

BROKEN DREAM: THE OLIGARCH, RUSSIA, AND GEORGIA'S DRIFT FROM EUROPE

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SUMMARY

- Georgia's relationship with the West has deteriorated over the last year and a half.
- The Georgian government's actions have prevented the country from becoming a candidate for EU membership.
- Three-quarters of Georgians see themselves as pro-Western; only a tiny proportion of the population is pro-Russian.
- Oligarch Bidzina Ivanishvili appears to be largely responsible for this dissonance between Georgian foreign policy and public opinion.
- Through his control of the Georgian Dream party and the government, Ivanishvili may be attempting to manoeuvre Georgia into Russia's sphere of influence.
- It is still possible for the EU to work with Georgia. But the bloc should condition the financial and political support it provides – starting with the 12 points that Brussels designated in June 2022.

Introduction

Georgia could soon abandon its attempts to integrate with the West. After gaining independence in 1991, this small but strategically important state in the South Caucasus pushed to join Western institutions such as the European Union. However, in the last few years, and especially over the past 18 months, Georgia's ruling coalition has made a series of moves that seem designed to distance the country from the West and shift it gradually into Russia's sphere of influence. These moves led the European Council in June to decline to make Georgia a candidate for EU membership. Much of the responsibility for this drift away from the EU lies with oligarch and former prime minister Bidzina Ivanishvili, whose Georgian Dream party dominates the governing coalition.

Georgia now has around a year to address 12 EU-designated priorities and enact reforms before the council reconsiders whether to grant it candidate status. While fewer and fewer people in Georgia or Europe believe that Tbilisi genuinely wants the country to join the EU, the Georgian government maintains that this is still its policy. It argues that over the last decade it has taken significant steps towards building a stronger relationship with the EU. Some results have been forthcoming such as, for example, Georgia obtaining a visa-free regime for the Schengen area in 2017.

It may be that the Georgian Dream coalition is simply being careful not to offend Russia following its military invasion of Ukraine and potential for aggression in other neighbouring countries. This could be the reason it has declined to participate in Western sanctions on Russia or otherwise extend more generous help to Ukraine. Tbilisi has legitimate reasons to fear Moscow. President Vladimir Putin's first foreign war was against Georgia in 2008 – a conflict that he launched on a similar pretext to that which he used in Ukraine in 2014 and 2022. In this light, Russia's wars in Georgia and Ukraine seem part of a single imperial project.

Yet none of this explains why the Georgian Dream government has recently made so many anti-Western gestures and statements, when at least three-quarters of Georgia's 3.7 million citizens generally support integration with the West; just 2 per cent are pro-Russian.

The reason for this change lies in the political character of Ivanishvili. He is a billionaire who earned most of his wealth in Russia in the 1990s, and since 2012 has promised to “normalise” relations between Tbilisi and Moscow. Ivanishvili may still aim to achieve this goal, but it is not clear whether he can do so with a Russia that is in no way minded to leave Georgia free to choose a Western path; nor is it clear whether an oligarch with Ivanishvili's background can act independently of the Kremlin.

This paper explores Ivanishvili's influence on Georgian politics and foreign policy. It shows how over the last year and a half the government has set a course for Georgia away from the West, despite the strength of pro-Western public opinion. The paper examines the way in which the ambiguity of the country's current foreign policy under Ivanishvili has given Russia new forms of leverage in Georgia – even while Tbilisi ostensibly appears to pursue closer relations with the West. This position could eventually trigger new crises that could destabilise a country located at the heart of the Caucasus, a region which for 30 years has been marked by conflict and instability.

Georgia's drift from the West

In May 2022, a Tbilisi court sentenced former justice minister Nika Gvaramia to three and a half years in jail for abuse of power. The charges against him purportedly related to decisions he made in his previous role as head of television company Rustavi 2. But most Georgian and international watchdogs viewed the charges as highly disproportionate and politically motivated: at the time of his conviction, Gvaramia was in charge of Mtavari Arkhi, the main Georgian opposition TV station. Mikheil Sarjveladze, a Georgian Dream MP who chairs the parliamentary human rights and civil integration committee, acknowledged that Gvaramia's case was politically "sensitive" but argued that, "if there is a crime, whether it is committed by a politician or whoever, they shall be held responsible". The court ruling came only the day before the prime minister, Irakli Garibashvili, began a visit to Brussels, where he met with European Council president Charles Michel and European Parliament president Roberta Metsola to discuss Georgia's EU membership bid.

Five weeks later the European Council announced that Georgia would need to meet certain conditions before it gained candidate status; the same day, it granted this status to Ukraine and Moldova. As one EU diplomat put it, "the verdict of the Gvaramia case, which couldn't be more opposed to European values as it was perceived as an attack on press freedom, was ... [seen] by us as a new clear sign that the Georgian ruling coalition wants to undermine the Western path of the country." [1]

As recently as mid-2021, many observers of the South Caucasus still believed that Georgia's attempts to align with European standards outstripped those of any other member of the Eastern Partnership – an initiative the EU launched in 2009 to strengthen its relations with Georgia, Armenia, Azerbaijan, Belarus, Moldova, and Ukraine. Since then, the actions of Georgian Dream leaders have overturned these assessments.

For example, in July 2021, Georgian Dream figures attempted to undermine Michel shortly

before he attended the Batumi International Conference. Three months earlier, Michel had brokered a deal under which Georgian opposition MPs once again took their seats in parliament (after vacating them in autumn 2020 to protest against what they saw as a rigged election) in exchange for Georgian Dream's commitment to undertake a number of reforms, especially to the judiciary. But, just two days before Michel visited Batumi, the High Council of Justice – which Ivanishvili's allies allegedly control – presented parliament with nine nominees for the Supreme Court. This went against the spirit of the agreement with the opposition, whose provisions had implied that the nomination process should halt until other political forces and civil society had a say in it. Last year, Tbilisi also rejected a €75m loan from the EU, whose conditions would have required judicial reform.

Crucially, throughout the last 18 months, representatives of Georgian Dream and the government have increasingly begun to make hostile statements about their Western partners. News organisation OC Media reports that, between February and July 2022, Georgian Dream chair Irakli Kobakhidze made only nine comments critical of Russia but a total of 57 negative remarks about the West and 26 about Ukraine. Georgian Dream leaders have often presented their criticism of the US and the EU in the last year as warnings against foreign interference in Georgian domestic politics. Yet the fact that they have done so in ways seemingly designed to offend suggests that they want to push representatives of Western powers to leave Georgia.

It is clear that something has altered in the firmament of Georgia's governing elite in very recent times. To understand what might have changed, it is important to consider the background and career of Ivanishvili, whose presence has dominated the country's political scene for a decade.

Ivanishvili: Oligarch and ruler

How Russia made Ivanishvili

As one Georgian Dream MP recently confirmed, Ivanishvili is “the key decision-maker in Georgia, especially about sensitive questions such as Russia.” [2] Ivanishvili is not just any oligarch but one of a small group who in 1996 became part of the *Semibankirschina*. This group of ‘seven bankers’ – which was, in reality, made up of more than seven people, not all of whom were bankers – financed the re-election of Boris Yeltsin as Russian president. At the time, Yeltsin's approval rating stood at just 3 per cent, and the Communists looked set to return to power.[3] Ivanishvili's mission in this group was to finance the electoral campaign of Alexander Lebed, a kind of artificial candidate positioned to split the vote for Communist

leader Gennady Zyuganov.

Ivanishvili was born in 1956 in the remote village of Chorvila, near the Russian border. Despite his modest background, he graduated in 1980 from Tbilisi State University's Faculty of Engineering and Economics. He would later move to Moscow, where he met Vitaly Malkin – a Russian businessman and politician with whom he would, during *perestroika*, set up a successful business selling computers and other electronic devices. The fortune they made in this trade allowed them to later enter the lucrative metals and banking sectors.

Ivanishvili and Malkin founded Rossiysky Kredit, a bank that would rapidly grow to become the heart of their business empire. Ivanishvili took a cautious approach to the chaotic Russia of the 1990s, avoiding profitable but politically dangerous sectors such as hydrocarbons. He set his sights on mineral extraction and processing complexes, which he bought up at low cost to later sell at a huge profit. Ivanishvili progressively diversified his business activities in Russia to areas such as real estate, pharmaceuticals, and agriculture, before transferring some of his wealth abroad.

It is surprising that Ivanishvili was invited to join the *Semibankirschina* (along with Malkin), given that he was less wealthy and influential than other members, such as Boris Berezovsky, Mikhail Khodorkovsky, Mikhail Fridman, Vladimir Gusinsky, Vladimir Potanin, Alexander Smolensky, and Vladimir Vinogradov. But, regardless of why Ivanishvili made the cut, he moved to the centre of Russia's ruling elite. These oligarchs' financial support made a decisive contribution to Yeltsin's re-election, which he secured with 54.4 per cent of the vote in the second round. In return, they made vast profits through the Yeltsin government's auctions of state-owned companies in the run-up to the election, under the loans for shares scheme. This was the period during which they transformed from businessmen to oligarchs.

After coming to power in 2000, Putin steadily gained control of the oligarchs. This was especially apparent in 2003, when the Russian authorities imprisoned Khodorkovsky and confiscated his assets (beginning with oil company Yukos). Today, even such figures who are now trying to distance themselves from the Kremlin, such as Mikhail Fridman, Roman Abramovich, Piotr Aven, and Viktor Vekselberg, almost certainly still have to serve the interests of the Putin regime in one way or another. [4] For this reason, Abramovich, for example, was placed under sanctions in March 2022 by the UK government, which said that he maintains a “close relationship” with Putin and has obtained “financial benefit” and “preferential treatment” from that relationship. Oligarchs from other former Soviet republics who made much of their wealth through their links to Russia likely have little freedom to act truly independently of the Kremlin. (None would admit this, of course, because it would be an acknowledgment that they ‘work’ against their own homelands. But their dependency seems

apparent from their moves, statements, and political choices.) There is no reason to believe Ivanishvili will have escaped the same fate met by other oligarchs and former oligarchs.

“A man who plays by Russia’s rules”

When Ivanishvili entered Georgian politics in 2011, he presented himself as a patriot who, having made his fortune, could now use his experience in the service of his homeland. In an [interview](#) in April 2013, he claimed to have sold his assets in Russia in just a few months at market price. At the time, Ivanishvili strove to put some distance between himself and the Kremlin. This helped him on his way politically, and he became prime minister, serving between October 2012 and November 2013.

The fact that he managed to sell his Russian assets at market price, despite doing so in a hurry, raises suspicions about whether he truly was free of the Kremlin’s influence. Berezovsky, who brought Ivanishvili into the *Semibankirschina*, described him in 2012 as a man who plays “according to the rules set by the Russian government.” The late oligarch observed that Ivanishvili had little difficulty doing business in Russia and that “there are no businessmen in Russia who do not have problems with the government and, at the same time, are not supporters and carriers of its politics.” This may explain why, during his time in effective rule of Georgia over the last decade, Ivanishvili and those close to him have almost never received criticism from media networks linked to the Russian state. Few other leaders of the former Soviet republics have had such a privilege.

It remains unclear why Ivanishvili entered politics. He is unlikely to be a mere puppet of the Kremlin; and various factors will have shaped his actions. He may have become a politician as part of a deal with the Kremlin related to his Russian-based assets; or as a Georgian patriot who wanted to protect his homeland from angering Russia, especially after the war of 2008; or because he really believes in a regional or even world order shaped more by Russia than by the West.

It is currently impossible to know his exact motives, but Ivanishvili’s actions since going into politics will have reassured Russian leaders about one of their strategic priorities in Georgia: preventing the country from joining the EU and NATO (even if neither organisation has welcomed its membership aspirations, especially since 2008).

Ivanishvili’s domestic control is considerable, including of the ruling party, key state institutions, (especially the judiciary and the security services), and the economic arena. Arguably, all key members of the government and party officials are dependent on him. For example, one expert who formerly worked with government institutions states that, since

Georgian Dream came to power in 2012, no minister, once dismissed, has taken up another national political role.[5] This is even true of the four people who have served as prime minister since Ivanishvili stood down from the role – including Giorgi Gakharia, who had a relatively good record in government but owes all of his short political career to the billionaire. As the expert observes, Gakharia “failed to emerge as a third political force during the 2021 local election. He got only 7 per cent of the vote, and he is now almost invisible in our political life.”

Throughout his rule, Ivanishvili has consistently created the strong impression that he is slowly but surely sidelining pro-Western elements in society, including NGOs, political parties, and media outlets. In this sense, his Georgian Dream party, which he founded in 2012 when he entered politics, is just that – Georgian and not distinctively European or Western – something likely to please the Kremlin. The governing party and its representatives have very often targeted NGOs (especially those financed by the West), adopted anti-Western rhetoric, and demonised pro-Western public figures.

This is certainly the case for former president Mikheil Saakashvili, who was in post when Russia invaded in 2008. While Georgian Dream governments have retained most of the reforms he introduced, they have systematically depicted Saakashvili as a tyrant and a thief, and as culpable for the Russian invasion. In September 2021, he secretly returned to Georgia after eight years in exile. He is now in jail, awaiting trial on charges of embezzlement and abuse of power. While there are grounds for some of these charges, most human rights organisations see them as politically motivated and Saakashvili as a victim of “political revenge” and “selective justice”, as [Amnesty International](#) declared in November 2021.

In addition, over the last ten years, Russia has regained multiple sources of leverage in Georgia. For example, several pro-Russian political parties have sprung up during this time. One of these is the Alliance of Patriots, founded in 2012 to promote an ultranationalist, traditionalist agenda. The party won six parliamentary seats in the 2016 general election and now holds four. Its supporters are anti-Russian, but its leaders oppose alignment with the West to the point that they have repeatedly visited Moscow to discuss Georgian neutrality with Russian MPs. According to a report published in 2019 by Khodorkovsky-financed organisation the Dossier Center, a huge number of hacked emails and documents show that the Russian presidential administration directly financed the party. This chimes with claims made by London-based billionaire Zaza Okuashvili in September 2018, following a business disagreement with Ivanishvili. Okuashvili stated that Ivanishvili asked him to fund the Alliance of Patriots – with the aim of placing the party at the centre of the national debate on issues including strategic decisions such as joining the EU and NATO, the place of ethnic minorities, and foreign investment.

Other sources of leverage include Russian state oil company Rosneft's 2014 acquisition of 49 per cent of Petrocas Energy, which owns the strategically important oil terminal in Poti, on the Black Sea coast. The seller was a firm belonging to Russian-Georgian businessman David Iakobashvili, and the firm remains the majority shareholder. At the time, opposition politicians and civil society activists argued that the deal violated Georgia's Law on Occupied Territories, which forbids foreign companies from operating in Abkhazia or South Ossetia without the authorisation of the government. While the Saakashvili administration condemned a five-year oil exploration agreement Rosneft signed with the Abkhaz authorities in 2009, Ivanishvili's government did nothing to stop the Petrocas deal from going ahead.

The ascent of Georgian Dream, with Ivanishvili at its heart, has been beneficial to Russia. The depth of Georgian society's support for integration with the West has, however, set limits on the government's room for manoeuvre.

Between Russia and Georgia's pro-Western society

Georgians have long looked to the West, and their strength of feeling only grew following Russia's occupation of 20 per cent of their country's territory (as is recognised in Georgian law) since the early 1990s wars in the regions of South Ossetia and Abkhazia. Georgia and other former Soviet republics are attracted to NATO out of a need to secure their territory. Indeed, Russia began to dismember Georgia long before accession to the alliance was on the table. Moscow has long held the strategic aim of keeping control over the former Soviet

republics, whether their internal governance or their foreign policy choices.

Ivanishvili's dominance of Georgian politics is at odds with society's genuine desire for integration with the West and democracy. Georgian society regularly expresses itself on this point, for example, with rallies after the Gavrilov affair in 2019, when a Communist member of the Russian Duma sat in the speaker's chair of the Georgian parliament. In 2022, the day after the European Council decided to not grant candidate status to Georgia, 70,000 people gathered in front of the parliament to protest at the government's failure. One survey conducted even before the EU's rejection found that 41 per cent of the Georgians believe that democracy has regressed in the country.

Regarding the country's foreign policy orientation in particular, an opinion poll conducted in August 2022 found that 47 per cent of Georgians believe their country's foreign policy should be "pro-Western," while 31 per cent want a policy that is "pro-Western with good relations with Russia;" just 7 per cent answer "pro-Russian with good relations with the EU/NATO" and 2 per cent "pro-Russian." The poll also found that – true to a pattern that has held for years – 75 per cent of Georgians support their country's bid for EU membership. At the same time, following the start of Russia's full-scale invasion of Ukraine, Georgian opinion has remained in support of a cautious approach towards Russia. In April 2022, 47 per cent said they backed the government's approach, up from 23 per cent. The core of the Georgian Dream electorate backs caution vis-à-vis Moscow.

It is understandable why any Georgian government would be wary of Russia in balancing the pro-European sentiment of its citizens with its regional positioning. In 2011 then Russian president Dmitry Medvedev acknowledged that his country invaded Georgia in 2008 to thwart what he described as NATO's planned expansion into formerly Soviet countries. On a visit to the breakaway Georgian region of South Ossetia, Medvedev said that "it was [an] absolutely necessary action by our army to save [a] large number of our citizens and, if not to remove totally, to curb the threat which was coming at the time from the territory of Georgia." By "threat," Medvedev was referring to NATO.

Ivanishvili has always presented his priority of normalising relations with Russia as the polar opposite of the policy pursued between 2004 and 2013 by Saakashvili. Ivanishvili once claimed that the former president had been "waving Georgian NATO membership in front of Russia's eyes like waving a red cloth in front of a bull." Nevertheless, the Georgian Dream government's caution in dealing with Russia does not explain its recent harsh anti-Western gestures and rhetoric. Other governments in the region, such as those in Kazakhstan and Azerbaijan, are similarly cautious but do not indulge in the same impulses.

Moreover, since the start of Russia's war in Ukraine, despite the traditional solidarity between Georgia and Ukraine as republics that once suffered under Soviet rule, the relationship between Tbilisi and Kyiv has seriously deteriorated. The Georgian authorities formally condemned Russia's full-scale invasion of Ukraine as "unacceptable" on its first day, provided humanitarian assistance to Ukraine, and supported the country diplomatically through bodies such as the United Nations and the Organization for Security and Co-operation in Europe. However, since February, Garibashvili has infuriated the Ukrainian government by stating "clearly and unambiguously" that Georgia is not planning to participate in economic sanctions on Russia "as this would only damage our country and populace more." The Georgian authorities subsequently barred a Ukrainian private jet from landing in Tbilisi to pick up volunteer fighters. Ukraine's president, Volodymyr Zelensky, then recalled his ambassador to Georgia, citing the "immoral position" of Garibashvili's cabinet.

All this is despite the Georgian people's overwhelming support for Ukrainians, which they have expressed in dozens of public rallies. The government could have quietly explained to Kyiv that Georgia is too small to risk participating in the sanctions on Russia or to send volunteers to the Ukrainian front line. But, once again, Georgian Dream favoured controversial public statements.

On the wider question of European integration, previous governments controlled by Ivanishvili have been more in line with the public mood, presenting themselves as pro-Western while still taking a cautious approach to Russia. In 2016, more than 50 per cent of Georgians supported a foreign policy that was "pro-Western with good relations with Russia" while just 13 per cent backed simply a "pro-Western" policy. [6] Today, 25 per cent of Georgians believe that the main obstacle to EU membership is the government's lack of political will. This is almost certainly due to Georgian Dream's anti-Western rhetoric and ambiguous position on Russia's invasion of Ukraine.

Still, Ivanishvili and his people are unable to get around the public's deeply pro-Western sentiment. And, like every major political player in region, Ivanishvili doubtless remembers the fate of Viktor Yanukovych, who was ousted as president of Ukraine for deciding in November 2013 against signing a proposed Association Agreement with the EU – contrary to the wishes of large swathes of Ukrainian society. Yanukovych's actions sparked a profound political crisis that would force him to flee the country. In this context, Ivanishvili has developed a policy he presents as designed "not to slow down our progress towards NATO while maintaining good relations with Russia." This is a difficult balance to strike. Ultimately, it cannot be genuine given that the Kremlin will never allow Georgia to join NATO.

Russian methods

Several recent developments show some of the narratives and tactics already developed and practised long ago in the Kremlin to be on full display in Georgia.

One is the emergence of a government-promoted narrative according to which the Americans and the Europeans are trying to drag Georgia into Russia's war on Ukraine. The television pundits who make this argument are closely aligned with Georgian Dream. They provide no evidence for their claims.

In a move that strengthens this narrative, five MPs quit Georgian Dream to form People Power, an anti-Western movement. One of them explained the decision by arguing that Georgia would not receive EU candidate status "even after six months if we are not engaged in the war or impose sanctions on Russia." However, People Power is likely a proxy group established by Georgian Dream both to create the illusion that the government is pro-EU and to damage the West's image in Georgia.

Yet another apparently imported tactic includes moves in Russia, as well as in the US, Poland, and Hungary, to harshen the tone and policy towards LGBTIQ+ people. Soon after a handful of LGBTIQ+ rights groups tried to organise a Pride march in Tbilisi in July 2021, half a dozen self-described ultra-Orthodox and traditionalist groups held a counter-rally alongside senior figures from the national church. While the rights groups cancelled the march, 53 journalists who covered the event were physically attacked. These hate groups stormed the headquarters of local LGBTIQ+ and other civil society organisations and replaced the EU flag in front of the parliament building with an Orthodox cross.

The perpetrators of the violence included members of pro-Russian party the Alliance of Patriots of Georgia, which reportedly received around \$1.2m directly from the Russian government during the 2019 parliamentary election campaign. Also involved in the anti-Pride activity was businessman Levan Vasadze, who has links to Russian ultranationalist Alexander Dugin. Ahead of the march, Vasadze said that the government has “until June 25 to cancel the events, otherwise people will react to the government’s decision.” In addition, the Alt Info movement organised an anti-Pride rally on 5 July; soon after the incidents, it transformed into a pro-Russian political organisation. Garibashvili also criticised the Pride activists, while the courts failed to impose any significant penalties on the leaders of the hate groups. Clues such as similarity of rhetoric and trips to Moscow suggest that these groups are at least cultivating links in Russia. The violence partly stemmed from some Georgians’ genuine hostility towards LGBTIQ+ rights – but it also helped nudge Georgia off its European course.

Russia remains an unattractive model for Georgians. Russian, and Russian-influenced, propaganda therefore attempts to portray the Western alternative in Georgia as a decadent perversion of national traditions.

Cautious ambiguity

Why does the Kremlin allow Ivanishvili to officially pursue a pro-Western policy? It may be because the government does not follow through on it. One Georgian diplomat who worked for the Georgian Dream administration observes: “when I was posted in Brussels, Ivanishvili and his people in the government were not asking us to make anti-EU statements or to act against our rapprochement with the EU. But neither were they pushing us to work hard for that rapprochement.”[7] “In reality”, another Georgian diplomat contends, “Ivanishvili’s men in the government were thinking, when they came to power in 2012, that EU and NATO membership was so unlikely that they could act as if they were aiming at joining them without making Russia nervous.”[8]

As the seventeenth-century French cardinal Jean-François-Paul de Gondi put it, “one abandons ambiguity at one’s peril.” This appears to be the world view of many post-Soviet oligarchs. Ivanishvili consistently cultivates ambiguity in his words and actions. Berezovsky, in criticising the Georgian leader, likely meant that he operates within rules set by the Kremlin but pursues his own interests as he does so.

In the last decade under Ivanishvili’s rule, this ambiguity has been reflected in Georgia’s participation in EU integration processes and Western military operations overseas (such as in Central African Republic) even as it stood apart from opposing Russia’s revanchism across

the former Soviet Union. David Usupashvili, who served as parliamentary speaker from 2012 to 2016 and is now in the opposition, said in June 2022 that, “in private, Ivanishvili was asking the representatives of the Georgian Dream coalition that he put in leadership positions in the government and the parliament to always talk to Westerners – and, among them, the Americans first – and to preserve good relations with them.” [9] Ivanishvili may since have given up on his plans, possibly under pressure from the Kremlin, to maintain a balance between Russia and the West, although without formally renouncing the goal to join NATO and the EU. From Ivanishvili’s point of view, it would make sense to distance his country from Euro-Atlantic integration processes only gradually in order not to provoke a Georgian Maidan.

In all, it is likely misleading to view Ivanishvili as a straightforwardly pro-Russian or pro-Western political player. He seems flexible enough to simultaneously be: an oligarch who is close to the Kremlin; an independent actor who pursues his own financial and other interests; a politician who believes he cannot protect his status, and perhaps even his own life, if he breaks the rules set by the Kremlin; and a leader with a cultural affinity for Russia who is, nonetheless, open to working with the West.

Russia’s recent move to regain control of Ukraine certainly prompted Ivanishvili to adopt subtly pro-Russian rhetoric and policies – in a significant departure from the pro-Western foreign policy Georgia first adopted in the 1990s. This corresponds with Berezovsky’s assessment of his character and behaviour.

Events under Ivanishvili’s rule show that it is possible to steer an entire people away from their chosen path. In the meantime, he has kept the door open to the West in case Russia loses its war in Ukraine. In this scenario, he would doubtless argue that the Georgian government pursued what appeared to be a pro-Russian policy in order to protect Georgia from Russian imperialism, at a time when no other world power would be willing or able come to its defence.

Potential crises

The divergent goals of the Georgian people and the Georgian government could become a source of recurring crises. Various events have caused political ructions in the country since June 2019, when Sergei Gavrillov committed the act that caused such uproar. In the immediate moment in the parliament chamber, opposition MPs ejected him from the chair; as they did so, they reminded onlookers of Russia’s occupation of one-fifth of Georgia’s territory – and they went so far as to directly accuse the ruling party of having tolerated Gavrillov’s provocation. The thousands-strong rally that followed that evening was the first of a string of

such events that continued on and off for almost a year.

Civil society groups have been key organisers of the protests since 2019, in which demonstrators declared that, despite the wars of the 1990s and 2008, Georgian Dream had effectively been helping Russia regain influence over their country. But the discontent was also about Georgian Dream's wider record, whether the ailing economy, elections some citizens had come to view as rigged, curtailed freedom of the press, selective justice, or the fierce repression of the June 2019 demonstrations.

The origins of this unhappiness – a foreign policy overly friendly towards Russia and dissatisfaction with Georgian Dream's domestic rule – generated further crises, such as the opposition's refusal to take their seats in parliament, polarised the national political arena, and saw the government adopt an ever more authoritarian approach. The further Georgian Dream continues down this path, the likelier it becomes that crises and protests will recur – and that the fundamental disagreement between government, people, and elites will come to a head.

Recommendations for the EU

Joining the EU means a great deal to Georgians. If Ivanishvili is diverting them from the path to European integration they chose long ago – whether his motivations spring from realistic assessments or from personal reasons – he is doing so while trying to create the impression that his government still pursues a pro-Western foreign policy. However, it is only in the last 18 months that Georgian Dream leaders have appeared to be deliberately spoiling relations with the EU and the US. There are several ways in which the EU can help reverse this trend.

Support delivery on the “12 points”

The most urgent task is to help Georgia address the 12 points the European Commission set out in June 2022 (which were then endorsed by the European Council). The EU should immediately begin to facilitate the difficult discussions within the country about how to do so. As a facilitator, the bloc should ensure that the conversation is targeted very precisely on the 12 points. EU representatives should discuss these issues with Georgian political and civil society groups, and they should report directly to the European Council, which is the ultimate decision-maker about accession negotiations. This would help dissuade political actors in Georgia from trying to interpret the meaning of the points entirely in line with their own interests, which would preclude consensus with rivals, including the government and opposition groups.

Some of the 12 points are ambiguous, while others have relatively straightforward requirements. For instance, point 2 calls for Georgia to guarantee the “full functioning of all state institutions”, while point 12 stipulates it should “ensure that an independent person is given preference in the process of nominating a new Public Defender.” The EU should explain very clearly what each point means, set out what is required to address it, and then check if the job has been done or not. This will prove difficult with point 5, which focuses on the “de-oligarchisation” of Georgian politics. This goal is clearly directed at Ivanishvili (regardless of his allies’ claims to the contrary) – yet it is almost impossible to implement.

Communicate directly with the Georgian people

The EU has been inept at managing its public image in Georgia, having largely failed to explain the numerous ways in which it supports the country. The government has deepened its criticism of the EU all while the bloc continues to send hundreds of millions of euros to Georgia.

The EU should draw on the Georgian people’s overwhelming support for integration with the West by speaking to them directly. They are the EU’s best allies in the country at a time when its government appears to be drifting towards Russia. European leaders should engage with Georgian citizens at every stage of their discussions with various political players in the country (not only the government). They should explain what the EU is doing and how it perceives the statements and actions of these players. In particular, they should set out what is at stake if the government makes no genuine progress on the 12 points: they should point out that the EU has attached financial assistance conditions to this progress, which would mean this support (as well as potentially diplomatic and other cooperation) would reduce if the government fails to respond. In this way, the EU can help Georgia move towards the candidate status it denied the country earlier this year.

Attach conditions to EU financial support

The EU is by far Georgia’s biggest provider of assistance (especially through macroeconomic measures). This places Brussels in a strong position to attach clear conditions to its financial support for the country. The bloc should strictly link its assistance to progress on the implementation of the 12 points now and key democratic reforms in the future. To that end, it will be crucial to set substantive goals for Tbilisi to achieve before it receives EU assistance. Brussels should frame its support as being in line with the interests and the values of the EU’s 447 million citizens – that it is about values, not geopolitics – to ensure that no Georgian

political actor interprets this as foreign interference in domestic political issues.

Consider placing sanctions on Ivanishvili

As Ivanishvili is primarily responsible for the anti-Western mood in Georgia, the EU should consider imposing personal sanctions on him. But the bloc should also bear in mind that his deepest fear could come from the Kremlin – which demands political loyalty to Russia – and may concern the protection of more than just his wealth. Given this, it may be best to introduce the threat of personal sanctions only gently, in order to allow Ivanishvili the time and space to reset Georgia's course.

Conclusion

Figures from the ruling Georgian Dream party deny the influence of Ivanishvili over Georgian politics, but the evidence suggests that the billionaire is a strongman figure in Tbilisi. As a powerful oligarch who made his money in Russia in the 1990s, and who was deeply involved in the high politics of Russia, he is inescapably close to the Kremlin. Berezovsky's observation that Ivanishvili plays by the Kremlin's rules also appears to be true when it comes to the way he runs Georgia. Ten years since he began both formally and informally to control the country's main institutions, no criticisms of him emanate from Moscow. This is likely not only because he promised, when Georgian Dream came to power in 2012, to normalise relations with Russia, it is also because he has restored several forms of leverage in Georgia useful to the Kremlin, such as pro-Russian political parties, pro-Russian narratives in the media sphere, and business connections.

For the last year and a half, the government and the ruling party Ivanishvili stands behind have sought to encourage anti-Western feeling in the country. Taken together, the Georgian Dream government's statements and actions strongly resemble a deliberate attempt to steer Georgia away from the West. Tbilisi now has around a year to satisfy the 12 points set by the European Council, before the council decides whether to grant Georgia candidate status. The coming period is therefore crucial for the country's future: after decades of working towards Euro-Atlantic integration, the acts of an oligarch close to the Kremlin could mean Georgia yet again misses the Westbound train of history.

About the author

Régis Genté is a journalist and an expert on the post-Soviet region, based in Tbilisi since 2002. He has reported for *Radio France Internationale*, *France 24 TV*, *Le Figaro*, and *Paris Match*.

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[1] Author’s Signal interview with a diplomat from the European Commission working on the South Caucasus, June 2022.

[2] Private discussion in Tbilisi, 11 September 2022.

[3] *Obshchaia gazeta*, No. 14 (90), 6 – 12 April 1995, p. 1.

[4] Discussion with four political consultants working with the Kremlin and Russian upper political circles, Moscow, March 2018 and February 2019.

[5] Face-to-face interview with the author, Tbilisi, September 2022.

[6] “Public attitudes in Georgia”, NDI/CRRC Georgia, November 2016, p.56.

[7] Face-to-face interview with the author, Tbilisi, 15 July 2021.

[8] Face-to-face interview with the author, Tbilisi, September 2022.

[9] Face-to-face interview with the author, Tbilisi, July 2022.

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