

European Integration as one of the Main Foreign Policy and National Security Priorities of Georgia

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Abstract

The paper explores the basic socio-economic and political processes, which were going on in Georgia after the restoration of national independence in the beginning of the 90-th of the XX Century and which were related to the economic difficulties and conflicts in the two separatist regions of Georgia; also, the reasons, which determined the desire of Georgia, to develop cooperation with western democratic institutions – first of all with the European Union. The second part of the research is concentrated on the modern period, particularly, on the basic issues, related to the geopolitical importance of Georgia in the region, taking into consideration new geopolitical realities - main foreign policy and national security priorities of the country, reasons for the European Integration of Georgia, basic priorities of the EU Eastern Partnership Program and cooperation between EU and Georgia in different fields.

Keywords: Cooperation, EU, Georgia, partnership, program, South Caucasus

Introduction

Ever since Georgia regained its independence on April 9, 1991, the Supreme Soviet of Georgia passed a resolution on the restoration of independence, and after the collapse of the Soviet Union in December of 1991, Georgia entered international arena independently and established diplomatic, trade, economic and other relations with countries around the world. (Neidze, 2003)

The initial phase of independence, turned out to be very painful, as the country was involved in the civil war. The coup took place in Georgia in January 1992. Besides, during the beginning of 1992, the country was internationally isolated. At the same time, the Russian Federation was not recognizing the independence of Georgia. Hence, from the first years of independence Russia has put pressure on Georgia. This pressure was first of all expressed in the encouragement of separatism, in the South Ossetia's Autonomous District and then in Abkhazian Autonomous Republic. Russian provocations in Georgia have been the result of two conflicts in Abkhazia and in Tskhinvali Region, which eventually ended with the central government's loss of control of large part of these territories (Jones & Kakhishvili, 2013)

In the beginning of 90-th of the last Century, the economy of Georgia suffered a great loss because of war, which resulted in Gross Domestic Product's decline by 43% in 1992. (Chitadze & Gursoy, Economic and Political environment of Georgia after the Restoration of National Independence, 2012) In addition, the high-ranked government officials did not have the relevant experience to govern independent Georgia. Naturally all of these factors reflected negatively on Georgia's social - economic development and on representing itself in the international arena adequately.

To overcome crisis, Georgia needed assistance from Western countries and from various financial institutions. Indeed country got the most important assistance from the leading Western countries, among them were United States of America, European Union, as well as from international financial institutions such as: The International Monetary Fund, World Bank, etc. Also, noteworthy is the fact that in the first years of regained independence, the West was not as active in the South Caucasus region. Therefore Georgia had to choose Pro-Russian foreign policy in its first stage of independence; moreover, Russia has forced the government of Georgia to announce the agreement about deployment of Russian "peacekeepers" in Samachablo on June 25, 1992 and after the war in Abkhazia, on the territory of the Autonomous Republic of Abkhazia. In addition, Georgia was forced to enter "Commonwealth of Independent States" and then in Politico-Military Block, the "CIS Collective Security Treaty Organization" (CSTO), where leading position belongs to Russia. Therefore, we can say that Georgia was forced to step in pro - Russian foreign policy, in its first stage of independence.

The real intention of Russia was to subordinate Georgia. Official Tbilisi hoped that if it compromised with its Northern neighbor, Russia would support Georgia's territorial integrity, for this reason Georgia accepted Russian "peacekeepers" to be deployed in the conflict regions, moreover, according the interstate agreement (which later was not ratified) Russian military bases had to be deployed in Georgia for a 25 -year period. In addition, on February 3, 1994 the "framework agreement" between Russia and Georgia was signed. Despite all of this, Russia did not take any measure to promote the restoration Georgia's territorial integrity. (Chitadze,

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Geopolitics, 2011)

In the second half of 90th, Georgia was trying to find political partners in the West and to change its own foreign policy. All this coincided with the activity of the West and primarily the USA and EU in the post-Soviet space, especially in the South Caucasus and the Caspian Sea region which was related to the fact that, on 20 September, 1994, the Azerbaijani government signed the "Century Contract" with West's leading oil companies, to assimilate and transport Caspian Sea region's oil and gas resources to the East. In this regard, the role of Georgia's territory as a transit country became important. Naturally, from the second half of nineties the West has actively engaged in the pipeline construction in Georgia and invested in different sectors of the economy of Georgia. (Chufrin, 2001) It should be noted that, over the last century of nineties Georgia gets closer to Western institutions, among them should be mentioned an agreements signed between Georgia and European Union "Partnership and Cooperation Agreement" in October, 1996. (Chkhikvadze, 2013). Also in 1999, the Baku - Supsa pipeline was constructed under the supervision of the operational British company, "British Petroleum." (Chufrin, 2001)

Paralelly, Russia strengthened its pressure on Georgia, which is clearly seen in May 1998, in Abkhazia, in the Gali district, where newly returned fifty thousand Georgians become IDP-s again. In addition, Russia introduced a visa regime and has also intensified its support to the separatists in the regions of Abkhazia and so called South Ossetia, and issued Russian passports to the inhabitants in the occupied territories. In response, it is natural that Georgia became a more pro - western oriented country. Already in 2001 the U.S. military launched a training of Georgian Armed Forces, with the purpose of stabilizing the Pankisi Gorge of Georgia.

In 2002, during the Prague Summit of NATO, Georgia's former President, Eduard Shevardnadze, officially announced Georgia's desire, to become a full member of North - Atlantic Alliance. Of course, Georgia's rapprochement with the West has been significantly developed after the "Rose Revolution". Georgia established closer relations with European Union, United States of America and NATO. In May 2004, Georgia became a member of EU's Neighborhood Policy and in October 2004, NATO and Georgia signed the "Individual Partnership Action Plan" (IPAP). Besides, the United States has intensified its military aid and training of Georgian soldiers, who later were sent in Iraq and later in Afghanistan. (Chitadze, NATO: North-Atlantic Alliance. Main Guarantee of the Peace and Security in the World, 2008)

Naturally, all of the above mentioned irritated Russia, which, in its turn increased its pressure on Georgia, which is expressed in the fact that Russia by increasing natural gas price for Georgia, from \$ 60 to \$ 110 in 2005 and from \$ 110 to \$ 235 in 2006. Moreover, Russia has imposed an embargo on Georgian products, for example: on alcoholic products, on Georgian wine, as well as Georgian fruits - vegetables and mineral waters also. After the arrest of Russian spies on the Georgian territory, Russia cut off any means of transportation with Georgia. (Chitadze, Geopolitics, 2011) In spite of the above-mentioned facts, Georgia managed to get over Russia's economic and political pressure. For example, in 2007 foreign investments in Georgia increased

by two billion dollars (Ministry of Economy and Sustainable Development of Georgia, 2014). But tensions between Russia and Georgia reached its peak in August 2008, as the result of war with Russia, Georgia lost 20% of its territories. It's obvious that, after the war diplomatic relations between Georgia and Russia have vanished, after that Georgia's will to get closer with the West became even stronger, which is expressed in the fact that Georgia became a member of EU Eastern Partnership program, in May 2009. Also, Georgia-NATO commission was created and since the beginning of 2009 official Tbilisi intensively commits to its obligations under the NATO's Annual National Program. Today, Georgia has closer relations with the West. It should be noted that, in 2013, according to the foreign trade turnover, the share of EU in the foreign-trade structure of Georgia was approximately 27%. (Ministry of Economy and Sustainable Development of Georgia, 2013). It's very important to consider the threats and challenges facing Georgia after Russian aggression. This threats and challenges are: After the war Russia occupied almost 20% of Georgian territories, also its occupation forces are in 40 kilometers from Tbilisi, and Russia is trying to encourage subversive and terrorist acts on Georgian territories. From the above mentioned it is necessary to consider new realities created after Russian-Georgia war instead and Georgia's national security and foreign policy priorities should be defined taking into consideration the new realities.

Role and Place of Georgia in the Modern Geopolitical System

Georgia, one of the oldest countries in the world, has gone through long historical process of reconstruction and national development. Today it is an independent and sovereign country. According to geographical and geopolitical point of view the country is a part of unique region, Caucasus, which is located on the crossroads of Eurasia. Historically, after the unification of Georgian tribes, it has been raised heir of Colchis and Iberia, which was well- known even in the ancient period.

Importance of the Geopolitical Location of Georgia

According to physical-geographical point of view Georgia is located between the borders of Europe and Asia.

Georgia's territory, which borders in the north with Russia, in the east with Azerbaijan, and in the south with Armenia and Turkey, that share a south-eastern portion of its border with Iran, makes Georgia an attractive geopolitical-economic region, particularly since it is a country through which runs the Baku-Ceyhan oil pipeline that flows from the Caspian Sea to Europe. Georgia also has access to the Black Sea ports. However, it is Georgia's military strategic importance which brings Georgia into greater geopolitical focus and attraction by its neighbors.

According to general features of the geopolitical location, Georgia has: 1. The central location in the Caucasus region; 2. Peripheral location towards European countries;

3. the neighborly location (border) – towards Turkey, Russia, Azerbaijan and Armenia, which border with Georgia. Also there is a second row (nearby) countries which directly border the neighboring states of Georgia and have some territorial closeness with the country. Their neighborhood role grows if first row neighbor's territory "space" is not big and it's "bandwidth" is good. We may consider that such neighbors are: Iran, Syria, Iraq and Greece (via Turkey). 4. Location on the sea, which directly connects Georgia not only with Black Sea Coast countries, but also opens suitable way to the world markets.

Georgia's geopolitical situation is distinguished with very comfortable transport-geographical location. Its territory is an axis of Europe - Caucasus - Asia transport corridor (TRACECA). It is also the shortest transit line which connects with the countries of Eurasia. At the same time, Georgia can contribute in the functioning of "Great Silk Road".

According to religious-geographical location, Georgia is surrounded by Islamic religious nations. Only way of connecting with the Christian world by land is through Russia, as the southern neighbor, Armenia, it is isolated from Christian world itself. At the same time, Black Sea connects Georgia with Ukraine, Romania, Bulgaria and Greece, which are orthodox countries.

Transit Function of the Country

From the end of the twentieth century until now, Georgia has been an energy corridor connecting Asia and Europe, largely as a result of its geographical location and political will. Being such a strategically-important corridor has had both positive and negative aspects. Many of Georgia's current problems, particularly those of its territorial integrity, have been caused by this. (Although Georgia's importance as a transport corridor should in theory secure its safety it has been attacked by Russia for that very reason.)

First of all we must realize results of Soviet Union's collapse, which, itself resulted in cardinal changes in the world order. Georgia's geographical location is very perspective of promising Transit Function carrier, but existing heritage was in need of reorganization. It was necessary to provide the legal framework, to improve communication systems, to establish banking system and insurance conditions, to regulate environmental tariffs and a number of issues in order to improve Georgia's transit infrastructure to become an international transit corridor, which will be a bearer of international standards requirements, which definitely will be the main guarantor of transit corridor's exploitation by Foreign countries.

Many Economic analysts suggest that the corridor has more of a security than an economic function. After the collapse of the Soviet system Georgia could have either stayed in Russia's orbit as a satellite or taken a Western orientation and an independent stance. It chose the second option, not only leaving Russia's sphere of influence but competing with it as an east to west energy supplier, while Russia claimed it had the sole right to fulfill this function. Of course, Moscow reacted to this and started taking all possible and impossible steps to damage Georgia's image as a transit country.

The idea of Europe - Caucasus - Asia transport corridor in Georgia was born in 1992. In 1993, in Brussels, European Commission invited South and Central Asia's eight country's Ministerial Conference where was risen idea of a trans-Caspian pipeline's development that followed adoption of a declaration, which was a base of regional program – TRACECA. This was precondition strategy to restore so-called "Great Silk Road". (Tracecca, 2014) Simultaneously to the TRACECA program has begun elaboration of project, the possibility of export from Azerbaijan through Georgia to international markets was raised. In 1996 an agreement was signed between Georgia and Azerbaijan about Baku - Supsa oil pipeline construction, which was completed in 1999 and the corridor received "energetic" aspect. Also, there are two very important regional infrastructures - Baku - Tbilisi - Ceyhan oil pipeline and South Caucasus gas pipeline the "Shah - Deniz" project. Although the TRACECA Goods transportation is growing every year, still there are some signs which partially impede its perfect functioning. It is expressed in the following: one of the main reasons of Russia's aggression against Georgia is to destroy Georgia's transit potential.

Russia realizes that it might lose control of Central Asian states such as Kazakhstan, Turkmenistan and others if these countries no longer need Russia to transport their principal export, energy, to Europe. It is in their best interests, and in Europe's, that Georgia provides an alternative route from east to west. However, at the critical time - August 2008, the West did not show enough courage to defend its own interests by protecting Georgia.

Foreign Policy Aspects of Georgia

Foreign policy is one of the main directions of Georgia's national security policy, aimed at establishing a favorable international security environment for Georgia. In order to achieve this goal, Georgia cooperates with the international community in bilateral and multilateral formats. From the South two great imperial countries, Iran and Ottomans, were fighting to gain spheres of influence in Georgia and from the North it was Russian Empire. After the formation of Russian Empire the territorial expansion has begun and as one of the major directions Caucasus has been chosen. In this period, North Caucasians intensified attacks on Georgia. Russia took advantage of this and in the XIX Century occupied different historic provinces of Georgia.

After the collapse of Russian Empire (USSR) in 1991, Georgia regained its long waited independence. In today's interdependent world, national security and prosperity cannot be achieved in isolation from the rest of the world. For Georgia's security to be lasting, it is crucial to support global security. Independence and freedom of Georgia depends on respect of the sovereignty of other states of the world. The well-being and economic prosperity of other states and regions will influence the welfare of Georgian citizens. And consolidation of democracy in Georgia can only be achieved through strengthening democratic developments on a global scale. To reach this vision, Georgian foreign policy of the 21st century should strive to bring about international actions that advance the national interests of Georgia and Georgian citizens, as well as to make a contribution to build-

ing a world community in which there is enduring peace and security, an expanding democracy and lasting prosperity.

Nowadays, process of old world's destruction and construction of new one has begun. Georgia, which chooses development through democracy and independence should find its place among world's civilized nations, should be integrated into the modern system of international relations and at the same time maintain its own identity. To achieve the above mentioned goal, Georgia should develop its own strategic political course, which will be based on genuine national interests. The way how Georgia will lead its domestic and foreign policy is very important, because its destiny and luck significantly depend on it. Today Georgian society does not have the right to make mistakes, that's it should form its own national security system as soon as possible, using own specific conditions as well as rich theoretical and practical experience existing in the world.

Security is such a condition of the state when physical existence of citizens, identity and development are ensured. It is a state's supreme interest to achieve and maintain the above mentioned conditions. Nation's physical existence implies to maintain the existing number of population by demographic structure, which ensures the preservation of their identity. National identity is a combination of peculiarities, which is stipulated during the centuries of historical, geographical, and genetic factors. National development means - to move towards appropriate condition of national interests, according the factors based on geopolitical location, cultural features and on global ideologies.

Georgia needs to establish and develop bilateral beneficial and friendly relations with other countries as in the region as well as outside of the region. At the same time it is in the interests of Georgia's foreign political relations to balance a power, whose interests focus on Caucasus and primarily on Georgia. It is necessary to determine the political course towards the Great Powers. This concerns both our immediate neighbors (Russia, Turkey) and countries located near Georgia's territory (Ukraine, Iran), as well geographically distant countries (the United States, Western European and East Asian countries), as a course of modern integration processes, development of transportation and communication systems, stipulate certain interests of these countries about recent developments in the region. Along with settlement of interdependence with Great Powers, a great attention should be paid to relations with neighboring small states (Armenia, Azerbaijan), as well as to seek strategic partners (e.g., Israel). Security's foreign policy aspects are always prioritized in national security system. According to the modern understanding, country's security cannot be ensured only through military power. Unfortunately, till today, world is arranged so that the civilized international relations, during which violence is excluded in state relations, concerns only limited area of our planet yet. Conflicts have not yet extinct; moreover, new conflicts are given birth.

Georgia is located in the region which is full of such conflicts. Unfortunately the above-mentioned forms of civilized international relations are still weak here and in the future new threat of aggression is not excluded. For this reason, in Georgia's national security system aspects of military security are very important. Military security unifies the state

defense capabilities, i.e. ability of the armed forces of the country to prevent or repulse an attack of foreign military forces. Together with political and military aspects, national security's major element is economic security. Today's economic security situation in Georgia is difficult. While speaking about foreign policy aspects we should pay attention to foreign policy of Georgia. In 1992, main task of Georgia's foreign policy was international recognition and establishment of diplomatic relations with foreign countries and we can say that it was performed successfully. Today, Georgia is a member of more than 50 international intergovernmental organizations and has established diplomatic relations with more than 130 countries. (Chitadze, 2011) From 1992 till today, one of the major priority tasks of foreign policy has been: proper formation of public opinion about conflict process in Abkhazia and Tskhinvali District, also about country's de-occupation and regained territorial integrity and to ensure realization and adoption of international political decisions.

The leading principle of Georgia's foreign policy is to develop friendly relations, as well partnership with foreign countries. Georgia's foreign - political orientation is determined by many factors. From the above mentioned tasks and goals, foreign policy is focused on integration into European and Euro - Atlantic structures. Cooperation with international organizations has been activated. It should be noted that these relations gain a new look, particularly:

1. Cooperation with NATO is gaining more and more concept. As we know Georgia seeks to become a member of NATO. On October 29, 2004, NATO approved Georgia's Individual Partnership Action Plan (IPAP). Implementation of IPAP is essential for NATO membership. IPAP encompasses complex reforms in political, defense, security, economic and other fields, which are necessary to develop Georgia into a stable democracy and a reliable partner of NATO. From 2006, both sides have engaged in an intensified dialogue. In 2008 NATO-Georgia commission was created, and nowadays Georgia is implementing the Annual National Program in the framework of cooperation of Georgia with North Atlantic Alliance. Of course it is also very important that, more than one thousands of Georgian troops were sent to Afghanistan, where they fight side by side with NATO - Member states armed forces. This way Georgia proved its readiness to share the responsibility of the collective security. (Chitadze N., 2008). As a result of this cooperation, during the Wales Summit of NATO (September 2014), the Alliance is consideration the granting "special partner" status to Georgia;

2. Georgia takes active part in a transport and energy projects of the Caspian and Black Sea region;

3. Georgia's membership in World Trade Organization is very important, as it get involved more actively in the global economy. Today Georgia's foreign trade volume is over 10 billion dollars. (Ministry of Economy and Sustainable Development of Georgia, 2014).

4. It is extremely important to develop Georgia's relation with European Union. In June 2004, Georgia was included in the European Neighborhood Policy (ENP), which represents an important mechanism for further movement towards the European Union. The ENP provides opportu-

nities to ensure the “four freedoms” of movement (goods, services, capital and persons), to increase efficiency of state institutions and enhance scientific-educational cooperation with the EU. Moreover, there is an opportunity for cooperation in the fields of political dialogue, border protection, crisis management and the rule of law. In 2006 the two sides signed an action plan. After the August 2008 events, (Russian aggression on Georgian territories) EU’s observers has begun patrolling operations in the occupied regions of Georgia. At the same time it is important to mention, that since 2009 Georgia, together with 5 post-soviet Republics has been amember a member of EU “Eastern Partnership Program” and in June 27, 2014 has signed the “Associate Agreement” with EU.

In spite of Russia’s anti-Georgian propaganda in the international arena, Georgia, is increasingly seen as a necessary partner. First of all it was determined because of profitable transport-geopolitical location. Transportation - communication corridor propaganda on Eurasia, which, from the very beginning became the most important task of Georgia’s foreign policy and today Caucasus region, is in the center of attention of leading countries and of big companies.

Summarizing the foreign policy priorities of Georgia, it can be assumed, that broadening the integration processes in Europe is important for the security and strengthening the statehood of Georgia. Georgia is considered as a part of the European and Euro-Atlantic space. Accordingly, the eastward enlargement of NATO and of the European Union is important for Georgia. Aspiration of Georgia toward Europe will enable to consolidate its democracy and strengthen its national security. Georgia’s foreign policy is based on the principle that all countries have the right to choose their own strategic priorities for the future development, as well as the organizations they want to join. (Ministry of Foreign Affairs of Georgia, 2011)

Main Aspects of the EU-Georgia Relations

Importance of the Integration into the European Union

Georgia’s gradual integration into the European structures represents one of the most important directions of the nation’s political and economic development. Strengthening the cooperation with the EU supports the further promotion of Georgia’s democratic institutions and security, as well as development foreign-trade relations with the EU.

Broadening institutional frameworks of the relationship with the European Union is important for Georgia. Georgia intends to gain the Four Freedoms (free movement of people, goods, services, and capital) with the EU. Majority of population of Georgia considers the European Neighborhood Policy and Eastern Partnership as significant aspects contributing to Georgia’s integration into the EU.

Georgia conducted negotiations and on June 27, 2014 signed the Association Agreement with EU to achieve a higher level of political association and economic integration with this Organization, including the development of deep and

comprehensive free trade relations. Georgia pays important attention to the successful implementation of the visa simplification and readmission agreements with the EU, with the final goal, to achieve visa-free travel. Furthermore, Georgia strives to establish sectoral cooperation with the EU in energy security, transport, education, culture, and other spheres is important for Georgia. Georgia does its best for more involvement of EU in resolving the Russian-Georgian conflict and de-occupation of the two historic Regions of Georgia by peaceful means. It is important that EU has recognized the occupation by the Russian Federation two territories of Georgia (Resolution of the European Parliament, November 17, 2011). It is of strategic importance to Georgia that the EU represents the mediator of the Russian-Georgian Ceasefire Agreement of August 12, 2008, and continues its diplomatic pressure on the Russian Federation to respects the norms and principles of international law and the international obligations it has undertaken. (Ministry of Foreign Affairs of Georgia, 2011)

History of the EU-Georgia Relations

Relations between the European Union (EU) and Georgia started in 1992 just after Georgia regained its sovereignty in the wake of the break-up of the Soviet Union. The EU was one of the first to assist Georgia in the difficult early years of transition, which was very important for the development of the country. The European Commission (EC) opened its Delegation to Georgia in Tbilisi in 1995. Relations particularly intensified after the 2003 “Rose Revolution”, when the EU reiterated its pledge to back the country’s commitment for economic, social and political reform. The most important document of EU-Georgia relations is the Partnership and Cooperation Agreement (PCA), which was concluded in 1996, but entered into force in 1999 for an initial period of ten years. (European Union External Action, 2014).

The PCA provides for wide-ranging cooperation in the areas of political dialogue, trade, investment, economic, legislative and cultural cooperation. In December 2005 the EU granted Georgia General System of Preferences (GSP+), which was extended in 2008. This agreement provides non-reciprocal tariff reduction on duty free access to Georgian exports to the EU. (Delegation of the European Union to Georgia, 2014).

In 2003-2004 the EC proposed a new foreign policy for the EU - the “European Neighborhood Policy” (ENP) (EUR-Lex, 2014) - with the objective of avoiding the emergence of new dividing lines between the enlarged EU and its neighbors and instead strengthening the prosperity, stability and security of all concerned. The inclusion of Georgia in the European Neighborhood Policy (ENP) on 14 June 2004 marked a significant step forward in EU – Georgian relations. The EU – Georgia ENP Action Plan was adopted on 14 November 2006. The Action Plan is a political document laying out the strategic objectives of the cooperation between Georgia and the EU. It covers a timeframe of five years. Its implementation is significant for Georgia because it helps fulfill the provisions of the PCA, build ties in new areas of cooperation and encourage and support Georgia’s objective of further integration into European economic and social structures. On the basis of bilateral priorities, also

a National Indicative Program (NIP) has been adopted in agreement with the Georgian authorities. The NIP covers the period from 2007-2010. In spring 2009, the EU launched the "Eastern Partnership" with the objective of supporting political and socio-economic reforms in Georgia, as well as Armenia, Azerbaijan, Belarus, Moldova and Ukraine. The "Eastern Partnership" foresees stronger political engagement with the EU namely the prospect of a new generation of Association Agreements and far reaching integration into the EU economy with deep free trade agreements. Since the early 1990s, the EU has been assisting Georgia's efforts to overcome the consequences of internal conflicts in Abkhazia and South Ossetia. The appointment in July 2003 of a European Union Special Representative for the South Caucasus (at that time the Finnish diplomat, Ambassador HeikkivTalvitie, succeeded in 2006 by Swedish Ambassador Peter Semneby) underpins the intention of the EU for actively contributing to the peaceful resolution of conflicts in the South Caucasus and for the deepening EU relations with Georgia and the other two countries of the region, Armenia and Azerbaijan. Until the August 2008 war between Georgia and Russia the EU was the largest donor in Abkhazia and South Ossetia. The European Union Monitoring Mission (EUMM) in Georgia was launched in October 2008 in accordance with the arrangements set out in the EU-mediated agreements between Moscow and Tbilisi after the August war. The EUMM's mandate is to monitor these agreements and covers Georgia's territorial integrity. The European Union (EU) supports Georgia's ambitions to get closer to the EU. The EU assistance to Georgia between 1992-2009 amounted to almost € 865 million. (Delegation of the European Union to Georgia , 2014)

In order to summarize in details the programs or projects of support carried out in Georgia by EU it is necessary to look again though the chronology of Georgian – EU Relations:

- The relations between EU and Georgia began in 1991, as soon as Georgia restored independence after the destruction of the USSR. Taking into account the challenges, one of the program for the Commonwealth of the Independent States suggested by EU was "TACIS"- Technical Assistance to the Commonwealth of Independent States). This was the first official program with the help of which Georgia declared the readiness for the building the state which would have values of the West, but the west in itself will promise the assistance in overcoming challenges within the period of transition.

- Euro Commission opened its representation (Delegation) in Tbilisi in 1995, though in 1994 Georgia began working on agreement of Partnership and Collaboration. Its aim is to show EU policy, give the explanation of its basic sense and in future implement it, also to make reports on political issues taking place in Georgia and their analyses. EU representation conducts negotiations in the frames of warrant authorized to it.

- Agreement of partnership and collaboration is the basic element of relations. The agreement determined that basic frame in which the Georgian-EU future Relations should have been developed. The agreement adopted in 1996, which came into effect in 1996, was stipulated within the

period of 10 years, though after the elapse of 10 years period, every year it is automatically prolonged for the period of one year. The agreement provides wide-scale of relations in spheres of political dialogue, trade, investments, economy, Law and culture. The parties assumed the system of prior assistance on the basis of Agreement of Partnership and Collaboration that annuls quotas in the sphere of trade and protects the intellectual, industrial and commercial property rights.

- The main point of GSP is single-side reduction of commercial fares for economically weak countries from the party of economically developed ones. The objectives is the export promotion and development in comparatively weak countries. EU suggested Georgia to use mentioned system with the help of which customs duty was annulated on exported goods from Georgia to EU market. Georgia has been using the beneficiary status of EU GPS System since 1999.

- The Additional Preferences, so called general preference system of EU – GPS + system was activated on July, 2005 and it together with other countries (14 countries) came into action Georgia too. GPS + system gives opportunity of the single-side reduction of commercial fares or their annulations. That means the approximately 7200 Georgian output will enter the EU market with special or zero customs price that will promote the expansion of Georgian export.

- EU started its observation mission in Georgia in October 1, 2008. The duty of 200 observers of the monitoring mission is to ensure from both parties the implementation of the obligations intended in the August-September Agreement in 2008 and signed by President Sarquozzi and Medvedev. Observers are allocated on the territory of the country, to restore the trust among government representatives and render assists to local population to live in a secure environment. The mandate of mission is spread all over the territory.

- The Eastern Partnership Initiative came in effect on May 7, 2009 in Prague between EU and six partner countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) including political association and further assistance in economic integration. In the frames of EU the mutual collaboration between EU and partner countries will develop in the direction as follows: 1. Deep and comprehensive Free Trade Agreement (DCFTA) and its adoption; 2. Relocation and Security; 3. Energy Security; 4. Economic and social development assistance.

- Georgia and EU began negotiations on association in the frames of Eastern Partnership in 2010. Eastern Partnership implies political and economic collaboration with EU. So, EU suggests to partner countries prospects of agreement on association that also comprises signing the Deep and comprehensive Free Trade Agreement and takes off the nontariff barrier in trading process, with is important for the equal conditions in commerce and for guidance with the "rules of play".

- Georgian and EU Agreement on procuring EU visa by means of its simplification system came into effect on March 1, 2011. The departure to EU countries and making contacts with people will be simplified on the basis of the mentioned agreement. The Agreement of Readmission of persons liv-

ing without permission was signed Between EU and Georgia on November 22, 2010, which after the accomplishment of ratification process came in force in March 1, 2011 together with the Agreement of Visa System Simplification. The basic objective of the agreement is to strengthen the collaboration among participant countries in the struggle against the illegal migration. The Readmission Agreement provides quick and effective procedures for the identification and organized comeback of those persons, who do not satisfy the stated demands of the entrance, living and being on the territory of Georgia or any EU member country.

- On December 5, 2011 EU adopted the decision to begin negotiations for Deep and Comprehensive Free Trade Agreement with Georgia. The mentioned direction is the important component of the Georgian–EU Association agreement. The negotiations will be conducted on the wide range of trade and economic issues, that will assist in the integration of Georgia with EU.

- The dialogue between Georgia and EU on Visa-free system was opened on June 4, 2012. According to the stated procedures, the following stage provides for the working out of the appropriate action plans on visa-free system. This plan determines the events carried out by Georgia for the liberalization of the visa system according to the four section (Document Security; Illegal Migration; Public Order and Security; Foreign Relations and Human Rights), in case of its successful implementation the annulment of visa system between Georgia and EU countries will become possible in future. The objective of the dialogue is to verify all important conditions for visa -free travelling of citizens of Georgia in EU countries. (Ministry of Foreign Affairs, 2014).

- On June 27, Georgia signed Associate Agreement with EU. The document includes more than 1000 pages and takes into consideration the development cooperation in different fields.

Basic Priorities of EU-Georgia Cooperation

The main EU-Georgia co-operation objectives and priority fields are outlined in three key documents: the Country Strategy Paper 2007-2013(CSP), the National Indicative Program 2007-2010(NIP) and EU-Georgia Association Agreement (signed on June 27, 2014).

The Country Strategy Paper (CSP), prepared by the European Commission, covers the political, economic, social and institutional situation in Georgia. The report assesses when and how relations with the country can deepen and is the basis on which a political decision is taken for the next stage - the Action Plan. Georgia's CSP includes eight priority areas for action: Rule of Law, Improvement of Business Climate, Economic Development and Poverty Reduction, Co-operation on Justice, Law, Security (JLS) and Border Management, Regional Co-operation, Resolution of Internal Conflicts, Co-operation on Foreign and Security Policy, Transport and Energy.

EU Georgian relation comprises Political and economic relations, technical and financial co-operation, infrastructure, environment and rural development, human rights,

democratization and Civil society building, assistance in justice, achieving freedom and security, education, health, social development. Georgia has made significant progress in carrying out economic reforms in the last few years. In order to create a sustainable environment for economic development, the European Union (EU) has provided assistance to Georgia in reforming its tax collection administration and procedures and fighting corruption. It has thus contributed to opening up the country to foreign investment, facilitating trade and empowering the private sector as a driver of the economic growth. The EU supports also the Regional development policy of Georgia to create new economic development opportunities in Georgian regions. Trade is a key issue on the country's agenda since Georgia is engaged in a preparatory process for a Deep and Comprehensive Trade Agreement (DCFTA). For human rights, the main source of funding comes through the European Instrument for Democracy and Human Rights (EIDHR) which has financed a wide variety of projects in Georgia since 1998, both through large projects managed from Brussels and through the micro-projects which are managed directly by the European Union Delegation to Georgia. The relatively new Non-State Actors and Local Authorities in Development Program are aimed at developing the capacities of these two entities to support all aspects of the participative democracy process at a local level, as well as building co-operation between them in the pursuit of this goal. On the central level, the EU works to strengthen key pillars of good governance. Support for the development of independent media has been delivered through a number of projects such as training for the Georgian Public Broadcaster and strengthening of the role of the media as a watchdog in Georgian society.

Over the years, the Georgian Parliament has benefitted from a variety of actions, both in terms of material support in the shape of equipment and library resources, as well as in the reform of its administrative procedures. All aspects of the electoral system have received intensive support from the EU. In this area, the EU has employed a multi-vector approach, supporting efforts to reform the legislative framework, working with the election administration officials, providing training for non-partisan election observers and strengthening media awareness of their rights. Support to civil society is mainstreamed through all the above mentioned instruments, as well as increasingly through the sector support and budget support programs. Increased involvement of civil society is an aspect of its co-operation to which the EU is firmly committed.

Assistance to a broad field of legal and administrative reform has been one of the key areas of the European Union (EU) assistance to Georgia since the early 90ties. Since the November 2003, "Rose Revolution" in Georgia, the EU assistance was strongly focused on the reforms of the justice system in Georgia. At the new stage of the Georgia-EU cooperation, EU-Georgia Action Plan puts special emphasis on the cooperation in the fields of Rule of Law and Justice. The EU has within this broader area of assistance provided support in a variety of areas related to Justice, Freedom and Security also. These projects have covered array of specific fields within the sector and were implemented by using different funding instruments. In the area of fighting against illegal drugs the EU has provided funding for the regional South Caucasus Anti-drug Program. The EU has supported

Non-Governmental Organizations (NGOs) to implement selected projects in the field of migration under different instruments.

The Georgian Government has achieved considerable progress in certain areas of cooperation under Justice, Freedom and Security, notably fight against trafficking in human beings, however the other fields of cooperation in this sector remain to need additional contribution for achieving sustainable positive results. The EU has made considerable contribution to the criminal justice system reform in Georgia through various projects aiming at capacity building of key justice sector institutions, providing expertise on legal and structural reforms and more importantly, through being engaged in a structured policy dialogue with the Georgian Government on Criminal Justice reforms. Assistance in these areas is delivered through a number of different instruments and programs allowing the European Union (EU) to employ a variety of approaches at central, regional or local level, depending on what are most effective in the given context.

In the field of Higher Education there are several programs (TEMPUS, ERASMUS MUNDUS, Jean Monnet) facilitating higher education institutions' cooperation with European universities, increase mobility of students, researchers and university staff. Through various programs the EU greatly supports the progress towards integration of the Georgian Vocational Education and Training (VET) system into the common European educational space.

The European Union is supporting the government in the implementation of the Primary Health Care Reform Program aimed at improving the equitable coverage and utilization of quality Primary Health Care services by the Georgian population in several regions of Georgia. Civil society representatives are also grantees of the EU and are involved in the capacity building of the non-governmental and community based organizations for achieving better access by the poor people of Georgia to the quality health care, in improving access to the quality primary health care for the vulnerable population. Child welfare reform is also a field in which the EU is very active. which includes improving the quality and coverage of the services provided to children, ensuring that all children in need of support in Georgia can benefit from quality, individualized social services, that children in need are where possible kept in their families or in a family-like care environment and that every child in Georgia is protected by the State from all types of abuse, exploitation and neglect.

Transport. Due to its strategic geographical location, Georgia is a crucial hub and a key transit point for the whole Caucasus and beyond. Furthermore, improving transportation infrastructure is a crucial requirement for the country to achieve in full its economic and social development objectives. In response to this context, the European Union (EU) is actively involved in assisting Georgia to improve its transport networks (aviation, railways and marine transportation). Most of the transport-related initiatives assisted by the EU in Georgia are implemented through the TRACECA Program (Transport Corridor Europe Caucasus Asia). TRACECA is an ambitious regional action aimed at supporting the political and economic development in Black Sea Region, Caucasus and Central Asia by means of improvement of the

international transport. (Chitadze N., 2011)

Energy. Energy issues have become more and more important for both Georgia and the EU. Besides, It has been reflected others in the Eastern Partnership initiative. Within its framework the co-operation between the EU and the partner countries will be enhanced in a number of energy-related areas (creating regional electricity markets, improving energy efficiency and promoting renewable energy, developing mutual energy support and security mechanisms, etc.). The EU has recently carried out a feasibility study for the project "Trans-Caspian-Black-Sea gas corridor"; The EU has financed numerous projects within the framework of its INOGATE program - mainly technical assistance; The Georgian Policy and Legal Advice Centre (GEPLAC), financed by the EU, has assisted the government with regard to the energy policy and legislation, recently in the preparation of a law on energy efficiency.

Environment. Georgia is one of the richest countries in the world when it comes to diversity and uniqueness of its environment. The protection of environment is among key objectives of the European Union (EU) worldwide. The EU assists Georgia not only to implement concrete environmental projects but also helps draft policies, strategies and legislation.

The activities financed by the EU concern all the key areas of environmental protection – climate change, nature protection, waste management, air protection, water protection and prevention of natural disasters. Many activities also focus on raising awareness about the environment and on encouraging communities to get involved in environmental protection. Management of solid waste is one of the most serious environmental problems in Georgia - both hazardous and municipal waste are mostly dumped on landfills, dangerous both for human health and environment, or even dumped in the nature. The EU approach is based on recycling, reuse and composting of waste from households on one hand and on a safe disposal of hazardous waste on the other. The EU approach to water protection is based on an integrated management of river basins. These basins usually cover the territory of several countries. The largest one in the southern Caucasus is the Kura-Aras river basin. The EU helps countries of the southern Caucasus to protect this river basin through several projects (ca € 5 million for Georgia) by developing their water legislation, collecting the necessary data, providing them with laboratory equipment for monitoring of water quality, etc. The EU is also very active in protection of the Black Sea and its coast. Air prevention: The quality of air, especially in major Georgian cities, is rather poor. The EU therefore helps Georgia to measure the amount of dangerous substances in the air and to draft legislation and strategies to improve the current situation.

Natural and man-made disasters, such as landslides, erosions, draughts and floods, become more and more frequent in Georgia. The EU therefore helps the most affected regions, especially in the mountains, in the prevention and reduction natural disasters risks. At the same time the EU enables these regions to respond to these disasters in a coordinated and efficient manner. € 2 million have been granted in this sector.

Rural Development. More than half of the Georgian

population relies on agriculture as their first means of life. Thus, the EU gives a lot of importance to rural development in its co-operation actions. For years, food security has been one of the priority topics of the EU co-operation with Georgia.

After the August 2008 military conflict, substantial efforts have been conducted, through the UN organizations and various NGOs, to improve the living conditions of the conflict-affected population, through livelihood and food security projects.

The country will require significant improvements in the food safety and phyto-sanitary (SPS) fronts, and to align the SPS systems, policies and legislation with the EU regulations in these fields. To this aim, the EU provides technical assistance and capacity building through various initiatives, such as the Support to the improvement of the Sanitary and Phyto-sanitary system in Georgia - technical assistance, the FAO/EC Animal Health program, or the Improvement of trans-boundary animal disease surveillance and prevention system in South Caucasus - technical assistance.

For the past sixteen years the European Union (EU) has been funding programs to support people, whom were affected by the conflict. Even before August 2008, the EU was the largest donor to support the needs of conflict-affected persons in South Ossetia and Abkhazia. Following the war of August 2008, the EU has given support to the people who had to flee their homes. After the August war of 2008 the EU-funded programs in South Ossetia have unfortunately come to a halt. Currently the EU remains the largest donor organization in Abkhazia where the EU projects are still ongoing and new projects launched.

As it is seen EU helps Georgia in many fields and many EU projects are operating in Georgia, which is very important for country's progress and future development. EU membership will allow Georgia to enter European Single Market which enables companies to trade in an international market and a Monetary Union; other advantages of EU membership for Georgia will be environment protection and war prevention. However, there are also some disadvantages that should be considered which are the loss of the territorial integrity, sovereignty the most painful items for the country, but there is also a hope that Georgia - EU relations overbalance those existed cons and create priority for Georgia's further development.

Georgia – EU Trade Relations. The Georgian Government and EU Representatives agree that the principle interest of Georgia is the trade with EU. This will be an important impulse for the local production and the country's economy. EU as a single trade actor is an important partner of Georgia. In 2012, the foreign trading turnover of Georgia with EU countries was 2780 million USD, that was 12% bigger in comparison with the previous year indicator. Thereof, export was 353 million USD (less than 17 %), but import – 2427 million USD (more than 18%).

In 2013 the foreign-trade volume of Georgia with EU member states increased by 3% and included \$ 2 879 million and gained 27% of the share of the foreign-trade of Georgia. Export increased by 72% - \$ 608 Million, import decreased-

by 7% and comprised 29% of the whole import. (Ministry of Economy and Sustainable Development of Georgia, 2013)

We can see the dynamics of the Georgian- EU Trade in 2003-2011, and conclude that in spite of using the preferential system, these relations has been unclear. The same was shown in the statistics of the Georgian-EU Trade Relations of the last year. One of the main reasons of the Georgian-Europe Foreign Trade's retention was the reduction of share of agriculture in Georgian Economy in the last period.

Conclusion

The South Caucasus region – including Georgia earlier attracted little European Union interest, but this is no longer the case. The EU Special Representative has worked for the region since 2003. Three countries are involved in the European Neighborhood Policy (ENP) since 2004, the eastern aspect of which is further developed through the Eastern Partnership since 2009 (EAP). EU aid has been increased and the European Investment Bank has received a mandate to continue investments in the region. In Georgia, in the wake of the August 2008 war, the EU significantly deepened and expanded its involvement in this country. The broader Caspian region and the South Caucasus are becoming more and more important for European economic, security and energy interests. Southern energy corridor of Europe depends on Europe's approach to the Caspian Sea with its energy resources. Political stability and security in the South Caucasus region and Georgia has a direct influence on security along the EU Black Sea flank, while, US-EU, EU-Turkey and EU-Russia relations are being formatted by and are formatting the trends in the broader Caspian region.

The Role and Place of Georgia in the new Geopolitical system and Georgian - EU relations, the Principal trends and Laws of the Foreign relation changes, factors and parameters of ensuring security were newly studied in the research work. In the research, the important attention is paid to the different sectors of cooperation between EU and Georgia and also to the analyses in the new format of the EU interrelations. The chronology of Georgian-EU relations in the different field are analyzed. The research stated that "Economic benefit of the "Deep and Comprehensive Free Trade Space" evaluates the existing state dealing with the Deep and Comprehensive Free Trade agreement in 2009-2012 and also suggests the future prospects of the DCFTA System.

On the basis of above mentioned, it becomes clear, that the Eastern Partnership Initiative is the most important for Georgia in the process of European integration, particularly, for the providing National Security of the country and for the entry of Georgian products in the European market, i.e. Making Contractual agreement of The Deep and Comprehensive Free Trade and for Political and Economic Association with EU. The research stated, that Deep and Comprehensive Free Trade Space will positively influence on the manufacturer and exporter companies in the long-term Prospects.

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