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An Impact of the Influx of Russians in Georgia

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Abstract

Russia's full-scale war against Ukraine has fundamentally changed the regional security environment, increasing insecurity in the Black Sea region. It has also sparked unprecedented tensions in Georgia, where, on the one hand, a majority of the society is supportive of European and Euro-Atlantic integration, but on the other, the government has been restoring some ties with Moscow. The unprecedented flow of Russian citizens into Georgia has caused a heightened sense of dissatisfaction among Georgians and raised security concerns, as well as the country's increasing economic dependence on Moscow. This article analyses security, political and economic implications of the influx of Russians in Georgia. The paper concludes that short-term economic benefits do not outweigh the political and security implications, which may also negatively affect Georgia's prospects for European integration.

Introduction

For decades, Georgia, as a first victim of post-Soviet Russia's full-scale aggression, has been facing a myriad of complex security challenges and has been constantly targeted by Russia through both conventional and unconventional means, including disinformation campaigns and cyber-attacks. Russia's invasion of Ukraine in February 2022 has revived dramatic memories of the August War of 2008 in Georgian society; hence, the solidarity towards the Ukrainian people has been very high since the beginning of the war. However, the war has also turned the country into a hub for Russians seeking shelter from their own government as Russia's war against Ukraine escalates further.

The motivation of Russians emigrating to Georgia since the beginning of the full-scale war in Ukraine differs. Some seek to build more comfortable lives, refusing to live under sanctions, while others fear the mobilisation and do not wish to directly engage in Putin's war against Ukraine. There are also those who are against the regime and were forced to leave their country; however, the number of Russians deciding to move to Georgia dramatically increased after Putin's announcement of partial mobilisation in September 2022. According to survey data, most migrants cited the political situation in Russia as the main reason for leaving the country; the war in Ukraine was mentioned as the second most important reason. Partial mobilisation was mentioned as the main reason by 33% of Russian migrants in Georgia; more male respondents named this as their main reason for leaving the country compared to women (Krawatzek et al. 2023). While the exact number of Rus-

sian migrants that Georgia has received since the beginning of the full-scale war in Ukraine remains unknown, in 2022 Russian citizens accounted for the largest group of people entering Georgia.¹ Such an unprecedented influx of Russians into Georgia has increased societal tensions, as well as the dissatisfaction of citizens towards government policies with regard to this issue. According to a poll by the International Republican Institute conducted in April 2022, 83% of Georgians see Russia as an economic threat, while 66% of Georgians support the introduction of a visa regime for Russian citizens.²

A Balancing Act?

The Russian President Vladimir Putin has always seen Georgia as falling within Russia's sphere of influence. Since Georgia started to openly declare its aspirations to join the North Atlantic Treaty Organization (NATO) and the European Union (EU), Russia has been using a variety of measures to keep Tbilisi under control. Russia's full-scale war against Georgia in 2008, involving military intervention as well as the use of hybrid tools such as cyber warfare, turned out to be a prelude for Putin's further military interventions in Ukraine. As a result of the war, Georgia currently has 20% of its territory occupied by Russia—including Abkhazia and so-called South Ossetia that were recognised by Russia as independent since the August War of 2008. Yet, the Kremlin also uses various tools to exert further pressure, such as 'borderisation', which entails gradual occupation of the country through illegally pushing its borders and grabbing more land, as well as anti-Western disinformation to shift societal perceptions and economic pressure,

1 'Russians make largest group that entered Georgia in 2022', *Ukrainska Pravda*, 28 April 2023, <https://www.pravda.com.ua/eng/news/2023/04/28/7399789/> (accessed 20 September 2023).

2 International Republican Institute (IRI) Public Opinion Survey Residents of Georgia, March 2022, <https://www.iri.org/resources/public-opinion-survey-residents-of-georgia/> (accessed 20 September 2023).

such as the imposition of an embargo and banning the export of certain Georgian products to increase Georgia's dependency on Russia (Seskuria 2019).

The war in Ukraine has placed the Georgian government in an uncomfortable position, and its response to the ongoing Russian aggression has made Georgia's relations with its Western partners more complicated. Since the announcement of Western sanctions against Russia, the Georgian government has argued against joining in due to economic damage that it may inflict on itself as well as its existing security threats. In fact, throughout 2022, Russia has remained one of the main trading partners of Georgia, with US\$2.49 billion external trade turnover, as well as one of Tbilisi's top export countries with US\$651.6 million turnover.³ On the other hand, the Georgian government has stressed that it is playing a balancing act by pointing at Georgia's votes in favour of Ukraine in all UN resolutions and its compliance with international sanctions.

Yet, Georgian citizens have grown increasingly frustrated as Russian emigrants have started to dominate the streets of Tbilisi. According to the recent opinion polls conducted by the National Democratic Institute and the Caucasus Research Resource Center, 69% of Georgians are concerned that the influx of Russians since the beginning of the war in Ukraine will negatively impact Georgia. Many citizens have demanded the imposition of strict visa regulations on Russians limiting their stay up to a few months.⁴ Currently, Russian citizens are able to remain in Georgia up to a year; however, at that point they can simply leave Georgia for a few hours and immediately re-enter the country for another year. The President of Georgia, Salome Zourabichvili, has suggested that there was a need to review the current liberal visa policy towards Russians.⁵

These sentiments have increased further due to the additional influx of Russians following Putin's announcement of a partial mobilisation in Russia to escalate the war in Ukraine. Western sanctions on Russia, as well as the flight ban for Russian airlines, left Russians with very limited choices in terms of escape routes. Due to its proximity and shared border, liberal visa regime and friendliness towards entrepreneurs due to low levels of bureaucracy, Georgia has turned out to

be one of the most popular destinations. Almost immediately after the announcement of the mobilisation, the Georgian–Russian border was overwhelmed by Russian emigrants. In the week after the announcement alone, more than 50,000 Russian citizens crossed the border into Georgia; since then, some have returned to Russia or used Georgia as a transit route to other countries, but many more have arrived to Georgia since. Yet, the government has abstained from introducing any new regulations, and has increasingly argued in favour of the economic benefits that Russian 'tourism' brings to Georgia (Parulava 2022).

Economic and Security Implications

That there has been a positive economic effect of the influx of Russians into Georgia is beyond a doubt, especially given the broader economic context of the aftermath of the COVID-19 pandemic. Following a 9.3% decline in gross domestic product (GDP) in 2020 and a sharp rebound to above pre-pandemic levels in 2021, Georgia's GDP in 2022 increased by a further 10.1% compared to previous year.⁶ Such unprecedented growth was largely due to the arrival of Russians into Georgia, who brought their savings to the country and increased consumption. According to the National Bank of Georgia, in 2022, more than US\$2 billion was transferred from Russia to Georgia, this being the main reason behind the unprecedented economic boost that the country has experienced.⁷ Remittances from Russia also sharply increased in 2022, reaching US\$2.068 billion, which was five times higher than in the previous year.⁸ The short-term economic boost is clear; however, this is not a sustainable way to grow the economy. If Russians decide to leave Georgia en masse one day, this may have a considerable shock effect on the Georgian economy.

According to a report by Transparency International, Georgia's economic dependence on Russia increased further in 2022. Growing dependence on Russia raises security and political concerns. Georgia has repeatedly become a victim of Russian attempts to weaponise such dependency. The Kremlin has a history of using economic leverage against Tbilisi: between 2006 and 2013, Russia introduced a trade embargo against Georgia that targeted the import of Georgian wine and sparkling water across Russia.

3 'Turkey, Russia, China Georgia's top trading partners in 2022', *Agenda.ge*, 20 January 2023, <https://agenda.ge/en/news/2023/223> (accessed 8 August 2023).

4 Caucasus Barometer, NDI: Public attitudes in Georgia, December 2022, <https://caucasusbarometer.org/en/nd2022ge/codebook/> (accessed 8 August 2023).

5 'Georgian President calls for visa requirement for Russian citizens after Kremlin revokes visas for Georgian nationals', *Agenda.ge*, 10 May 2023, <https://agenda.ge/en/news/2023/1836> (accessed 20 September 2023).

6 'Georgia's GDP Up by 10.1% in 2022', *Civil.ge*, 22 March 2023, <https://civil.ge/archives/532918> (accessed 8 August 2023).

7 'Georgia's National Bank Says More Than \$2 Billion Was Transferred From Russia Last Year', Radio Free Europe/ Radio Liberty, 17 January 2023, <https://www.rferl.org/a/georgia-2-billion-russian-bank-transfers/32227284.html> (accessed 20 September 2023).

8 'Record \$2 billion+ transferred from Russia to Georgia in 2022', JAMnews, 17 January 2023, <https://jam-news.net/record-money-transfers-from-russia/> (accessed 8 August 2023).

Despite the government insisting that Georgians can profit from the Russian migrants, life has become much more expensive for citizens. The immediate effect of the increased migration flow has been most obviously reflected in Tbilisi property prices, which immediately spiked. According to a real estate sector study published by the National Bank of Georgia, average flat prices in Tbilisi increased by an amazing 46% between early 2022 and September 2022. Additionally, it should be mentioned that those cost of living increases most directly related to the influx of Russians (and not mainly to broader war-related economic issues), most notably rent and food price increases, have particularly affected low-income Georgians.⁹

In the meantime, Russian migrants are increasingly trying to build new lives and settle in Georgia. According to the recent data, in total there are 17,000 registered Russian companies in Georgia. It is noteworthy that half of these companies have been registered since the beginning of the full-scale war in Ukraine.¹⁰

Apart from economic factors, Georgians are also worried about broader security and political implications. Russian aggression represents one of the most pressing security challenges for Georgia. Despite the Kremlin's ongoing war effort in Ukraine, Russia has continued its 'borderisation' policy towards Georgia. Thus, the unwelcoming approach of Georgians towards Russian immigrants is a much-expected sentiment. In the aftermath of the announcement of the partial mobilisation, Georgian border guards had to turn some Russians away as they were trying to cross the border carrying pro-war 'Z' symbols (Parulava 2022). This indicates that some of the Russian migrants may support Putin's imperial ambitions, and fuels the public perception in Georgia that such migrants may also have supported Russia's war against Georgia and the subsequent occupation of its territories.

Most importantly, the rapprochement with Russia by maintaining very liberal visa regulations and relaunching direct flights with Russia may alienate Georgia from its allies and partners, who have repeatedly criticised Georgia's current position. Ironically, Russia's war against Ukraine has opened an unprecedented window of opportunity for Georgia to deepen partnerships

with its Western allies and, most importantly, to receive EU candidate status (alongside Ukraine and Moldova). However, despite Georgia once being a frontrunner in its efforts to implement necessary reforms and advance on a European path, unlike Ukraine and Moldova, Tbilisi failed to receive candidate status in summer 2022. Simultaneously, pro-Russian propaganda narratives, also promoted by some of the representatives of the ruling party, have been stressing the idea that the West wants to open up a second military front in Georgia in order to weaken Russia.

With a massive influx of Russians, Georgia becomes even more vulnerable towards pro-Russian propaganda (i.e., pushing pro-Kremlin and anti-Western narratives) and disinformation through Russian agents of influence, who may also provide assistance to radical groups. For many years now, the Kremlin has been investing resources to drive Georgia away from its European and Euro-Atlantic aspirations, divide Georgian society and support an anti-Western agenda. Now, it is highly likely that Russia has more security service agents on the ground than ever before given the greatly increased number of Russians in Georgia, even if this number also includes many Russian activists, journalists, and other anti-regime exiles (Lomsadze 2022). This creates security risks not only for Georgians, but also for those opposition-minded Russians who moved to Georgia prior to the beginning of the war due to being targeted by the foreign agent law in Russia.

Additionally, such a rapid influx of Russians runs the risk of eventually contributing to increasing the crime rate in Georgia. Poorer Russians without the means to open their own businesses as well as those without Georgian language skills may in the long-term struggle to find employment in Georgia, presenting the risk that some may feel forced to turn to illegal means of survival.

Restoration of Flights

Tensions have flared up even further with the recent decision of Russian President Putin to restore direct flights with Georgia and abolish Russia's visa regime for Georgians.¹¹ In 2019, Putin decided to ban direct flights to Georgia in order to inflict damage on the Georgian economy and punish the country for anti-Kremlin protests

9 'National Bank of Georgia says demand on residential real estate on rise', *Agenda.ge*, 21 February 2023, <https://agenda.ge/en/news/2023/745#:~:text=The%20NBG%20also%20said%20the,the%20Vake%20district%20of%20Tbilisi> (accessed 8 August 2023); 'How the war in Ukraine affects the real estate market in Georgia', *JAMnews*, 28 November 2022, <https://jam-news.net/how-the-war-in-ukraine-affects-the-real-estate-market-in-georgia/> (accessed 18 September 2023).

10 'Transparency International—Georgia: A total of 17,000 Russian companies are registered in Georgia, and more than half of them were registered after the start of the war in Ukraine', *Interpressnews*, 8 November 2022, <https://www.interpressnews.ge/en/article/122431-transparency-international-georgia-a-total-of-17000-russian-companies-are-registered-in-georgia-and-more-than-half-of-them-were-registered-after-the-start-of-the-war-in-ukraine> (accessed 8 August 2023).

11 'Russia Abolishes Visa Regime and Lifts Ban on Airline Flights with Georgia Starting May 15', *Civil.ge*, 10 May 2023, <https://civil.ge/archives/541553#:~:text=The%20decree%20%23335%20signed%20today,educational%20purposes%2C%20the%20document%20says.> (accessed 22 September 2023).

that took place in Tbilisi. Many Georgians are now urging their government not to allow Russian flights to land on Georgian soil due to the reputational damage this may cause to the country, as well as the potential imposition of Western sanctions on Georgia. Since the beginning of Russia's war against Ukraine, the EU countries have banned Russian airlines from landing on EU soil. Georgia is not an EU member state; however, as a country that is hoping to receive EU candidate status soon, Tbilisi is expected to align with EU policies as much as possible (Katamadze 2023). The European Commission report on Georgia's application for EU membership notes that Georgia needs to make more efforts to increase its alignment with EU statements and decisions when it comes to foreign and security policy (European Commission 2023).

In order to de-escalate these tensions, the Georgian government immediately clarified that only those carriers that are not under Western sanctions are allowed to operate between the two countries. Georgian Airways has also launched direct flights with Russia. This decision prompted the Ukrainian Government to include the airline, as well as its chairman, in its sanctions list. Soon after the restoration of flights, the Georgian company announced an even more controversial plan to launch transit flights from Moscow to Nice via Tbilisi and allow Russians to travel to Europe more comfortably.¹²

Despite the fact that Georgia has tried so far to operate flights below the Western sanctions' threshold, the controversial decision to relaunch flights has been criticised by EU representatives. EU foreign affairs spokesman Peter Stano clarified that this decision raises concerns over Georgia's European path and commitment to align with EU foreign policy as set forth by the Association Agreement between Georgia and the EU. The tim-

ing of Putin's surprise decision is also quite important. Currently, Russia needs to prove that it still has allies. Given Georgia's ongoing bid for EU candidacy status, the Kremlin's sudden 'gift' of cancelling the visa regime followed by Georgia's decision to allow direct flights sets the scene well for diminishing chances of Georgia succeeding in its European aspirations.

Conclusion

The unprecedented influx of Russians into Georgia resulting from Russia's full-scale war in Ukraine in 2022 has sparked political debates about Georgia's standing with regard to the war in Ukraine and its commitment to advance on its European and Euro-Atlantic integration paths. The controversial decision to allow Russians to settle in Georgia and, more recently, to restore flights with Moscow has widened the gap between the Georgia's government and its citizens. It has also further intensified tensions between Georgia and its Western allies. At a time when Western democracies are trying to cut their links with Russia, if Georgia wants to politically align with the West, Tbilisi should decrease its trade links with Russia, which in any case has never offered true economic stability to Georgia.

Despite a bumpy road, Georgia still has an opportunity to receive EU candidate status; however, any mixed messages, and certainly any attempts to tighten ties with Russia, will ultimately isolate Tbilisi and deprive it of support from its allies. As Ukraine is fighting an existential war, Georgia has an important decision to make. Any attempts at playing a balancing act between Moscow and the West would end in falling into the Russian trap, which would include deepening political and economic dependency on Moscow and cutting Georgia off from the European and Euro-Atlantic path.

About the Author

Natia Seskuria is an Associate Fellow at the Royal United Services Institute (RUSI) in London. She is also a Founder and Executive Director of the Regional Institute for Security Studies (RISS), a Tbilisi-based think tank and an official partner of RUSI.

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12 'From Moscow to Nice via Tbilisi—Georgian Airways opens transit flights for Russians', JAMnews, 5 July 2023, <https://jam-news.net/transit-flights-from-moscow-to-nice/> (accessed 8 August 2023).

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Unwrapping the Georgian Government's Reluctance to Align with EU Recommendations

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Abstract

The Russian full-scale war against Ukraine has significantly influenced the European Union's decision to expedite the accession process for Ukraine, Moldova, and Georgia. While Ukraine and Moldova obtained candidate status, Georgia received the 'European perspective', with the condition that it can become a candidate once specific criteria are fulfilled. This article examines the Georgian government's hesitance in taking advantage of this opportunity and implementing the reforms requested by the European Commission. The article offers a perspective on why the Georgian government might be hindering the EU integration process, making the argument that pursuing the required reforms to meet EU criteria could potentially undermine the ruling party's absolute power.

Introduction

The European Union (EU) responded to the Russian war of aggression in Ukraine by accelerating the accession process for Ukraine, Moldova, and Georgia. However, Georgia has encountered difficulties in fully aligning with the EU's core principles, encompassing human rights, democracy, equality, and the rule of law. Consequently, the European Commission recommended granting Georgia a 'perspective to become a member of the European Union' and granting candidate status once it implements the 12 EU recommendations by the fall of 2023. These recommendations include political depolarization, emphasizing collaboration between the government and its political opposition, de-oligarchisation (which involves dismantling the vested influences on the nation's political, economic and social life), ensuring the independence of state institutions, implementing judicial reforms, combating corruption, promoting media independence, protecting vulnerable groups' rights, and fostering gender equality, among others (European Commission 2022).

Nonetheless, the Georgian government has been slow in aligning with the EU recommendations. The first EU candidacy assessment, conducted by eight organisations under the leadership of the Open Society Georgia Foundation, indicated that in the period ending April 2023, the government had mainly fulfilled only two criteria: promoting gender equality and fighting against organised crime (Open Society Georgia Foundation 2023a). The second and third assessments revealed that the government had made limited progress, but all requirements other than the previously mentioned two remained partly or completely unfulfilled (Open Society Georgia Foundation 2023b, 2023c).

This article offers potential reasons behind the Georgian government's hesitancy to fully engage in the EU integration process. The argument within posits that the government's hesitation may arise from concerns that the adoption of essential reforms to meet EU criteria could potentially undermine the ruling party's uncontested authority.