because it raises questions about the nature of Georgia's state's relationship with its citizens.

I'd like to now introduce our very distinguished first witness, Thomas Melia, who is the deputy assistant secretary of state, Bureau of Democracy, Human Rights and Labor. He is responsible for DRL's work in Europe, including Russia and Central and South Asia, as well as worker rights issues worldwide. In addition to heading the head of U.S. delegation to several OSCE meetings, he is the U.S. co-chair of the Civil Society Working Group in the U.S.-Russia Bilateral Presidential Commission.

Mr. Melia came to DRL in 2010 from Freedom House, where he was deputy executive director for five years. He had previously held posts at the National Democratic Institute and the Free Trade Union Institute at the AFL-CIO. He also has a Capitol Hill experience having served as senior elective assistant for foreign affairs policy for Senator Daniel Patrick Moynihan. Secretary Melia has just recently returned from a visit to Georgia, so will provide, I think, some very fresh impressions as to what is going on there. Secretary, the floor is yours.

**SEC. THOMAS MELIA, DEPUTY ASSISTANT SECRETARY OF  
STATE, BUREAU OF DEMOCRACY, HUMAN RIGHTS AND  
LABOR, U.S. DEPARTMENT OF STATE**

Thank you, Mr. Chairman and Mr. Cohen, for being here today and for this invitation.

Before I get into the Georgia discussion, I just want to say how pleased we are to work on a daily basis with the Commission and the staff in advancing a shared agenda and promoting human rights and democratic values across the OSCE region. I will be going to Warsaw next week for the human dimension meeting and look forward to working with your staff and others there in this regard, as we have so often in the past.

In this context of a shared, continued objective of strengthening democracy in the OSCE region and in advance of Georgia's October first parliamentary elections, President Obama, Secretary Clinton and other senior U.S. officials have highlighted the importance of such a truly democratic electoral process for Georgia in our regular dialogues with the government—in our strategic dialogue, which means high-level meetings here and in Georgia; most recently at the highest level, when Secretary Clinton visited Georgia in June.

Last week, President Obama and Secretary Clinton sent to Georgia an unusual interagency delegation that I was privileged to lead that included senior officials from the State Department, U.S. Agency for International Development, the Department of Justice and the Department of Defense to demonstrate that there's a broad interest in these elections in Georgia, just as there is a very broad and deep relationship being built out between the United States and Georgia.

Our delegation went to Georgia to highlight the importance of a democratic process that produces a parliament that reflects the will of the Georgian people. I was delighted that our newly arrived ambassador, Richard Norland, had just been confirmed and arrived, joined most of our meetings in his very first week in country.

We met with a range of senior government officials, the prime minister and other ministers, election commission chairmen, the head of the special audit office as well as with political opposition, NGO election observers, journalists and others.

The message that we conveyed privately in each of our meetings was identical, and also identical to what we've said in public: The United States supports the Georgian people's aspirations for a free and democratic process. We do not favor any particular party or candidates, and the United States looks forward to close cooperation with whichever leaders the Georgian people choose. Conducting these imminent elections with integrity will be critical to helping Georgia advance its Euro-Atlantic aspirations. They will also be essential to a democratic transfer of power next year as the parliament elected in October will, at the start of the next presidential term, will select a new prime minister who will have enhanced powers under the constitutional revisions that will take place at the end of this president's term, when President Saakashvili's successor takes office.

Domestic and international perceptions of fairness of the campaign environment, including adherence to the rule of law, media access and transparency and the impartial adjudication of election-



related disputes will be important indicators of Georgia's democratic development.

I would like to highlight today, as I did in Tbilisi last week, the importance of several fundamental principles that featured in all of our conversations in Georgia and all of which are essential for a meaningful electoral process. First and foremost is the importance of a level playing field. It is essential that the political environment is conducive to serious participation in the campaign by all the major parties on equal terms. We welcome some steps by the government—through the Interagency Task Force on Elections, most conspicuously—to address reports of politically motivated firings. For instance, they issued a statement early in the summer urging all government agencies to discontinue any layoffs until after the election. This for the stated purpose of removing the concern that, in downsizings currently underway in the Georgian government, that personnel associated with the political opposition would be disproportionately affected—that had been the concern, that it was people associated with the opposition that were disproportionately losing their jobs as teachers and government employees at all levels. While such reports of politically motivated firings have decreased recently since the IATF announcement, concerns remain regarding the levelness of the playing field, including some alleged harassment of certain activists for their participation in the opposition coalition, some reports of blurred boundaries between state institutions and the ruling party—for example, some public servants using government resources for campaign activities—and the alleged use of administrative resources particularly outside the capital, such as the use of public-service announcements that seem to be for the benefit of the ruling party.

Nevertheless, although there have been some shortcomings, it is clear that, largely due to the substantial financial resources that have been available to the main opposition coalition, this is the most competitive election in Georgia's history.

The second principle is about rule of law and due process. In our meetings with the Georgian government and the various political parties, we stressed the importance of ensuring that the campaign and election laws are applied equally and transparently, and that all participants are held to the same high standards of conduct as spelled out in Georgian law.

While almost every party, including the ruling United National Movement, has been penalized for campaign finance violations, the state audit office has devoted the most significant part of its attention to the opposition coalition, Georgian Dream. Although there are some anecdotal and substantial indications suggesting that Georgian Dream may well have spent substantial amounts of money in violation of the campaign finance laws, the lack of transparency in the state audit office's procedures and due process deficiencies raise doubts about whether the law has been enforced equally vis-à-vis all parties. That the recent director and deputy director of that state audit office last month became ruling party parliamentary candidates while the current director of the office is a former member of the ruling party member of parliament, this exacerbates the concerns about the partisan nature of the investigations being undertaken by the state audit office.

We recognize the challenges on all sides of complying with and enforcing a new set of campaign finance laws and urged the state audit office—we did meet with their new leadership—to emphasize transparency and due process as it continues to improve its work. We urged all the political parties to participate constructively, follow the law scrupulously and to pursue their political goals through the ballot box.

The third principle is respect for fundamental freedoms, respect for peaceable protests and freedom of assembly as a hallmark of a democratic society, and the government holds a particular responsibility to protect and uphold those freedoms. We heard last week that the political parties we met have generally been able to travel the country, hold rallies and get their messages out to the voters with whom they meet. In our conversations, we also urged all parties to renounce violence and avoid provocations, especially on election day, election night, during and after the ballot counting and on the morning after.

The fourth principle is equitable access to media. We applaud the electoral reforms enacted late last year that expanded the access of all parties on equal terms to the mass media during the 60-day campaign period. More recently, we were encouraged to see the implementation of the so-called must-carry legislation during the campaign period, and we strongly support its extension through the post-election complaints process and beyond.

At present, however, the two nationwide broadcast television networks are distinctly pro-government—Rustavi 2 and Imedi—while two regional stations are mainly pro-opposition or at least consistently critical of the government—Maestro and Kavkasia. Continuing efforts to promote wider access to a diversity of opinions and media outlets would reflect fundamental values that democracies share.

The fifth principle that we emphasized in our meetings is constructive engagement. We have every expectation now, based on both the opposition's commitment to us that they reject the use of violence and the government's commitment to us that its security forces will be scrupulously professional, that election day and its aftermath can unfold peacefully. We certainly hope this will be the case. After October 1, all parties will need to work together constructively in the new parliament to advance Georgia's democratic and economic development. They should conduct their campaign in that spirit.

Finally, we call on all participants to promote an electoral process that the Georgian people may judge as free and fair. We commend the work of the domestic and international observation groups, including principally the OSCE ODIHR mission that is currently in Georgia to help ensure the election process is transparent and consistent with international standards and reflects the will of the Georgian people. The pre-election situation is dynamic, and we are monitoring developments very closely. Your Commission's attention to the upcoming election is helpful.

Again, thank you for holding this hearing. We look forward to continuing to work with the Commission, and I'd be glad to answer questions.

Mr. SMITH. Mr. Secretary, thank you very much for your testimony—very comprehensive—and for the fine work you and the department are doing, not the least of which is trying to get both sides to absolutely commit to no violence day of and day after, especially day after, which is what I think we're all most concerned about.

So thank you for that. And you do believe those commitments are ironclad as much as they can be?

Sec. MELIA. I believe they told them to us, and we will continue to reinforce the fact that we have all agreed on this.

Mr. SMITH. Let me ask you—you know, that video that did surface about the harsh treatment of inmates, could you comment on that? I mean, that seems to be a very dark insight that caught a lot of us by surprise, certainly me.

Sec. MELIA. Well, let me make three quick points about these videos about mistreatment in the prison system.

First is that I haven't seen the videos, but the descriptions I've heard of them are pretty gruesome and horrific. And so we're appalled by them. And our embassy has been engaged with the government and with others there in the hours—it's just been since yesterday that this arose very intensively.

Second is that it is not surprising. In our annual human rights report that we published this year about the calendar year 2011, we summarized in the executive summary three large problems. The first one is continuing abuse of people incarcerated in Georgian prisons.

So this is an ongoing problem. It's been clear to us for a while. We have raised it with the Georgian government, and it has been part of our—not only our most recent report, but for the last several years.

Mr. SMITH. But this went beyond even what the report would indicate. Right? It seemed to me to be—

Sec. MELIA. Videos always bring a new texture to allegations of abuse. And so it seems even more horrific than we had realized.

But let me say that the initial response from the government seems to have been—what's the right word—President Saakashvili has reacted quickly and I think in the right way to change the minister of the prison—the minister overseeing the prisons has been changed this morning. The new minister is the human rights ombudsman who has a sterling reputation in looking after these issues. He's one of one of these that has raised the problem of conditions in prisons in the past. If he has—if he is given the power to clean up the act there, he really is empowered to take steps to improve the conditions of incarceration in Georgia's prisons, this could be one of those moments that, you know, where a horrific incident leads to improvement in a system.

The other thing that's interesting is that, although there's already been some back-and-forth between the parties about who's responsible for leaking the video and whether—how real the problem is and so on, it's worth noting that Mr. Ivanishvili, the lead of the opposition, also came out this morning in both a previously scheduled meeting with our ambassador and in a public statement—called for calm among his supporters, calling for them not to turn this into a reason for, you know, more public street action

in response to the government's responsibility to maintain the prison system.

So I think both President Saakashvili and Mr. Ivanishvili have, today, stepped up and done the right things, done the responsible things, as responsible people sometimes do in moments of crisis.

Mr. SMITH. Are you convinced—one of your main points, obviously, was access to media. Does the opposition and the government, do they all have close to equal access or equal access?

Sec. MELIA. Well, as I mentioned, there are a number of broadcast networks. There's cable television. There's online news services. It's uneven in its—it has been uneven in its reach around the country. The two main national stations that have the most reach across the country tend to be pro-government, echo the government party's views on things. The principal broadcast stations that are friendly to the opposition or at least critical of the government tend to be regional stations and don't have the reach in the country. There is also cable television and other means.

The must-carry legislation which had been urged upon the government and that we had urged that they adopt last spring, they did, so that all the different news providers have access to the cable networks of the others so that, at the moment, up and through election day, there is more diversity in the carrying of cable news and political discussion.

The point I made in my testimony is that now that it's been established that the basic cable infrastructure can be opened to the various political points of view, why stop it on election day? Why not continue it at least through the end of the official election process? The official election process, of course, doesn't end on voting day. It ends when the results have been tabulated, when disputes have been resolved and when the elected officials assume their offices. That's when, you know, the election monitor's guidebooks tell you should conclude your observation.

And so we think that, since there may likely be protests and complaints on the day after the election, that that process, which is part of the election process, should be accessible to all the viewers in Georgia as well. So we've urged that that be carried through at least through the immediate post-election, post-election day period and more generally.

There is a question about whether the legislation that was enacted earlier in this year that facilitated that which did stipulate that this must-carry period would end on election day, whether that means that it must stop on election day or whether it could continue if the providers see fit. So we're encouraging the providers to see fit to—

Mr. SMITH. Are you satisfied that the mechanism for resolution of disputed ballots is up to, you know, standards that would be universally recognized?

Sec. MELIA. Well, the system on paper—

Mr. SMITH. There will be disputes, obviously.

Sec. MELIA. —is the proper one. We met with the election commission chairman whose prior career has been as a CPA and auditor for major international firms. So he knows about lining up the numbers and tallying them accurately. And he's approached his work, I think, in the spirit of a good CPA.

And they've set up systems, and one of the innovations in this election that wasn't as true previously is that they will announce incremental election results as they come in from around the country in real time. And they will post them on their website, and they will make them available on screens that will be in the main hall of the election commission building.

And those of us who have seen elections in the post-communist world over the years, that is one of the best practices so that—and one of the concerns in previous Georgian elections has been a bungling of election results. Prior election chairs had decided to kind of wait and, every hour or two, they would post election results. And that led to some suspicions that some finagling might be going on while the results were tabulated but not yet released.

So what the chairman has committed to doing—and he says this is part of his publicly announced process—is there will just be a rolling emissions program where everything will be posted as soon as distribute-level election results come in. And that is the best practice. So it can work properly.

Mr. SMITH. Let me just ask you three final questions, and then I'll yield to Mr. Cohen.

Mr. Ivanishvili's citizenship, when it was revoked and reinstated through the constitution, what was our take on that at the time? And are we satisfied that—was it pressure that caused a reversal? Why did that happen?

Secondly, with regards to the chamber of audit that targeted the Georgian Dream by imposing large fines, are those claims plausible?

And finally, do you believe a sufficient number of election monitors are about to be deployed to ensure that, you know, when the judgment is made by the OSCE and others that it was free and fair—if that is their judgment—that there will have been enough coverage of the election balloting posts?

Sec. MELIA. On the last point—let me go in reverse order. On the election observers, there will be a lot of election observers there. There's a domestic network there, ISFED [International Federation Election Systems], that's been trained and has operated through previous Georgian elections. They are up and running around the country. They've produced some preliminary reports on what they are hearing and seeing.

The long-term observers from ODIHR are on the ground now. That mission is led by Nicolai Vulkanov, a Bulgarian, who previously was the number two in ODIHR for 10 years; I mean, has run election observer missions across the OSCE region. He's as good as they come. I have a lot of confidence in his ability to manage all the political turmoil that will be around him and come up with as straight an assessment as is possible.

So there will be—and there are a number of other—NDI and IRI have been deploying election missions and will have some there around election day. And there are a number of others sort of less famous perhaps but other NGO efforts that are underway to monitor the election process. So I think there will be a lot of information available and, you know, my view has always been the more observers, the better. They may not all agree with each other, but it's the same principle as having—you know, more newspapers, the

better. You don't learn all the same things from different newspapers in this town, for instance. But if you have multiple sources of information, you're more likely to get closer to the truth.

So I think there will be a lot of observers. We'll have a lot of information between now and election day and on the morning after. Typically, the U.S. Government and the European Union wait until after the ODIHR and other major delegations offer their considered assessments, preliminary assessments on the afternoon after the election before we opine. We definitely want to wait to see what all the people on the ground say before we weigh in. That's our general policy, and I think it will be respected here.

There are other delegations from the OSCE parliamentary assembly, NATO parliamentary assembly and others that will be there. There will be a lot of observers.

On the question of the citizenship for Bidzina Ivanishvili, that's a complicated, torturous story. The way it's played out is very unusual. I mean, a lot of things about the Georgian election and political process are distinct. And I think they have arrived at a place where he's allowed to participate. He's clearly become a major political force in Georgian politics. I don't know that it's helpful to comment on the circuitous route they got to get to this point, but he's there. He's in, and he can participate as he wants to.

I'm sorry. The second—

Mr. SMITH. Georgian Dream.

Sec. MELIA. Oh, well—oh, the enforcement of the laws and the finance laws. Well, you know, the record is clear, when Ivanishvili announced that he was going to get involved in politics and launched Georgia Dream—just about a year ago now; in October, I think, last year—he represented a significant new element in Georgian politics. At about that time, soon after that, new campaign finance laws were enacted and new powers were signed to this state audit agency, the chamber of control. And it has been vigorously enforcing the campaign finance laws.

The government officials and the audit office say that most of the money and, therefore, most of the potential problems in campaign finance, are associated with Georgian Dream. Therefore, it is natural that most of their investigation should focus on potential and real problems associated with their adherence to the campaign finance laws.

Others say that it's been selective implementation—

Mr. SMITH. What do we say?

Sec. MELIA. Well, it's clear that—well, I'll make two points. One is that it's troubling that the leadership of this office—they were leading the office from last year from the turn of the year through the summer. The director and the deputy director turned up last month as parliamentary candidates for the government party. That creates a perception of lack of—disinterestedness in the process. The fact that the new chairman of the office is a former member of parliament for the government party adds to that disquiet. It might have been better to have a retired law professor or another CPA or somebody like that to do this kind of job. But it is what it is. So the way that the appointments were made to that agency have created a political cloud over its operation. The fact that it

has been very vigorously enforcing rulings and investigations mainly against the Georgian Dream speaks for itself, I think.

Mr. SMITH. Mr. Cohen?

Mr. COHEN. Mr. Ambassador—Secretary—

Sec. MELIA. I haven't become an ambassador yet.

Mr. COHEN. Yeah; I realized that quickly. Mr. Secretary, I'm unfamiliar with the Georgian process. What type of equipment do they use to vote on?

Sec. MELIA. That's a good question. Paper ballots? Check the box? Count them up at the end of the day?

Mr. COHEN. So what should an observer be looking for?

Sec. MELIA. That might be a longer conversation we could have in your office if you like before you go. But generally, you know, there's the environment around the voting booth.

Mr. COHEN. Right.

Sec. MELIA. I mean, if the voting booth is the epicenter of election day and, in the ideal scenario, an informed voter goes into a booth and, confident that his vote is secret, casts the ballot in the way he prefers, how do you get to that point?

You get to that point through a series of reinforcing measures. How do you get the informed voter? That goes to the media question. Are the candidates and the political parties able to get their message out to all the voters they are trying to reach? Is the interested voter able to access all the information he wants about the choices before him? So the, you know, information environment leading up to election day is critical.

Is the process fair? Will the votes be counted accurately? That goes to how the election commissions are appointed, who's going to be—

Mr. COHEN. All that is over and beyond what I will be able to observe in that day.

Sec. MELIA. Right.

Mr. COHEN. I mean, am I going to, you know—are they going to be taking votes out of their pocket and—

Sec. MELIA. Well, among the allegations of potential ways in which the vote counting might be skewed are that people will be suborned or bribed or persuaded to take pictures on their cell phones of this ballots to prove that they marked them the correct way that somebody told them to, whether it's their boss or their neighborhood, you know, block leader or whoever.

There's rumors afoot that, you know, people—there will be cameras, you know, monitoring people; that people will be given inducements to vote one way or the other. Some of that you might be able to see or hear about. Much of it you may not be able to see as a casual observer not speaking the local language.

Mr. COHEN. Yeah. It's going to be tough not speaking Georgian. I mean, I can speak with a drawl, but I don't think that'll work.

Sec. MELIA. This is a different kind of Georgia. Yeah.

Mr. COHEN. Yeah.

Sec. MELIA. You can tell a lot though. You can tell a lot as an experienced political person yourself. You can walk into a polling place, and you can tell whether there's an atmosphere of anxiousness, fear, concern.

Mr. COHEN. Do they have any rules about how many feet you have to be away from the ballot area with distribution of literature or wearing of paraphernalia in the voting—

Sec. MELIA. They may well. I don't know what the numbers are, but I'm sure that there's specified. And that'll be part of the briefing material that you would have if you're part of the OSCE.

Mr. COHEN. Yeah, there will be a briefing. And if you have any other information, I'd be interested.

Sec. MELIA. There are issues about, for instance in this partial context, it's perhaps more important than whether political party agents can be out in front of the polling place is where the police and other security forces might be. And this is one of the emerging things that we're watching because we want to avoid a situation in which there's some effort to provoke confrontations around the polling place. At some point in the recent past, some members of the opposition have said that they want to make sure their people are poised to defend the ballot from miscounting or otherwise. And that sounded like crowds might be gathering at polling places during the counting, and that might lead to some provocations with police or members of the other party. We did talk to the minister of interior that oversees the police, and we've urged them to be responsible in managing any crowds, any demonstrations that arise. And they're alert to that. There have been political demonstrations in the past that have led to larger violence and larger confrontation.

And so they're aware of that. And some—you know, our government and some European governments are providing training on crowd management, riot control, things like that.

Mr. COHEN. Do they have, like we have, the rights for both parties to have observers?

Sec. MELIA. Mmm hmm.

Mr. COHEN. They do have that.

Sec. MELIA. They will be there.

Mr. COHEN. And do both parties have the rights to be present to count the ballots?

Sec. MELIA. Yep; they will be. And just to be clear, there's at least three. There's another major party that will be a significant player in the race, the Christian Democratic Movement. But the UNM and the Georgian Dream are the two larger ones consistently in the polling that's been done. But this Christian Democratic Movement is not insignificant, either.

Mr. COHEN. Has there been any polling that you have been privy to that you can discuss that gives you an indication of how the likely voters would vote?

Sec. MELIA. There is—there's a lot of polling that's been going on, some of it by NDI and IRI, our American party institutes that are on the ground there. Each of the campaigns has commissioned polls and selectively publish them when they seem politically useful.

There's a—in this political environment, there's a major discussion about how to allocate undecided voters or people who decline to express their preference. The various pollsters have adopted different techniques for allocating the undecided to, you know, make assumptions, you know, based on their political skills about where those voters might go on election day. So that has led to some com-



peting narratives about where public opinion is in Georgia. So that's all—there's a lot of that publicly available that can be—

Mr. COHEN. What are the NDI and IRI—the Republican polls say?

Sec. MELIA. They have generally showed that the government party remains the most popular; that the Georgia Dream rose in popularity as the year went on. And the most recent ones that were published in August showed a dropping away of the Georgian Dream so that the gap between them and the government party was widening in the last month.

Mr. COHEN. What is—what are the issues that have been raised in the campaign?

Sec. MELIA. Well, the polling shows that what voters mostly care about—and this will not be surprising to you—is jobs and the economy. And the campaigns, in different ways, have spoken to that with their different plans.

So that—you know, Georgia, like any other country these days, those are the major things that voters say they want the campaigns to speak to. And they have done that in their way. They've had their public debates, the public forums. As I said, the campaigns are able to get out and around, and they are campaigning.

Mr. COHEN. And so the must-carry law—which I had not heard that term—from where I am from, I would think that would involve, you know, side arms. Fortunately, it's not what it is. [Laughter.] Or photo ID, which is not such a wonderful—but what do they have to carry? I mean, is there a—is each station given equal time, each network, each broadcast or whatever or equal time to buy, equal opportunity?

Sec. MELIA. I don't think it's—well, there's campaign advertising. There's purchased advertising space on billboards and radio and television. But there's also—because of the generally aligned nature of the different networks, the question was whether they could—they would be obliged to carry other—the other camp's version of the news and discussion shows.

So I don't think there's a—again, maybe I'm—I don't think there's a financial implication to that. I think it's just a requirement that they carry the other side's—

Mr. COHEN. And with the advertising, has one side—is it unlimited amount of TV and radio, or did these laws limit how much one could spend?

Sec. MELIA. I can't speak to the details of that. I'm sorry, Congressman.

Mr. COHEN. And do you know what the ads are like? Are they, you know—the two sides—is it just we'll get more jobs and we need more jobs? Or is it, Jane, you ignorant—

Sec. MELIA. I did not see a sampling of the campaign advertisements, I confess. That's a good question. If I were smarter, I would have done that last week.

Mr. COHEN. Do you have any—the Georgia Dream—which I have to think about the American dream and that's one of our lines. Is—do you have—give me some impression of what—if the Georgian Dream is successful in the election, what they would bring to a difference in the Georgian government and how that might affect our relations with Georgia.

Sec. MELIA. Most of the analysts of the campaign platforms that I have seen, including our embassy reporting, say that there are not significant differences in the way they describe what they would do for the economy, for the jobs and so on.

Whether the Georgian Dream would adopt a notably different foreign policy or have a different kind of relationship with the United States, that's a contested item. When I met with Mr. Ivanishvili at the start of last week, he spoke very passionately about his commitment to Euro-Atlantic integration, to Georgia's aspirations for NATO membership and E.U. membership, for a continuing strong relationship with the United States.

So others will say that that represents some dissembling, that he would change Georgia's foreign policy. But, you know, we have no way to know what that would mean in the end. We can't predict what the foreign policy would be in a Georgia Dream-led parliament or government.

What we know fundamentally is that we want a government that the Georgian people have elected. That's been our focus in this process. It's not our job to parse their stated or presumed policy inclinations down the road. That's for the Georgian people to decide.

Mr. COHEN. As I understand it, he—was he from Russia?

Sec. MELIA. He's a Georgian born, Georgian—well, citizen in the end and spent much of his adult life in Russia making his fortune.

Mr. COHEN. In that area? How did he make his fortune?

Sec. MELIA. Banking, money management, things like that.

Mr. COHEN. Banking. The American dream. [Laughter.]

Sec. MELIA. He left Russia a few years ago. He's been living in Paris for a number of years before he returned to Georgia more full time essentially a year, year and a half ago. So he didn't come straight from Russia is my point. He moved out of Russia six or eight years ago, went to Paris, France, and was there and then he came back to Georgia.

Mr. COHEN. Thank you.

Mr. SMITH. Just two brief questions to follow up or to conclude. Regarding cyber subversion by—of Georgian Dream and do we have any information as to who might have done that? What's the origins of it? And secondly, with the Kavkaz 2012 military exercises, is that intended in any way to affect the outcome of the elections?

Sec. MELIA. We've recently heard the concerned expressed about some cyberattacks on Georgian Dream computer sites and computers and so on. I don't know the details of that. This has just recently come to my attention. And we've asked for more information—

Mr. SMITH. Could you get that back to us too as you get that?

Sec. MELIA. Sure, I can follow up—

Mr. SMITH. That will be very helpful.

Sec. MELIA. —in the days to come if we learn anything conclusive or interesting about that.

So we've heard the allegation, but we don't know what to make of it honestly. As for the Russian and CSTO military exercises, there is one under way in southern Russia to Georgia's north and one under way in Armenia. My understanding is that the Kavkaz 2012 Exercise, the principal one that's happening in the Russian

Federation to the north, has been long planned. We certainly knew about it long ago. In fact, it was planned before the election date was clarified. You're well familiar with the Georgia-Russia dynamic, but we have also encouraged the Russians and their partners in those military exercises to try to avoid anything that could be interpreted as provocative. We shall see.

Mr. SMITH. Is there, Secretary, anything you want to add before we conclude?

Sec. MELIA. No. Just that I'm glad that some members will be able to visit Georgia around the election. That will add to our collective wisdom, and we can revisit where we are in the days after that. And I would look forward to hearing your readout from your visit there.

Georgians in the government and in the opposition are among the best friends the United States has anywhere in the world. And I think we're reminded in the last week that we should cherish that. So we go into this with a strong sense of partnership with Georgia as a society and as a country and mindful of the important accomplishments of this government and, also, alert to some of the things we'd like them to be doing better going forward in strengthening their democratic systems and, as part of that, moving along that trajectory toward consolidation with NATO and E.U. and the Western alliance.

Mr. SMITH. Secretary, thank you very much for your testimony.

Sec. MELIA. Thank you.

Mr. SMITH. I'd like to now welcome our second panel to the witness table, beginning with Dr. Archil Gegeshidze, who is a senior fellow at the Georgian Foundation for Strategic and International Studies where he lectures on globalization and development as well as providing training in policy analysis at GFSIS. Prior to joining GFSIS, he was a Fulbright scholar at Stanford University.

Dr. Gegeshidze worked for the Georgian government from 1992 to 2000. During that time, he was assistant to the head of state on national security and chief foreign policy adviser to the president.

We'll then hear from Dr. Ariel Cohen, who is a senior research fellow for Russian and Eurasian studies and international energy policy in the Kathryn and Shelby Cullom Davis Institute for International Studies at the Heritage Foundation. A commentator in great demand, he covers a wide range of issues including economic development and political reform in the former Soviet Republics, U.S. energy security, the global war on terrorism and the continuing conflict in the Middle East.

Dr. Cohen's book, "Russian Imperialism: Development in Crisis," came out in 1996 as well as in 1998. He also co-authored and edited "Eurasia in Balance" in 2005, which focuses on the power shift in the region after the September 11th attacks. He has written nearly 500 articles and 25 book chapters.

We'll then hear thirdly from Dr. Mamuka Tsereteli, who is the director of the Center for Black Sea-Caspian Studies at the School of International Service at American University where he teaches classes on international economic policy and energy and security in Europe and Central Eurasia.

He frequently speaks about the international relations in the Caucasus and the Central Asia political-economic developments,

energy security and country risk analysis. Dr. Tsereteli serves as the president of the America-Georgia Business Council and the president of the Georgian Association in the United States of America, USA. He is a board member of the American Friends of Georgia, the Georgian Reconstruction and Development Fund, the Business Initiative for Reforms in Georgia and the American Academy of Georgia.

Dr. Tsereteli previously served as the economic counselor at the embassy of Georgia in Washington covering relationships with international financial institutions, U.S. assistance programs and business initiatives. Dr. Cohen, if you could proceed first.

**DR. ARIEL COHEN, SENIOR RESEARCH FELLOW FOR RUSSIAN AND EURASIAN STUDIES AND INTERNATIONAL ENERGY POLICY, HERITAGE FOUNDATION**

Thank you, Mr. Chairman. And thank you, the staff, for doing a terrific job day in and day out on a number of issues that I follow, including on Russia.

Mr. Chairman, I am covering Georgia since '93, so it's almost 20 years. I've been in the country many times, wrote a monograph about Russia-Georgia war. I've also been an election observer in Russia, Albania, Azerbaijan, Kazakhstan and other countries. So it is, indeed, an important election that we're facing that will define not only who and how rules Georgia but, also, it will be crucial for U.S.-Georgian relations.

Georgia is a geopolitical centerpiece in that part of the world. President Saakashvili developed a policy of Georgia building on the policies of his predecessor, Eduard Shevardnadze, bringing Georgia away from the Russian sphere of influence and building a strong relationship with the United States. His challenger, the Georgia Dream Coalition head, billionaire Bidzina Ivanishvili, has deep ties to Russia. Ivanishvili built his 6.4 billion [dollar] fortune, as was mentioned before, in the opaque Russian business world, primarily in banking. And jokes aside, Russian banking is not the same as American banking.

So this year, we found out that Mr. Ivanishvili sold the majority of his assets to business people who are directly and closely connected to the Kremlin. Transactions like that do not happen in Russia without an explicit approval and blessing from the Kremlin.

The rhetoric of this campaign is far from courteous. The Ivanishvili-led opposition is not mincing words. Its leader called Saakashvili, quote, "son of a dog," and quote, "professional liar," unquote. In Russia and many neighboring countries, such language would earn the opposition leader a jail term or worse. Not in Georgia.

In fact, recent media monitoring that was already discussed by Deputy Assistant Secretary Melia also found that the press coverage—printed press—is pro-opposition. When they did content analysis on photography, President Saakashvili came out with more negative coverage in terms of pictures, whereas radio was neutral and TV channels are polarized. As was mentioned, the national channels being more pro-government and three other channels being pro-opposition.

There are serious accusations against the government ruling party and the government practices. Georgia Dream accused United National Movement, led by Saakashvili, of abuse of office, firing supporters of Georgia Dream from their jobs and other transgressions. It also claims that a small group of cronies surrounding Saakashvili holds Georgia in an iron grip. If so, it is difficult to understand why IRI and NDI polls demonstrate about 20 percent lead for the UNM but 55 percent against Georgia Dream, 35 percent. And Georgia Dream is not lacking for money.

So the electorate in these elections have a real choice. After all, the ruling party took Georgia through a disastrous war with Russia in 2008 and a deep economic crisis. Georgian voters may have had enough of perennially active Saakashvili who is currently moving the parliament to Kutaisi, second largest town in the country, and relocated Georgia Supreme Court in a coastal town of Batumi. But this is not what the poll data showed.

In addition, speaking of poll data, the pollsters who work for the ruling party are accusing opposition of manipulating polling results projecting much higher numbers than the Western-funded polling.

So what I see comparing to other places I did election observation and having been in Georgia not too long ago in summer is a highly competitive election which is an achievement in itself. Let's not forget the Georgian political system as we see it is functioning only for nine years, and the Soviet rule ended 20 years ago.

Horrible information came yesterday and day before, I believe, or yesterday and today about abuses in the Georgian prison system. The recent revelations of systemic torture horrified Georgians and foreigners alike. Such horrors should not be tolerated, especially in a country which aspires to integrate into Euro-Atlantic institutions. However, unfortunately, such despicable abuses happen everywhere. As we remember from our own Abu Ghraib scandal, in a number of U.S. prison systems recently in Alabama and Michigan where court settlements were reached involving hundreds of claimants, and in a country like Albania which is a NATO and E.U. candidate.

It is encouraging that the Georgian leadership promised an impartial investigation leading to a comprehensive reform. We should not expect anything less than that. But looking broadly, by the standards of the former Soviet region, these are, as I said, highly competitive election with access not just to the media but also with reports of tens of thousands, hundreds of thousands of people attending rallies for the ruling party and for the opposition.

The Georgia voters are informed and will have an opportunity to exercise their vote, and having election observers on the ground is extremely important and crucial. And I do have confidence in the ODIHR and OSCE observers doing their job. And we should wait for their reports.

Unlike many countries where anti-American sentiment is rising—including Russia, Iran, Turkey—Georgia is truly different. President George W. Bush has a street named after him in the Georgian capital. Oil, gas, commodities and finished goods worth hundreds of millions of dollars move through Georgia on a daily basis. Its geopolitical role, alongside the Black Sea, is a budding oil and gas which Azerbaijan and the Caspian is crucial. [Unclear sen-

tence] In case of a scenario, vis-à-vis Iran, Georgia is also going to be geopolitically, very, very important.

We heard about the maneuvers—the maneuvers by the Russians that led to the war in 2008 may create an intimidating effect if they occur before the elections as planned.

We are at a determining point, and in the recent years, in this country, in this city, in this administration, focusing blindly on democratic process, excluding all other our national interest had become somewhat of a fashion. We're seeing the results in the Middle East.

The previous U.S. administration and the current one encouraged elections in Gaza that brought Hamas to power, encouraged the Muslim Brotherhood to contest seats in Egyptian parliament under the previous regime, encouraged the elections that brought the Muslim Brotherhood administration in Egypt with the results in the long term that may be severely detrimental for American national interests.

Clearly, Georgia is no Egypt. Saakashvili is no Mubarak. Georgia, one hopes, would rise for the occasion and conduct elections with minimal violations, let alone violence. And let me quote the former assistant secretary of state and my boss, Kim Holmes, quote, "Free and fair elections are indispensable to democracy. You can't have democracy without them, but neither can you have democracy without an even greater commitment to the values, institutions and customs that make it work." And I believe that Georgia is in the process of creating these commitments to values, institutions and customs that make it work.

As I said, the democracy in Georgia started 20 years ago when the Soviet Union collapsed. So far, observer missions from OSCE, IRI and NDI seem to report the elections are on track. We should expect their reports. We should definitely hold the current Georgian government's feet to the fire expecting reasonably conducted elections by European standards. However, we should not face an either/or choice or focusing exclusively on elections or pursuing American interests.

That's a false choice. Mr. Chairman; hopefully, the U.S. can learn from our recent mistakes. Thank you very much.

Mr. SMITH. Thank you so very much. Dr. Tsereteli, if you would, proceed.

**DR. MAMUKA TSERETELI, DIRECTOR, CENTER FOR BLACK SEA-CASPIAN STUDIES, AMERICAN UNIVERSITY**

Thank you, Mr. Chairman. It's an honor to be a witness on this Commission. I would like to submit my written statement that I also submitted for the record. Thank you. I think timing of this hearing couldn't be more appropriate. The streets of Tbilisi as well as social media is filled with demands and facts reflecting on the developments related to prison abuse. Citizens of Georgia ask questions how something like that could be happening in the country that has European and Euro-Atlantic aspirations, that is known for its tolerance and the cordial human relationships.

Unfortunately, the videos only prove what was said many times by some people and, also, was reflected by the U.S. Department of State annual reports on human rights. I don't think that we fully

appreciate here in this room the magnitude of events unfolding in Georgia at this point.

Georgia's prison system as well as its pre-trial detention mechanism is an important factor in Georgian political, economic and social life which impacts the daily lives of thousands of Georgians and their decisions about how they deal with the government as well as on how they approach elections.

There is a failed state in Georgia. Some government officials assessed prison abuse as a systemic problem. And they are correct. But this is moral failure as well.

Georgian society is shocked by the facts of abuse of power and maybe cover-up that involve high-level officials. It demands full-scale investigation.

This abuse can only happen in an environment of unchecked and unbalanced power such as exists in Georgia today. This case increases importance of upcoming elections.

I think it's good news that, despite responding to this crisis and street events, both government as well as opposition called on calm. And the opposition, in particular, called against unplanned street events.

Georgia made visible progress in creating functioning state entities in recent years reducing regulatory burdens, developing critical infrastructure and eliminating bribery and bureaucracy. These are distinct achievements, and the Georgian people as well as the government deserve credit for those achievements.

But those achievements also raise the bar for expectations for Georgia. Georgia is facing difficult security challenges, but it can only meet those challenges if it has national consensus on major issues affecting the country. The Georgian population has expressed multiple times in referendums and polls its desire to join transatlantic and European security and economic institutions. Achieving those strategic objectives require internal stability, but stability can only be achieved if political process creates an environment of broader political representation in the government.

Leaders all around the world, heads of state, international institutions, U.S. politicians, leadership of NATO, friends of Georgia see the upcoming election on October 1st as an important milestone in building Georgia's democratic statehood. Many have called on Georgia to make certain that voters have an opportunity to express their free choice and, once they did it, to make sure that the results of elections are respected by all the participants of political process.

In recent years, the Georgian political scene has been completely dominated by United National Movement of Georgia, or UNM, the party of President Saakashvili. The UNM has won constitutional majority in the parliamentary elections of May 2008 which has, de facto, created one-party rule in Georgia. In fact, Georgia has been ruled by UNM with no significant opposition since 2004. Moreover, developments after 2008 elections effectively eliminated debate and political collaboration from the Georgian scene. This has led to many harmful internal and external decisions by the Georgian leadership which has responded to criticism by frequently suppressing opposition with excessive force. One-party systems do not represent the electoral mood in Georgia.

I would focus very briefly on some of the things that, in my opinion, the United States Government should do in order to support free election process in Georgia and then, hopefully, we'll have some questions and answers.

I think U.S. should stay actively engaged in Georgia as an important observer and facilitate the development. Success of Georgia is essential for U.S. strategic interests in the broader Middle East and Central Asia region, but it's also essential for stability—broader stability.

I think U.S. should entertain frank, public discussion about the state of democracy in Georgia. Georgia has made some progress, and the current government has done good things for the country. But narrative that stresses Georgia's liberal credentials need to be recast in light of some significant democratic shortfalls. Monitor closely unfolding details of the current prison crisis and investigation.

I think the U.S. needs to establish strict conditions and benchmarks for the Georgian government to ensure the elections are held in a free environment. Election monitors from the U.S. Government will be very useful. U.S. needs to collaborate closely with the intergovernmental commission on election process violations. I think this Commission is doing positive job—positively contributing to the process.

The U.S. should communicate to the Georgian leadership that if there are doubts about legitimacy of the elections, the U.S. will not recognize its results. Plan to hold another congressional hearing after the elections to review progress and announce this in advance to the elections. The U.S. needs to monitor developments after the election as well. The election process may not end by the night of October 1st. It is possible that the results of the election in several districts will be disputed and recounts may be requested. In order to avoid confrontation, it is important that there is a process of mediation through OSCE or other monitoring groups where the U.S. will be a participant.

I think we need to mount—the United States needs to mount an effort to review the state of Georgia's media ensuring access to alternative sources of information throughout the country. Insist on immediate release of satellite dishes confiscated by the government, advising any international representatives to the Georgian National Communication Commission, and then closely monitoring its operation will be positive steps.

Georgia has potential to become a democratic state and full-fledged member of the transatlantic family of nations. Their potential needs to be accelerated and deepened. The upcoming elections need to be seen from that perspective. Proper conduct of elections will get Georgia closer to that goal. Mismanagement of the elections may throw Georgia back for several years or maybe even decades.

In the—[light? inaudible]—of the challenge to Georgia, John Stanick [sp]—wrote it is magical place, Georgia, and it becomes dream like the moment you have left it. And the people are magic people. It is true that they have one of the richest and most beautiful countries in the world, and they live up to it. The Georgian



people are capable of deciding the right path for their future. Free and fair elections will give them that opportunity.

Thank you.

Mr. SMITH. Thank you, Doctor. We'll now go to our last, Dr. Gegeshidze.

**DR. ARCHIL GEGESHIDZE, SENIOR FELLOW, GEORGIAN FOUNDATION FOR STRATEGIC AND INTERNATIONAL STUDIES**

Mr. Chairman, other members, professional staff, thank you very much for this wonderful opportunity to share with you some of my observations on the situation around elections in Georgia. Excuse my academic style of presenting since I come from academia and this is my very first time testifying before you.

Well, I will start with a very short overview of the past—of the democratic transformation which Georgia has gone through, then I'll try to characterize also shortly the state of affairs in and around the elections, what the electoral environment looks like. And then I'll also try to share with you some my observations, but very general—not as specific as Dr. Tsereteli presented—some of my observation on what the West in everyone and the United States in particular should do in order to facilitate a free and fair election process in Georgia.

The first point is that Georgia's record of democratic transformation is controversial. On the one hand, the country is freer than the immediate neighborhood and demonstrates, at times, spectacular success at institutional modernization. The government was able to liberalize the economy, attract increased foreign direct investment, improve revenue collection, curb elements of small-scale corruption in the public services, streamline inefficient administration, legalize the shadow economy, reduce crime, provide uninterrupted energy supply and rebuild roads and other infrastructure. Among the most important and spectacular successes of the new government has been the overthrow of the autocratic leader of Adjara previously defined these central governments.

On the other hand, the overall quality of democracy promotion raises concerns. Georgia's political development since the Rose Revolution can be measured in various ways, but the Freedom House course indicates an obvious stagnation. What actually happened was that all power went to the executive body, and the legislative and judicial benches became their perfunctory appendages. Power and the political regime thus became associated with the president. Currently, political institutions that provide pluralism and competition are manipulated by the ruling elite for one reason, to maintain and expand political power. Critics of the government point at serious setbacks in terms of institutionalizing checks and balances, eventually leading to serious misconduct.

Further, the existing constitution substantially weakens a legislative body, thus disabling it in its exercise of oversight functions. Also, as the executive dominates the political landscape, it increasingly coerces the judiciary, curbing its independence. Additionally, the state intervenes in the independence of the media and brutally abuses property rights.

Georgian democracy has always been hostage to either security concerns or power struggle, and this continues over already 20

years. This is the reason why the Georgian reforms in the sphere of democratic transformation were either one-sided or inconclusive. While the emphasis during the reforms was put on strengthening the state, little attention was paid to building and strengthening democratic institutions and improving human rights. Independent judiciary, rule of law and media freedom are the most renowned cases of absence of will on the part of the government to reform. One of the recent examples of the inconclusive nature of reforms is Georgia's penitentiary system which accommodates one of the highest per capita numbers of prisoners in the world.

Apparently, the government preferred coercion and intimidation as a method of managing the overcrowded prisons over modern and civilized standards. The terrible videos we have seen last days prove widespread and systematic torture at the prisons.

From a moral standpoint, it is a big shame for Georgia. From the political standpoint, both domestic and international, it may have far-reaching consequences for the government as well as the country and its image. None of the elections held since independence had been simultaneously free, fair and competitive. The cleanest of all is the—is considered the October 1990 elections—still Soviet Union—conducted with little violence during the campaign and no evidence of overt interference with the polls and which brought to power the nationalist and anti-communist political forces.

Against this backdrop, the most disputed election since independence has been the presidential election in January 2008. Critics hold that Saakashvili had illegally used budgetary and administrative resources to secure victory with a narrow margin over the opposition candidate. Similar allegations were made about the unfairness of the general elections the same year.

Although the international observer missions gave legitimacy to the outcome of both events, subsequent official reports admitted massive irregularities at all stages of the election process.

This time around, the picture is mixed. On one hand, the pre-electoral environment is competitive and pluralist. Also, there are some welcome novelties such as the new election code, intergovernmental commission that operates under the National Security Council, voters list verification commission must carry rules that obligate cable operators to carry TV channels with news programs during the campaign period, improved format of public debates on the national public TV, et cetera.

On the other hand, some of these novelties are far from perfect. For example, must-carry rules have not been timely or properly enforced across the country. Not all recommendations by the Venice Commission have been incorporated in the election code. Also, the prisoners who have committed minor crimes were given electoral rights. However, in the light of the recent scandal over human rights abuse in the penitentiary system, serious doubts arise as to whether the inmates will be able to make free choice at the ballot boxes.

Inversely, overwhelming majority of Georgians living outside the country who are perceived to be critical towards the government are practically deprived of the right and/or possibility to vote.

While competitive and pluralist, the pre-electoral environment is too polarized. Reports, for example, from Transparency Inter-

national, inform us about numerous cases of intimidation of opposition activities, physical reprisals against opposition supporters, detention and arrest on political grounds, selective use of legal resources against the opposition by imposing disproportional sanctions, pressure on businesses that support opposition, use of public resources for political and electoral process.

Apparently, the dominant feature of the post-Rose Revolution period wherein the ruling party faced a fragmented opposition has made it relax and has taken it by surprise by Georgian Dream, the newly emerged opposition coalition. As the ruling party dominates at all levels of state governance, it is difficult to differentiate the governing political team's activity from the electoral activity of the ruling party. Given the circumstances, the opposition coalition faces a state rather than the party as a competitor in the elections. The state portrays the Georgian Dream as an enemy of state by accusing of being Russia's fifth column and a retrograde force aiming at sending Georgia back to dark and corrupt past. For most of the public, groundlessness of these accusations is obvious. Nobody believes.

Meantime, witnessing all these twists and turns, the public remains deeply distrustful towards the electoral process, and this is the main disadvantage and deficiency of the electoral process.

As Georgia remains a primary target of Western assistance, some argue that future assistance programs should be more carefully structured. It is believed that, with Georgia being the success story of Western democracy support, too big a share of the assistance package has gone to the government without requiring accountability on spending. Also, the strong political and financial support for Georgia's democratic development after the Rose Revolution has backfired to some extent since it has not been backed up by clear benchmarks for reform.

One such benchmark definitely is these elections. Fair assessment of the whole electoral process has a crucial importance for Georgia's future development. Sadly, though, in the past, there have been instances of premature assessment by international observers that have paid lip service to Georgian democracy as well as to the West's reputation in Georgia and the wider region.

One of the most notorious cases has been a statement by a co-chairman—coordinator of the short-term observation mission which said that the 2008 presidential elections in Georgia was a triumphant step of democracy. Given the extremely polarized environment, we need to avoid such statements and assessments. More so, the international arbiters—monitors need to change the criterion of evaluation and, instead of basing their judgment on the comparison with the past electoral process, they have to assess how far or how close those elections are from those in Western democracies.

Thank you.

Mr. SMITH. Thank you very much, Doctor.

We do have a vote, so we do have to make our way to the floor in a couple of minutes. But that said, I'll just ask a couple of questions and yield to Mr. Cohen who will ask a couple of questions.

And I think your point about having a follow-up hearing is a good one. We will do that, and it will be done in a very timely manner. So thank you for that, Dr. Tsereteli.

Let me just ask a couple of questions. You know, the wealth issue which has arisen many times—and, Dr. Cohen, you mentioned it—\$6.4 billion you've talked about. You know, even in this country, there's been an ongoing fractious debate about how much an individual should spend, how much can be spent on a campaign. Part of it was settled in a Supreme Court case known as Buckley versus Valeo, and it's pretty much unlimited by the individual candidate towards his or her campaign.

In my own state, Senator Corzine spent over \$60 million for a U.S. Senate seat. I mean, astronomical amount of money, but, you know, our laws allow that to happen.

And I'm wondering if there is such a check and a balance on all that and, you know, both sides have valid points. Maybe you want to speak to the issue of having huge amounts of money and being able to essentially buy a campaign. But I know there are limits. So maybe you want to speak to that. Where will Ivanishvili take Georgia? I mean, Dr. Cohen, you seemed to speak most about that and cite a number of concerns. And I would appreciate it if you'd elaborate on that very quickly.

And then what our overriding concern has to be is free and fair. Do you think this will be a free and fair election? Or are the checks and balances already baked into what will be an election in 11 days? Or do you think we have reason to be deeply concerned?

I wish I had more time. And Mr. Cohen?

Mr. COHEN. Thank you, Mr. Chair.

I suspect that the biggest issue which I would like a response to is where you think the Georgian Dream would be—if they're successful, where they would take the Georgian government different than where it's been and what the relationship would be with Russia in terms of how that might affect relations with the West.

And, also, the gentleman mentioned human rights and how you see human rights as being permitted by the present government and what differences might exist if the Georgian Dream were successful in their election. And what do you foresee for the election? Has it been—on the conditions to date as far as advertising, as far as enforcement of laws and restrictions that may have been imposed, has it been fair?

Dr. COHEN. Gentlemen, excellent questions. All demonstrate your deep interest and expertise.

Real quick, on the issue of personal wealth, let us make a comparison. Six point whatever billion dollars is more—if my calculations are correct—more than a half of Georgia's GDP per annum. So it would not be comparison with Mitt Romney's meager 250 million [dollars]—meager in comparison to Bidzina Ivanishvili. It won't be a Ross Perot. It would be a guy or a gal with a pocket \$7 trillion deep. People like this don't exist on Planet Earth.

And there is a culture of bypassing official channels of financing in case of Russian oligarch, which Mr. Ivanishvili, whether he holds Russian citizenship or not, comes from a political culture of oligarchs. There's a modus operandi of cash. And, you know, if the Georgian government is successfully tracking that, good luck. If they don't, then they can't.

But I bet you dollars to donuts, you cannot think about this campaign only with official figures. Probably on both sides, but especially when you have one big, deep pocket.

In terms of direction, I think this is a strategic question, and this is something I'm grappling with and not a lot is said about that. And that is that whether we like Saakashvili or not, he never studied in Russia—he studied in Ukraine and in Colombia—he spent his formative years in Georgia and in the United States. And he built his movement more or less in his image in terms of getting a lot of Western-trained people around him.

Georgia Dream, on the other hand, has a Russian oligarch—a former Russian oligarch—as its head, has some first-rate diplomats—Ambassador Japaritza [sp], Ambassador Irakli Alasania—which I don't doubt their professional quotas. But that movement also has components that are deeply nationalistic, traditionalist, embedded with the church. And the Georgian Church, parts of it, are embedded with the Russian Orthodox Church and, in some cases—[inaudible]—and anti-Semitic.

So I do have concerns about that as well. And the rhetoric about distancing or slowing down the process of NATO integration was a signal. The rhetoric by Mr. Ivanishvili about opening Russian markets, getting closer to Russia are understandable because traditionally, for decades and centuries, Georgia did export fruit, wine—fruit, wine, mineral water—to Russia.

But orientation is not the same as the United National Movement which is staunchly pro-European. They are aspiring to bring Georgia into the E.U. You and I can wonder why would you want to join the E.U. at this point, but that's their choice.

Human rights, clearly, there is a place for improvement as we witnessed in the prison scandal. I'm not a computer geek. I'm not a computer expert. I cannot tell you what is the significance of these recent accusations that they were planting malware on the computers. I think somebody needs to look into that. But in terms of human rights, there's always, in every society, a place for improvement of individual rights of privacy, of penitentiary system. No question in my mind that things can be done better in Georgia.

Mr. SMITH. To be totally fair to our other two distinguished witnesses, Mr. Cohen and I are going to have to leave in about two minutes. There's only five minutes left on the vote. But we will leave this open. Michael Oakes will stand by. And then all of your comments will go not record, and then we'll—without objection, we'll do it that way because I want to hear from both of you. We both want to hear from both of you. So please proceed as long as you'd like.

Dr. TSERETELI. First of all, accusations of Georgian church being—similar? Connected? [inaudible]—somehow to Russian church is absolutely wrong and false. And I just don't want to go into that discussion.

There are individuals who may be like individuals from the Georgian government, maybe like individuals from opposition maybe, but saying it to the entire church, which is most probably one of the bases of stability in Georgia for the last decades, I think, is very wrong.

About the wealth of Mr. Ivanishvili and money and politics, during the elections in 2010 in local elections, mayoral elections, Mr. Alisania spent about hundred times less than incumbent mayor of Tbilisi, Mr. Ugulava—hundred times. The difference was hundred times.

So talking about money coming into politics sounds like not very relevant. Although I personally do not support large money coming into politics. So there is a limit of how much each party could spend. And I think government is very efficiently pursuing these limits to restrict money spending into Georgian politics.

Onto the issue of future of Georgia. As my colleague and friend, Ariel, mentioned, Mr. Ivanishvili, from the time he announced his participation into politics, said that he's relying—he's basing his political group as a core group on Mr. Alisania's free Democrats and the Republican Party who's also known for its protestant credentials.

So I think, by that, he expressed his [Protestant?] orientation from the beginning. And I—we may again have some people in his coalition, like in the government, who are willing to maybe change a little bit of the course of Georgia's development. But I don't see major challenges in terms of progress and orientation to Georgia. Thank you.

Mr. SMITH. Without objection, at the conclusion of Mr. Gegeshidze's statement, the hearing will be adjourned. But again, this will all be on the record, and I thank you.

Dr. GEGESHIDZE. OK. Thank you.

All right. Well, regarding billions in the election campaign, yes, I also would not support big money participating and being used in the election—in the election process. But this is the given fact, the reality.

And I think that Ivanishvili's billions are less evil than the benefit which are the plurality and competitiveness that these elections do have compared to the situation wherein Ivanishvili wouldn't have been because Georgia does need higher quality democracy, higher quality electoral process. We, at last, need to graduate the very first class of democracy such as electoral democracy because all our previous elections have been contested, and it's already 20 years.

But still the trust in the public towards elections are very weak, very low. And this is very bad for Georgia. And if not Ivanishvili's appearance, then we would not have this competitiveness and, if you wish, certainly, intrigue in the process.

Regarding Russia, well, going deeper into analysis with this Russian origin of a person who has made his fortunes there mean? I don't know. How many American businessmen have made their fortune in Russia or Polish or Estonian or Belgian businessmen because Russia was a huge country in the '90s, and everybody, if not lazy, would go there and make money. So this guy also made his money.

But what about the Minister Bendukidze who also made his fortune in the '90s but was brought back by this government as the minister of economy and not a single word against his Russian origin was ever mentioned by the government. Sorry? [Off mic exchange.] Yeah. Well, so I would consider this a very weak argu-

ment, if it is at all an argument in this discourse. Human rights. Well, the elections are usually—and everywhere, both here and in Georgia—about politicians running for the seats in the government, promising and voters listening and believing or not believing. So I cannot judge to what extent the—Ivanishvili's government, if it happens to come to power, will be more effective in observing human rights because I have not had a chance to test that.

But if one assumes that the human rights record in today's Georgia is very poor—very, very poor—and there are almost no improvement since the Rose Revolution, and the recent days have demonstrated again where are we standing in that regard, I would believe that at least that if Ivanishvili comes to power, human rights will be at least no worse than what they are today, if not better.

Well, I think I'll, to save our time, stop here.

STAFFER. Ladies and gentlemen, as you've all heard, Chairman Smith and Congressman Cohen had to leave to go and vote. They will not be able to return. So we will adjourn this hearing. However, as the chairman said, he's planning to hold another hearing after the election, and, of course, there will be a public notice about when that will be. In the meantime, I would like to take this opportunity to thank all of our witnesses, and this hearing is adjourned. Thank you.





# APPENDIX

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## PREPARED STATEMENTS

## PREPARED STATEMENT OF HON. CHRISTOPHER H. SMITH, CHAIRMAN, COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Welcome to our hearing on Georgia's parliamentary election, which is now only eleven days away. The campaign has brought Georgia to a crossroads; it is the most crucial event in Georgian democracy since the Rose Revolution of 2003.

At that time, Georgians responded to a rigged election with a peaceful protest movement. It was a great moment in Georgian history, the first of the color revolutions. The Rose Revolution brought Mikheil Saakashvili and his team of western-oriented modernizers into office. Hopes were high in Georgia as Saakashvili strengthened the state and launched many reforms.

Russia's 2008 invasion and occupation of the Georgian regions of Abkhazia and South Ossetia failed to topple President Saakashvili, and our country has strongly supported Georgian sovereignty. Vladimir Putin's invasion was yet another revelation of his cynical brutality. As an aside, I would note that I was in Georgia in the days following that invasion, working to effect the return of two girls—daughters of one of my constituents—caught behind Russian lines, and I was deeply impressed by the courage and determination I encountered in every Georgian I met.

That brings us to the present moment. Only a year ago, President Saakashvili's ruling National Movement seemed poised to easily win the October 2012 parliamentary election over a fragmented opposition.

But in October 2011 Bidzina Ivanishvili began to unite elements of the opposition into a new coalition that posed a serious challenge. Mr. Ivanishvili is a multi-billionaire and though a newcomer to politics, has vast resources. Saakashvili's government quickly stripped him of his citizenship and parliament passed campaign finance laws that limited the use of his assets. At the same time, the instruments of the state—budget, police, security services—began to be deployed against Ivanishvili's party and its supporters, though to what extent is a matter of dispute.

Consequently, the election campaign has raised questions about Mikheil Saakashvili's reputation as a reformer. I'm sure we'll hear from our witnesses to what degree his government has institutionalized genuine democratic governance as opposed to the appearance of it. I don't mean to pre-judge this question; it's a difficult one that our witnesses are outstandingly qualified to grapple with.

But the main questions we'd like to hear our witnesses answer touch on the conduct of the campaign: specifically, the opposition's charges that the Georgian state has targeted Ivanishvili and his supporters, through harassment, intimidation, beatings, selective enforcement of the law, and violations of freedoms of assembly and expression. If substantially true, that would be terribly sad; it would indicate that the Rose Revolution had gone bad.

At the same time, Ivanishvili and his coalition have been tarred as working on behalf of Russia. The Georgian government sometimes seems to paint the conflict not as one between two political parties but between the Georgian state and its foreign enemies trying to subvert it. We certainly need to hear your thoughts as well on this.

I believe the members of this commission have open minds on all these questions, and that your testimony will be important in informing Congress and our government on the conduct of the Georgian election campaign, now in its last days. We are fortunate to have been able to assemble such outstandingly qualified witnesses.

At this point I would remind everyone joining us today, whether in the room or through Web case, that all parties in the political process have to behave responsibly. At the same time it is the responsibility of the government—which controls the apparatus of state—to create the conditions for a free and fair election.

Before concluding, I cannot fail to mention the terrible scandal which broke yesterday in Georgia, concerning gross abuse in prison. Videos have emerged that reveal the most horrifying tortures, including the sadistic rape of men by prison officials. The Georgian minister of corrections has resigned, individuals have been arrested, and the government has pledged to punish all those responsible and uproot this problem. I welcome those actions and promises. But I also note the statement made by the national security advisor who said: "We as a government made a grave mistake when we did not properly evaluate the signals coming from the Ombudsman and other civil society groups about the systemic problems in the penitentiary system." That is a telling admission. It is precisely the systemic nature of this abuse

that evokes the greatest concern because it raises questions about the nature of the Georgian state's relationship with its citizens.

PREPARED STATEMENT OF THOMAS MELIA, DEPUTY ASSISTANT SECRETARY OF STATE,  
BUREAU OF DEMOCRACY, HUMAN RIGHTS AND LABOR, U.S. DEPARTMENT OF STATE

Thank you, Mr. Chairman, for inviting me to testify on Georgia today. Before I do so, I would like to thank you, the other Members, and the professional staff of the Commission, for promoting implementation of OSCE commitments by all participating States. We appreciate your dedication and ongoing engagement.

Mr. Chairman, in advance of Georgia's October 1 parliamentary elections, the United States has been promoting a democratic electoral process diplomatically and through technical assistance. President Obama, Secretary Clinton, and other senior U.S. officials in Washington and Tbilisi have highlighted the importance of such a democratic electoral process for Georgia. In my testimony today, I will focus on last week's trip to Georgia of a senior interagency delegation I was privileged to lead.

Last week, President Obama and Secretary Clinton sent to Georgia a senior interagency delegation including senior officials from the State Department, the U.S. Agency for International Development, the Department of Justice and the Department of Defense. Our delegation went to Georgia to highlight the importance of a democratic electoral process that produces a parliament that reflects the will of the Georgian people. I was delighted that our newly arrived ambassador, Richard Norland, joined most of our meetings. We met with a range of senior government officials and political party leaders, including opposition parties. We urged the Government to implement Georgia's election laws in a fair, impartial and transparent manner, and urged all political parties to fully participate in the process while abiding by the law. We also met with NGO election observers and media rights advocates.

The message that we conveyed privately in each of our meetings was identical: the United States supports the Georgian people's aspirations for a free and democratic process. We do not favor any particular party or candidates, and the United States looks forward to continued close cooperation with the leaders the Georgian people choose.

The upcoming elections are critical to helping Georgia advance its Euro-Atlantic aspirations. They also will be essential to a democratic transfer of power next year, as the parliament elected in October will appoint a Prime Minister who will gain considerably strengthened powers pursuant to constitutional reforms that will take effect when President Saakashvili's successor takes office. Domestic and international perceptions of fairness of the campaign environment, including adherence to the rule of law, media access, transparency, and the impartial adjudication of election-related disputes, will be important indicators of Georgia's democratic development.

The long term work of building a vibrant democracy does not begin and end on election day. I would like to highlight the importance of several principles that we featured in our conversations in Georgia, all of which are essential for a meaningful electoral process.

First is the importance of a level playing field. It is essential that the political environment is conducive to the full participation in the campaign by all parties on equal terms. Although there have been some shortcomings, it is clear that there is a competitive campaign underway. We welcome steps by the government through the Inter-Agency Task Force on elections to address reports of politically motivated firings. While such reports have decreased recently, concerns remain regarding the levelness of the playing field, including alleged harassment of certain activists for their participation in the coalition, reports of blurred boundaries between state institutions and the ruling party, and the alleged use of administrative resources, particularly outside the capital.

The second principle is about rule of law and due process. In our meetings with the Georgian government and the various political parties, we stressed the importance of ensuring that campaign and election laws are applied equally and transparently, and that all participants are held to the same high standards of conduct as spelled out in Georgian law. While almost every party, including the ruling United National Movement, has been penalized for campaign finance violations, the State Audit Office has devoted significant attention to the opposition coalition Georgian Dream. Although there are some anecdotal and circumstantial indications suggesting that Georgian Dream may have spent substantial sums of money in violation of the campaign finance laws, the lack of transparency in the State Audit Office's procedures, and due process deficiencies, raise doubts about whether the law has been enforced equally. That the former director and deputy director of the State Audit Office are now ruling party parliamentary candidates, while the current director of the office is a former ruling party Member of Parliament, exacerbates these concerns. We recognize the challenges on all sides of complying with and enforcing

a new set of campaign finance laws and urged the State Audit Office to emphasize transparency and due process as it continues to improve its work. We urged all the political parties to participate constructively, follow the law scrupulously, and to pursue their political goals through the ballot box.

The third principle is respect for fundamental freedoms. Respect for peaceful protests and freedom of assembly is a hallmark of a democratic society, and the government holds a responsibility to protect and uphold those freedoms. We heard last week that the political parties we met have been able to travel the country, hold rallies, and get their messages out to the voters with whom they meet. In our conversations we urged all parties to renounce violence and avoid provocations.

The fourth principle is equitable access to media. We applaud the electoral reforms enacted late last year that expanded the access of all parties on equal terms to the mass media during the 60-day campaign. More recently, we were encouraged to see the implementation of the so-called "Must Carry" legislation during the campaign period and we strongly support its extension through the post-election complaints process and beyond. Continuing efforts to promote wider access to a diversity of opinions and media outlets would reflect fundamental values that democracies share.

The fifth principle that we emphasized in our meetings is constructive engagement. We have every expectation, now, based on the opposition's commitment to reject the use of violence and the government's commitment to us that security forces will be scrupulously professional, that election day and its aftermath can unfold peacefully. We certainly hope this will be the case. After October 1, all parties will need to work together constructively in the new parliament to advance Georgia's democratic and economic development. They should conduct their campaigns in that spirit.

Finally, we call on all participants to promote an electoral process that the Georgian people judge as free and fair. We commend the work of the domestic and international observation groups, including principally the OSCE/ODIHR mission that in Georgia, to help ensure the election process is transparent and consistent with international standards and the results reflect the will of the Georgian people.

The pre-election situation is dynamic and we are monitoring developments closely. Commission attention to the upcoming election is helpful. Again, thank you for holding this hearing. We look forward to continuing to work cooperatively with the Commission to advance internationally accepted human rights standards throughout the OSCE region.

And with that I'd be happy to take your questions.

PREPARED STATEMENT OF DR. ARIEL COHEN, SENIOR RESEARCH FELLOW FOR RUSSIAN AND EURASIAN STUDIES AND INTERNATIONAL ENERGY POLICY, HERITAGE FOUNDATION

Mr. Chairman, Congressmen, Secretary Melia, Ladies and Gentlemen:

My name is Ariel Cohen. I am Senior Research Fellow, Russian and Eurasian Studies and International Energy Policy at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

Thank you for inviting me to testify before you today.

The forthcoming parliamentary elections in Georgia, which will take place on October 1, are crucial to U.S. interests in South Caucasus, Black Sea and the Caspian region. They are crucial because two powers—Russia and Iran—would like nothing better than to see President Mikheil Saakashvili and his party defeated.

President Saakashvili's principal challenger is the Georgia Dream coalition, headed by a billionaire named Bidzina Ivanishvili with deep ties to Russia. Ivanishvili built his \$6.4 billion fortune in Russia's opaque business world. This year, he safely sold his holdings to businesspeople that enjoy excellent ties with the Kremlin. Such highly sensitive business transactions never happen without the Kremlin's blessing. In Russia, business is politics and politics is business—as some less fortunate denizens of the Russian business Olympus, such Mikhail Khodorkovsky, who has been in jail for 10 years, know well.

While Saakashvili is considered the most pro-American leader in the former Soviet Union—and perhaps one of the most pro-American the world—Ivanishvili has never criticized Vladimir Putin. He promised to restore relations with Russia, and to reopen Russian markets to Georgia wine, fruit and mineral water, after Russia punitively excluded Georgian imports. He even promised to return to Georgia territories Russia occupied in the war of 2008—a highly unlikely notion. Saakashvili has been working tirelessly to bring Georgia into NATO, while Ivanishvili and his people said that NATO enlargement will not be a priority. This is understandable if they want to prioritize relations with Moscow.

The rhetoric of this campaign is far from courteous. The Ivanishvili-led opposition is not mincing words: its leader has called Saakashvili the “son of a dog” and “professional liar”. In Russia and many neighboring countries, such language would earn the opposition leader a jail term—or worse. Not in Georgia.

In fact, recent media monitoring report funded by the EU/UNDP found that President Saakashvili received more negative photo coverage in the Georgian newspapers; the print media was generally supportive of the opposition, while radio was neutral, and TV channels were polarized, with a somewhat more pro-government slant.

Ivanishvili's Georgia Dream coalition has accused the ruling United Democratic Movement, led by Saakashvili, of abuse of office, firing supporters of Georgia Dream from their jobs, and other transgressions. It has also claimed that small a group of cronies surrounding Saakashvili holds Georgia in an iron grip. If this is so, it is difficult to understand why the Georgian Dream trails the United Democratic Movement by 20 points: 35 percent to 55 percent according to one recent poll.

After all, the ruling party took Georgia through a disastrous war and a deep economic crisis. Georgian voters may have had enough of the perennially active Saakashvili, who is currently moving the Parliament to Kutaisi, the country's second largest town, and relocated Georgia's Supreme Court to the coastal city of Batumi—but that is not what the poll data show. In addition, speaking of poll data, it appears that the opposition consistently manipulates their polling results, projecting higher numbers than independent polls commissioned by IRI and NDI suggest.

Since 2003, Georgia has boldly progressed from a failed post-Soviet state to a growing, modern and more prosperous country. The current Georgian administration was successful in eradicating petty corruption and establishing an astonishing precedent in the Caucasus and the former Soviet space: Georgia is the only country in the region where officials practically do not take bribes.

A successful police reform; an anti-corruption sweep; streamlining of government bureaucracy; rural electrification and gasification; and construction of roads; all make the ruling party still an attractive choice for Georgia. So does Saakashvili's vision of Georgia integrating into Europe and NATO.

Clearly, not everything is perfect. The recent revelations of systemic torture and abuse horrified Georgians and foreigners alike. Such horrors should not be tolerated, especially in a country, which aspires to integrate into Euro-Atlantic institutions. However, unfortunately, such despicable abuses happen everywhere, as we remember from the Abu Ghraib scandal.

It is encouraging that President Saakashvili, Prime Minister Vano Merabishvili and other leaders took upon themselves to investigate, and the Minister responsible for jails had resigned immediately. All friends of Georgia, including in the U.S. will eagerly await the results of an impartial investigation and a comprehensive prison reform Mr. Saakashvili promised.

What we see in Georgia is a real political process. The opposition-affiliated TV stations took a lead in exposing the prison scandal—and probably gained some political dividends in the process. Georgians are a very emotional people, who take their feelings very seriously. Some of the accusations sound dramatic.

However, there are several daunting questions concerning these elections. First, why Mr. Ivanishvili decided to fight these elections not only in Tbilisi, not just in Kutaisi, Batumi, in Svaneti and Adjara—but around the world. He is he taking his message to Washington and Brussels, besmirching his President and his government.

According to *Washington Post*, Mr. Ivanishvili decided that it is important to spend a reported \$300,000 a month on an A-team of the most expensive lobbyists in town. For what purpose? Isn't the Obama Administration already imploring the Saakashvili Administration to "democratize" and not to "over-militarize" Georgian security, as one senior State Department official put it?

The effective ban on supplying Georgia with defensive weapons systems, such as anti-aircraft and anti-tank missiles, even M-4 rifles, goes far enough to placate Mr. Obama's Russian "reset" partners. Is further de-legitimization of the Saakashvili government in Washington by the opposition leader really necessary for the victory of Georgia Dream or for the future of U.S.-Georgian relations?

Is this PR campaign by the opposition in Washington just an preliminary "artillery barrage" before Mr. Ivanishvili takes a million of his supporters to the streets, as he promised? Can the Russian army interfere to "restore order" in Georgia if massive street demonstrations occur and someone calls for Russian troops to march in? Will they?

Hopefully not.

**What is at stake?** These elections are crucial to the future of US-Georgian and US-Russian relations, as well as for the overall stability of the region. President Saakashvili has built upon the efforts of his predecessor, Eduard Shevardnadze to extricate Georgia from the Russian sphere of influence and move it West. Russia does not like his approach at all. And it may not like Mr. Ivanishvili, if he ever comes to power in his country. Unless, of course, he is doing exactly what the Russians are telling him to do. Abandoning the dream of joining Europe and NATO, and joining the Moscow-led Eurasian Union—with Belarus and Kazakhstan—may be an approach much more palatable to—and perhaps dictated by the Kremlin.

Under Saakashvili's leadership, Georgia has become an important and close ally of the United States. Georgian soldiers have fought side by side with their American brethren in Iraq and Afghanistan. Georgia is a crucial transportation hub for the resupply and evacuation of ISAF and other American forces in Afghanistan. The country is the most pro-American in the former Soviet Union bar none: in its foreign affairs as well as in promoting democracy and economic freedom within its borders.

Among Georgia's neighbors, especially in Russia, Iran, Armenia, and Turkey, anti-American sentiments are growing. Just this past Tuesday, September 18, 2012, Moscow announced that it is shutting down US AID operations throughout Russia. So much for the hallowed "reset" policy.

Georgia, however, is truly different. President George W. Bush has a street named after him in the Georgian capital. Oil, gas, commodities and finished good worth hundreds of millions of dollars move through Georgia on a daily basis. Georgia's geopolitical role alongside the Black Sea and abutting oil- and gas rich Azerbaijan on the Caspian, is crucial. Georgia is an energy and transportation corridor that connects Central Asia and Azerbaijan with the Black Sea and ocean routes overseas—for oil, gas, and other commodities. It is a part of the ancient East-West corridor. It is also a part of a North-South axis, which Russia and Iran would love to control.

Russia, Georgia's most important neighbor, is unhappy with Georgia's pro-American orientation. Moscow's designs against Georgia are a threat to peace and democracy in the region, as its 2008 war with Georgia demonstrated. Moscow would like to threaten the Baku-Tbilisi-Ceyhan Main Oil Export Pipeline; as well as a planned TANAP gas pipeline via Turkey and the new railroad from Azerbaijan to Turkey.

Russia's current goals are to annex the Georgian territory it occupied during the 2008 war to the secessionist enclaves of Abkhazia and South Ossetia, which Moscow already controls. The United States and members of the European Union do not recognize the legitimacy of this occupation, as Secretary Clinton has repeatedly stated.

Moscow would exacerbate ethno-religious conflicts in the region, including in Nagorno-Karabakh, a flashpoint of tensions between Armenia and Azerbaijan, and

seeks to re-establish its “sphere of privileged interests”—speaking bluntly, a sphere of influence.

If a pro-Russian regime is established in Georgia, it will bring the strategic Baku-Tbilisi-Ceyhan oil pipeline and the Baku-Erzurum [Turkey] gas pipeline under Moscow’s control. It will allow Russia a land re-supply route for Armenia, its Commonwealth Security Treaty Organization ally, and, under a certain circumstances, a land bridge to Iran via Armenia. These scenarios are being actively discussed in the Russian media.

Georgia is also an important in view of the rising threats of Iran’s nuclear program. Georgian airfields may play a role in a number of future scenarios involving Iran, thus rendering Georgia’s domestic politics vital to the success or failure of the West’s effort to prevent the Iranian regime from acquire nuclear weapons. If government sentiments inside Georgia were to change, such as through the rise of a pro-Russian government, the geopolitical picture in the South Caucasus and the Black Sea region would fundamentally change.

**Crucial Elections.** The elections this year are therefore a determining point: will Georgia remains pro-American, pro-Western, and pro-democratic under President Saakashvili, or will it change its orientation under Bidzina Ivanishvili’s coalition. Do the Western countries realize this?

While the Georgia Dream coalition attracted first rate diplomats, its component members often are anti-Western, xenophobic and anti-Semitic. Their foreign policy will be different than that of the current government.

In recent years, blindly worshiping democratic process, especially elections, and disregarding American geopolitical goals has become somewhat of a fashion, including in this Administration. The U.S. vociferously supported elections in Gaza which brought Hamas to power despite the warnings from the Palestinian Authority and the Government of Israel.

It cheered when The Muslim Brotherhood won contested seats in the Egyptian parliament during the Mubarak Administration. It urged the pro-American Egyptian rulers to quit quickly, disregarding the predictable outcomes for U.S. power and influence in the Middle East. As Kim Holmes, The Heritage Foundation Vice President and the former Assistant Secretary of State for International Organizations wrote,

Egypt isn’t yet a democratic society. At best it’s “pre-democratic.” Its willingness to embrace elections may yet open up the political system to democracy. But it lacks the democratic values, institutions and customs that would ensure future elections are more than a choice between anti-democratic forces seeking to claim, or hold onto, power.

Of course, Georgia is not Egypt and Saakashvili is not Mubarak. Georgia, one hopes, would rise for the occasion and conduct elections with minimal violations. Again, let me quote Kim Holmes:

free and fair elections are indispensable to democracy. You can’t have democracy without them. But neither can you have democracy without an even greater commitment to the values, institutions and customs that make it work.

However, let us not forget that this country’s democracy is only nine years old, and Soviet authoritarianism only 20 years ago it shed. Thus far, observer missions from OSCE, IRI and NDI seem to report that the elections are on track and we should calmly expect their reports. We should definitely hold the current Georgian Government feet to the fire, expecting reasonable conduct of elections by European standards. However, we should not face an either-or choice of focusing exclusively on elections, or pursuing American interests to the exclusion of our commitment to democratic values.

Hopefully, the U.S. can learn from our own recent mistakes.

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### **Background**

Georgia is part of Europe, but it lies on Europe's strategic borderland. What affects Georgia will ultimately be reflected in Europe. The Georgian population has expressed multiple times, in referendums and polls, its desire to join Trans-Atlantic and European security and economic institutions. Meanwhile Georgia is one of the largest contributors of troops to coalition forces in Afghanistan, serving in the areas with heavy insurgent activities and facing an increasing number of casualties. One need look only at Georgia's volatile neighborhood to understand its centrality to many of today's most pressing security questions. Europe and the United States should thus have a strong interest in the stability of Georgia, and they should encourage Georgia to build a robust liberal-democratic political system based on free markets within the context of unique and distinctive cultural heritage and traditions.

Georgia made visible progress in creating functioning state entities, reducing regulatory burdens, developing critical infrastructure and eliminating bribery in bureaucracy. These are distinct achievements. The Georgian people and government deserve credit for those achievements.

Russia's occupation of Georgian territories, including areas very close to the capital Tbilisi, creates an oppressive environment, characterized by the constant threat of another military intervention that could undermine the stability of entire region. Georgia's limited defense capabilities are no match for Russia's power in the region, and the EU monitoring mission [EUMM] has very limited capability to ensure the security in the areas adjacent to Russian military units. The Russian invasion of Georgia in August 2008 demonstrated that Russia is willing to use force against its neighbors. At the same time, Russia's military presence in the South Caucasus makes Russia itself less secure.

The Russian factor has two important meanings-often in contradiction-for Georgia. First, the Russian threat is real, as this Russian leadership does not wish Georgia well, no matter who leads it. The probability of a future Russian military invasion is something every Georgian understands and has to live with. Second, because this reality is so strong in Georgia's political culture, the threat of Russian intervention has become a powerful political instrument for influencing Georgia's internal politics. Put another way, the Russian threat can be easily and powerfully manipulated for political gain by Georgia's political actors.

Internal stability is essential for Georgia's security. Stability can only be achieved if the political process creates an environment of broader political representation in the government. Leaders all around the world-heads of states, international institutions, US politicians, leadership of NATO, friends of Georgia-see the upcoming election on October 1 as an important milestone in building Georgia's democratic statehood. Many have called on Georgia to make certain that voters have an opportunity to express their free choice, and once that is achieved, to make sure that results of the elections are respected by the participants in the political process.

### **Domestic Political Context Before 2012**

In recent years the Georgian political scene has been completely dominated by the United National Movement of Georgia, or UNM, that is the party of President Mikheil Saakashvili. The UNM has won a constitutional majority in the parliamentary elections of May 2008, which has de-facto created one party rule in Georgia. In fact, Georgia has been ruled by the UNM with no significant opposition since 2004. Moreover developments after 2008 elections effectively eliminated debate and political collaboration from the Georgian scene. This has led to many harmful internal and external decisions by the Georgian leadership, which has responded to criticism by suppressing opposition with increasingly excessive force.

In this context the recent release of shocking videos of torture and abuse of prisoners prove what was said many times by human rights organizations, and partly reflected by the US Department of State annual reports on human rights. Georgia's prison system, as well as its pre-trial detention mechanism, is a potent factor in Georgian social and political life, which impacts the daily lives of thousands of Georgians and their decisions about how they deal with the government, as well as on how they approach elections. There is fear of state in Georgia. Some government officials assessed prison abuse case as "systemic problem". This is a moral failure as well. Georgian society is shocked by the facts of abuse of power, and maybe cover-up that involved high level officials, and demands full scale investigation. These abuses can only happen in an environment of unchecked and unbalanced power,

such as what exists in Georgia today. This case increases importance of upcoming elections.

In all previous elections in Georgia, incumbents have enjoyed the advantages of being able to employ the administrative tools of power, as well as greater financial resources. For example, during the 2010 mayoral elections in Capital city Tbilisi, the UNM candidate and incumbent spent 100 times more money [14 million Georgian lari, or about \$8 million] than the oppositional candidate, who finished second in the race. After the elections of 2010, the handful of businesses who contributed to the opposition's campaign were hit with large and unfair tax penalties, effectively driving them out of political process.

One positive development during the 2010 election was establishment of the inter-governmental task force prior to the elections. The Task Force was assigned to detect and respond to all violations of electoral law. The work of Task force was praised by opposition as well and the model was reintroduced again for the upcoming elections. The Inter-Agency Commission [IAC] was established on May 18 as a temporary state body to pro-actively address allegations of election law violations.

#### **Current Pre-Election Dynamics**

In October of 2011 Mr. Bidzina Ivanishvili, billionaire and philanthropist, who also was major donor for the Georgian government since the 2003 Rose Revolution, decided to enter politics, where he began to consolidate almost the entire Georgian oppositional spectrum into the Georgian Dream political coalition. Georgia is a small country and in normal circumstances the magnitude of Mr. Ivanishvili's wealth could be seen as distorting and damaging to the political process in the country. But in Georgia's reality, it became the only way to recreate the competitive political process.

In his first political statement, Mr. Ivanishvili announced that he was inviting pro-Western political forces of Free Democrats, led by former Georgian Ambassador to the UN Irakli Alasania, and Republican Party, to become the core for his new political force. There is no doubt, that this opened space for many pro-Western politicians to compete in the 2012. Mr. Ivanishvili and members of his coalition have emphasized repeatedly that their goal is to change the existing government by political means, through parliamentary elections.

Immediately after his decision to enter politics, the UNM-controlled parliament passed a new election finance law. Mr. Ivanishvili became the target of political and financial intimidation. He was fined multiple times by the UNM-dominated courts for alleged violations of election finance law, though little was actually proved. Fines reached such a level and generated such negative publicity that international monitors of the pre-election process issued strong criticisms for the responsible government agency. The Council of Europe [PACE] co-rapporteurs Michael Aastrup Jensen of Denmark and Boriss Cilevics of Latvia wrote in a statement on August 21 that the seizure of the Georgian Dream's bank accounts and "the excessive and disproportionate fines levied by the State Audit Service effectively undermine normal political activity by an opposition party." On August 22 OSCE Parliamentary Assembly's pre-election observation mission, made up of OSCE Parliamentary Assembly's leadership, also expressed concerns over "disproportionate" and "harsh" penalties of Georgia's judiciary system. OSCE PA representatives expressed hope that in the final weeks of the campaign ahead of the October 1 parliamentary elections the Georgian authorities would create "a level playing field for all parties".

Following those statements visible changes emerged in the policies of State Audit Agency. Enforcement of the previous decisions were halted following recommendations of the Inter-Agency Commission [IAC]. IAC also stepped up its efforts to deal with violations of the campaign law by the supporters of the UNM. While polarization in the society and tensions between two major political groups is growing, the electoral environment from the point of view of fairness is showing some signs of improvement.

#### **Fundamental Problems for Elections:**

**Use of administrative resources:** There is no clear dividing line between the ruling party and the state. Resources of the state, as well as state employees are frequently used to support UNM's pre-election efforts. This issue is mentioned by the OSCE's observer mission's interim report.

**Number of voters:** There has been no population census in Georgia since 2002. Officially the number of voters stands at 3,621,256 [largest number of voters in Georgia in last twenty years], while the official number of Georgian citizens is about 4.4 million. These numbers are highly questionable. The number of Georgians who emigrate is growing, estimated to be around one million. As of today fewer than 50,000

people are eligible to vote in embassies and consulates of Georgia in different countries, which leaves a large number of eligible voters beyond the electoral process. According to expert assessments, Georgia cannot claim more than 3 million resident voters. The discrepancy between what is claimed and what is the more likely reality offers opportunities to manipulate the electoral process.

Media Freedom: TV is the main source of information for greater majority of Georgians, but TV space is dominated by Government-controlled TV stations. Following recommendations of the international community and after implementation of the principle of Must Carry, 215,000 viewers received an opportunity to have access to alternative sources of information. Even after that, independent, not-government controlled media reaches only a limited [about 20-25%] portion of the electorate. The government is still holding tens of thousands of satellite dishes imported by independent TV station Maestro TV for distribution.

#### **What Shall the US Do?**

- Stay actively engaged in Georgia as an impartial observer and facilitator of the development. Success of Georgia is essential for the US strategic interests in the broader Middle East-Central Asia region.
- Entertain a frank public discussion about the state of democracy in Georgia. Georgia has made some progress, and the current government has done some good things for the country, but the narrative that stresses Georgia's liberal credentials needs to be recast in light of some significant democratic shortfalls. Monitor closely unfolding details of the current prison system crisis and investigation.
- Establish strict conditions and benchmarks for the Georgian government to ensure that elections are held in a free environment. Election monitors from the U.S. Government would be useful. The US should communicate to the Georgian leadership that if there are doubts about the legitimacy of the elections the US will not recognize its results. Plan to hold another congressional hearing after the elections to review progress. And announce this in advance of the elections.
- The US needs to monitor developments after the election as well. The election process may not end by the night of October 1. It is possible that the results of the elections in several districts will be disputed, and recounts may be requested. In order to avoid confrontation it is important that there is a process of mediation through OSCE or other monitoring groups, and the US participation in the process will significantly increase trust and confidence of the parties.
- Mount a serious effort to review the state of Georgia's media, ensuring access to the alternative sources of information throughout the entire country. Insist on the immediate release of satellite dishes confiscated by the government. Advising adding international representatives to the Georgian National Communication Commission, then closely monitoring its operations would be positive steps.

Georgia has a potential to become democratic state, full-fledged member of the Trans-Atlantic family of nations. That potential needs to be accelerated and deepened. The up-coming elections need to be seen from that perspective. Proper conduct of elections will get Georgia closer to that goal. Mismanagement of the elections may throw Georgia back for years, or maybe even decades.

In the 1940s, after travelling to Georgia John Steinbeck wrote: "It is a magical place, Georgia, and it becomes dream-like the moment you have left it. And the people are magic people. It is true that they have one of the richest and most beautiful countries in the world, and they live up to it". The Georgian people are capable of deciding the right path for their future. Free and fair elections will give them that opportunity.





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