



Georgia: a pre-election snapshot

by Thornike Gordadze and Nicu Popescu

Over the last decade Georgia, Ukraine and Moldova – the EU’s ‘closest’ eastern neighbours politically – have alternated between being potential ‘success stories’ or, conversely, cases of ‘fatigue’ in the eyes of their international partners. Georgia, which currently seems to be the best performer of the three, is now due to hold parliamentary elections on 8 October. These elections are an important benchmark for the country on its path towards consolidating its democratic system and improving the functioning of the state. Georgia’s previous elections (in 2012 for parliament and 2013 for the presidency) were the only ones since independence that led to an orderly transfer of power to the opposition: all previous transfers had been ‘revolutionary’.

This time a revolution is clearly not on the cards and a major electoral swing seems unlikely, although not impossible. And yet, Georgian politics is changing in important ways.

Less drama, less action

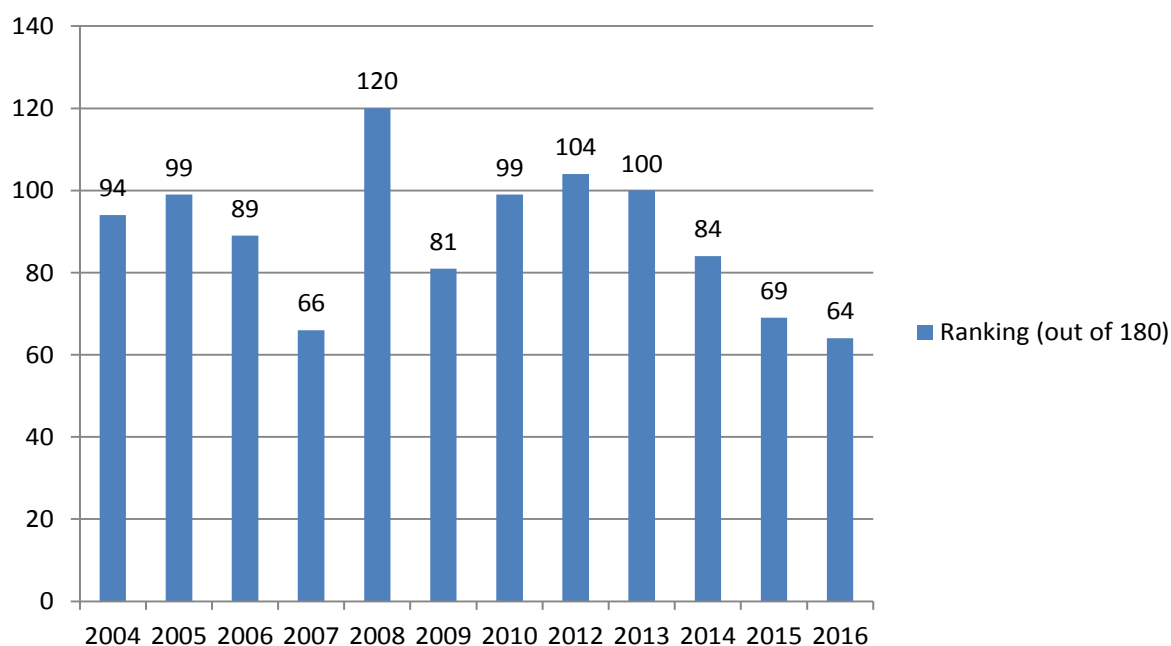
Georgian politics is a messy and often emotional affair with periodic violent clashes between political activists. By regional standards, however, Tbilisi has been doing reasonably well in terms of both governance and reforms. Since a coalition led by Georgian Dream (GD) came to power in 2012-

2013, the country’s politics has become less dramatic than during the Saakashvili era (2004-2013). Under Mikhail Saakashvili, low level corruption was virtually eradicated throughout most of the state apparatus, the country’s GDP almost tripled, and entire public institutions were rebuilt from scratch. Georgia’s position in various international rankings – from the World Bank’s Ease of Doing Business to Transparency International’s Corruption Perceptions Index – soared. Yet these significant improvements were accompanied by major mistakes. Although overall economic growth was impressive, large parts of the country did not sufficiently benefit. There was also a strong drive for political centralisation, while a heavy-handed approach to security and the fight against organised crime ultimately alienated some international partners, as well as parts of the electorate.

Since 2012, the country has been governed by the Georgian Dream coalition, controlled by Bidzina Ivanishvili, a somewhat eccentric billionaire who made his fortune in Russia. Forbes estimates that, as of 2012, his personal fortune amounted to 46% of Georgia’s GDP – a particularly acute case of wealth asymmetry between an entire country and its richest citizen. Ivanishvili was prime minister in 2012-2013, but then retreated to the background and handed over the post to close associates.



World Press Freedom Index, Georgia 2004 – 2016



Data source: Reporters Without Borders

Under Ivanishvili, Georgia has developed, once again, in a non-linear way. Politics has become more pluralistic: the very transfer of power following the 2012 elections was in itself a positive occurrence for a country with an unconsolidated political system, and Ivanishvili has been a less visibly dominating figure in Georgian politics than Saakashvili – though he remains the ultimate decision-maker in the country. The political opposition, Saakashvili's former party, the United National Movement (UNM), is also a reasonably well organised political force which includes many experienced former government officials. The UNM was able to provide a strong check on the government despite some of its leaders being in prison and Saakashvili in self-imposed exile.

Political pluralism was also aided by the fact that Georgia's President Giorgi Margvelashvili, once a protégé of Ivanishvili's, fell out with his former political mentor, thus providing additional checks on the government's power. Moreover, greater media pluralism seems to have taken root. The Reporters Without Borders World Press Freedom Index has shifted Georgia from 104th place (out of 180) in 2012 to number 64 in 2016. Finally, the business sector is reporting less pressure from the government to contribute to pet projects.

Yet the picture is far from being uniformly positive. Political pluralism was greater when Georgian Dream was the uncontested leader in opinion polls and the UNM was at the bottom, but things have changed as the gap has narrowed. Over the past year, Rustavi 2, the most popular TV channel in the country (and one closely associated with the UNM), began to be

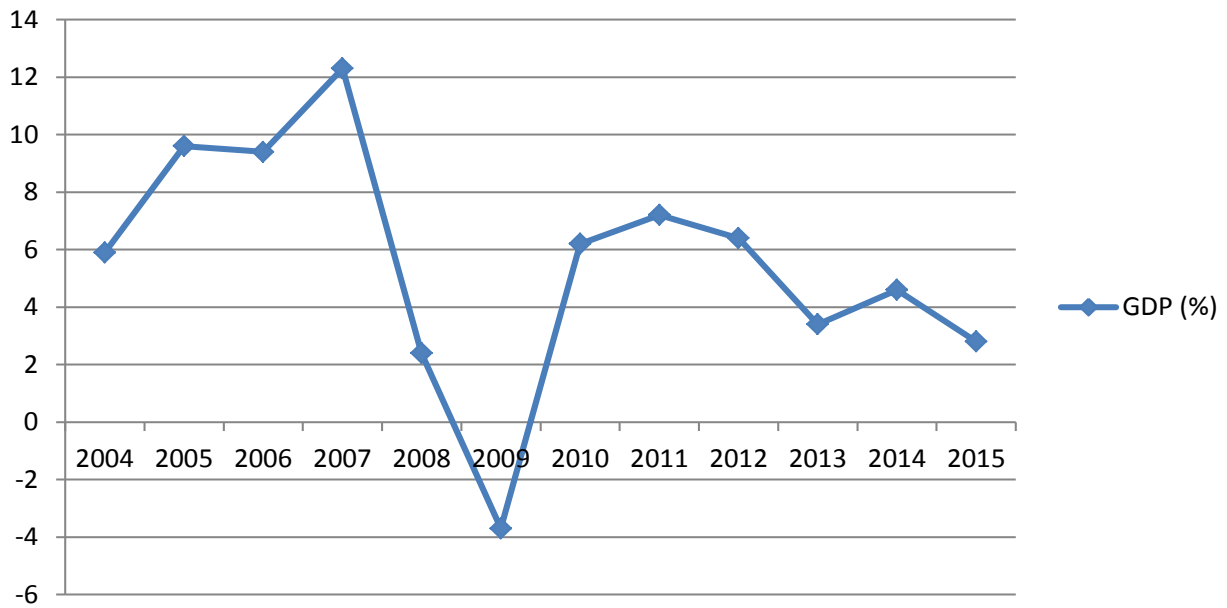
put under pressure and was threatened with closure just before the elections. While it remains operational (largely due to an international outcry), the conflict over the channel is still simmering and could return after the vote.

The issue of 'political' arrests is another aspect mar- rying Georgian politics. While there are, of course, different interpretations as to why former UNM leaders are in prison, the issue highlights the very limited progress made in terms of greater judicial independence. Political polarisation is also a huge problem: secretly filmed video and audio recordings are frequently leaked and political demonstrations regularly turn violent, with activists often compared to the so-called *Titushki* in Ukraine (thugs paid to attack opposition demonstrators under President Yanukovich). Moreover, Ivanishvili's practice of gov- erning from behind the scenes – although not un- common – is also not particularly helpful in terms of transparency and democratic accountability.

Economic development has also been less dynamic than in previous years. Although the country has not faced any major setbacks (which, in such an eco- nomically and geopolitically volatile regional con- text, is no mean achievement), Georgia has clearly lost some of its sense of direction when it comes to economic reforms. Whereas official figures indicate that unemployment fell from 15% to 12% between 2011 and 2015, one opinion poll conducted by the National Democratic Institute in June 2016 suggest- ed that the number of people who consider them- selves unemployed has hovered steadily above 30% for the same time period.



Georgia's GDP 2014-2016



Data source: World Bank

Foreign policy: rounding corners

The lack of drama that defines domestic politics applies to a large extent also to foreign policy: Georgia's has managed to ease previously tense relations with Russia without compromising the positive dynamics in its dealings with the EU and NATO. The biggest concrete achievements were made in the context of the relationship with the EU. Georgia concluded talks on an Association Agreement (AA) in mid-2013 and signed it in 2014: as a result, it now has a free trade agreement with the Union. This was a positive test case of policy continuity as the agreement had been mostly negotiated by the previous administration. And as Georgian exports to the EU more than doubled over the last decade, there is a good chance that trade between the two will continue to grow.

Another important milestone has been visa liberalisation. Georgia seems to have fulfilled all the required technical criteria to qualify for visa-free status for trips to the EU for up to three months. Tbilisi's efforts were deemed satisfactory by the European Commission in early 2016 and it is now in the final stages of being awarded entry to the visa free regime.

Georgia's dealings with NATO are more complex. After the 2008 war, the Russian annexation of Crimea and destabilisation of the Donbas, NATO members put the issue of further expansion to the east on the back burner (with the exception of states of the Western Balkans). Georgia formally remains a candidate for accession but there is little appetite for progress on the NATO side. Yet Georgia's

cooperation with the alliance has intensified since the outbreak of the crisis in and over Ukraine. Tbilisi played an active role in Afghanistan and was rewarded with a 'substantial package of measures' granted at NATO's Wales Summit (2014) and the opening of the NATO-Georgia Joint Training and Evaluation Centre at the Krtsanisi Military Facility in August 2015.

The most significant difference with the former administration lies in the government's much more prudent approach towards Russia. Since late 2012, Tbilisi has made friendly overtures to Moscow, such as releasing all Russian and Georgian citizens accused of gathering military intelligence for Russia. Georgia also adopted a very low profile in all international forums when it came to criticising Russia over Ukraine. Russian efforts to boost its influence inside Georgia (through media campaigns or financial support for friendly forces or Orthodox groups) are no longer subject to the same strict monitoring as before. Even though diplomatic relations with Moscow have not been restored, some contacts at deputy ministerial level have been developed. And, following Russia's easing of trade restrictions on Georgian goods (imposed during the Saakashvili era), Georgian exports to Russia tripled between 2012 and 2015, albeit from a low base.

There has, however, been no progress towards reaching a settlement over the secessionist regions of Abkhazia and South Ossetia: Russia has maintained near-total control of both provinces (even erecting fences on the administrative border of South Ossetia). The situation for now is more or less stable, although there are periodic reports of

incidents such as the detention of civilians, shootings, landmine explosions, and land disputes.

With such risks abounding, a key factor sustaining a degree of stability around the conflict regions has been the EU Monitoring Mission (EUMM) to Georgia, which has for several years been the only international mission overseeing the implementation ceasefire plan and situation around the conflict zones (after Russia vetoed the budget and continuation of work of the UN on Abkhazia and the OSCE on South Ossetia). EUMM's 200 civilian officials have been monitoring the administrative border between Georgia and Abkhazia and South Ossetia by patrolling the lines of demarcation around the conflict zones and supervising Georgia's unilateral commitment to limit the presence of heavy military equipment and positioning of troops near the areas. The EUMM maintains a 24/7 hotline and facilitates a monthly meeting of the Incident Prevention and Response Mechanism (IPRM) between the conflict parties. Against the background of the conflict in Ukraine, increased Russian assertiveness and a recent flare up of hostilities in Nagorno-Karabakh, there presently is little prospect for significant progress towards a 'strategic' solution and peace accord around Georgia's secessionist conflicts. But at least on the 'theatre' level the situation has remained more or less stable, not least due to a stronger international/EU presence than in other post-Soviet conflict zones.

The electoral context – and contest

The main cleavage in Georgian politics still runs between the UNM and Georgian Dream. The two forces now enjoy comparable levels of popularity (close to 30%, with UNM usually trailing GD by a couple of points). However, GD is likely to end up with more MPs since deputies elected in single-seat districts – often local notables and businessmen – tend to lean towards Georgian Dream.

Unlike in the 2012 elections, Ivanishvili's Georgian Dream is now a fully-fledged party, not just an electoral bloc of several political forces running as a united list. Its popularity has shrunk significantly mainly due to unfulfilled campaign promises and economic stagnation. But GD can still count on considerably higher financial and administrative resources. This will likely facilitate post-electoral deals with whoever enters parliament, including coalitions with smaller parties.

Another novelty of the 2016 election campaign is the presence of several openly pro-Russian parties and, for the first time since the 2003 Rose Revolution, at least one of them (the 'Alliance of Patriots') could pass the 5% threshold. Ivanishvili's attitude towards the pro-Russian lists is somewhat ambivalent as he has repeatedly stated his preference for the 'Patriots' to become

the main opposition force. It is thought that that GD would feel more comfortable and appear more 'pro-Western' if the main opposition were to be a populist and/or pro-Russian party.

Several political forces are trying to emerge as an alternative to both UNM and GD. This electoral niche appears particularly attractive as 45%-60% of Georgians still seem to be either undecided or against both major political forces. A rather eclectic electoral bloc 'State for the People' (under the leadership of international opera singer Paata Burchuladze), the Free Democrats, and the Republicans are all vying for those votes. Although the Republicans have virtually no chance of passing the 5% hurdle, the Free Democrats and 'State for the People' might easily do so – unless the urge to cast a 'useful' or tactical vote prevails at the eleventh hour. But voters' confusion and dissatisfaction with the familiar political scene are evident. Georgians have grown tired of GD, but do not long for a return of (or to) Saakashvili – though there has been a favourable reaction to new faces in the UNM. An additional sign of voter dissatisfaction is that, despite the overwhelming pro-EU and pro-NATO consensus among political parties, 31% of polled respondents would like Georgia to join the Russian-led Eurasian Union. Such opinions polls suggest that Georgian politics rests on rather shaky ground, which could lead to electoral surprises in these elections or in the years ahead, should a political force be able to capitalise on these feelings.

Success by default?

Saakashvili was often accused of caring more about state-building than democracy building. Yet in retrospect, especially if Georgia is compared to Moldova or Ukraine, the last few years have shown that undoing superficial democratisation efforts is much easier than reversing a successful building of institutions and fight against corruption. Moldova and Ukraine have experienced much greater swings in reform processes and democracy levels than Georgia, and both administrations in Tbilisi over the last 13 years deserve credit for avoiding a similar fate. This makes Georgia – almost by default – a qualified success story. Yet there are few laurels to rest on – either regionally, where there is no shortage of factors which could knock Georgia off track, or domestically. Reviving growth and continuing reforms should be Georgia's priority whoever wins the next parliamentary elections.

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