

The EU's Strategic Pit Stop: Need to Change Gears and Put on Hard Tires

As the world braces itself, awaiting the outcome of the Ukrainian-Russian-American-European peace talks (or attempts), the Georgian Dream government continues to build an autocratic regime, adopting totalitarian non-democratic laws and firmly placing itself among the Autocracy Inc., to [quote](#) Anne Applebaum.

The European Union watches these developments from a reactive stance. Each political maneuver by the ruling party catches Brussels off guard, leading either to delayed responses or, in some cases, to no response at all. The statement by Irakli Kobakhidze on 28 November 2024, effectively halting Georgia's EU accession process, was an unexpected shock for many in Brussels and key EU capitals. The European Union had miscalculated in granting Georgia candidate status "on credit," expecting to incentivize the Georgian Dream to realign with the

European path. However, that expectation proved unfounded. Instead, EU-Georgia relations have deteriorated to an all-time low.

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For those who believe that the ruling party has already hit rock bottom and cannot do further damage, a reassessment is necessary. The Georgian Dream still has multiple avenues through which it can deepen the crisis. Despite its extensive global agenda and full plate, the EU must not lose sight of Georgia and its people who have been protesting continuously for over three months. The EU also needs to prepare for the worst-case scenarios.



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Just as a Formula One car must switch from soft to hard tires when the asphalt heats up, the EU must toughen its stance as Georgia's political landscape intensifies. Adapting to harsher conditions is the only way to maintain control and stay ahead of the curve.

Unsustainable Status Quo

By suspending the EU accession process until 2028, the Georgian Dream has freed itself from the scrutiny and pressure associated with reform implementation. While this move has sparked sustained mass protests—the longest-running demonstrations in the country's history—the ruling party appears determined to endure and suppress dissent. Repression has intensified, with authorities resorting to intimidation tactics against protest participants in an effort to quash public opposition. Simultaneously, the Georgian Dream has ramped up its disinfor-

mation campaigns, seeking to erode public support for EU accession, undermine the credibility of the European Union leadership, and smear the opposition parties and civil society groups.

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The Georgian Dream's euro-skeptic position will be further strengthened if Ukraine and Moldova stumble on their EU path, something which could be expected. Additionally, if the fate of Ukraine is negotiated between Washington and Moscow without Kyiv or the EU's direct involvement, the Georgian Dream will undoubtedly use this as justifica-

tion for its pivot away from the EU. So far, Georgian Dream leaders have been using every statement by the Trump administration for their own political gains. Attacks on [USAID](#), the humiliation of Volodymyr Zelensky in the Oval Office and the [narrative](#) of Ukraine wanting to continue war have been transformed into domestic propaganda messages.

AA Under Threat?

Georgia's democratic backsliding has put the EU-Georgia [Association Agreement](#) (AA) in jeopardy with the European Parliament now calling for a comprehensive audit of EU-Georgia relations. The [resolution](#), which urges the European Commission to review the agreement, underscores a grim reality: Georgia's government is openly violating the core principles of democracy, rule of law, and human rights enshrined in the agreement. Article 2 of the AA makes it clear that these values are not optional but fundamental to the partnership between Georgia and the EU. Yet, the Georgian Dream has systematically eroded judicial independence, politicized law enforcement, attacked media freedom, and undermined anti-corruption institutions—all in direct breach of the commitments it made to the EU member states.

These violations are not abstract. They are clear, measurable, and deliberate. Article 4 of the AA obligates Georgia to develop and strengthen democratic institutions, guarantee judicial independence, and uphold the rule of law. Instead, the government has tightened its grip on the judiciary, ensuring that politically loyal judges dominate the system. The so-called "Clan of Judges" continues to exert unchecked control, manipulating court rulings in favor of the ruling elite. The judicial appointment process remains opaque and politically driven, making a mockery of Georgia's pledge to ensure transparency and impartiality in its legal system. Law enforcement, rather than being a pillar of stability, has become a political weapon—used to harass opposition figures, intim-

idate journalists, and silence government critics.

The Georgian Dream's attacks on civil society and the independent media are an even more blatant violation of its European commitments. Article 13 of the AA explicitly obligates Georgia to promote human rights, media freedom, and access to justice. Yet, the past few months have seen an unprecedented assault on independent journalism. Passing the [new laws](#) regulating media freedom for broadcasters and even attempting to regulate online speech, as [announced](#) on 4 March, would further undermine the implementation of AA obligations.

Civil society organizations have also become targets. The government's push for a "foreign agent" law, modeled after Russia's notorious legislation, labeled NGOs as enemies of the state. The newly announced and tabled U.S.-type FARA (Foreign Agents' Registration Act) will make it impossible for CSOs to continue functioning. This move will be a direct violation of Article 13 which guarantees freedom of association and civic engagement. The message from Georgian Dream is clear: those who challenge its grip on power—whether journalists, activists, or independent institutions—will face pressure, persecution, or prosecution.

The fight against corruption, once a hallmark of Georgia's European path, has also collapsed under the Georgian Dream. Article 4 of the AA commits Georgia to strengthening its anti-corruption institutions and ensuring their independence. Yet, rather than tackling corruption at the highest levels, the government has transformed the Anti-Corruption Bureau (ACB) into a political tool, using it to investigate NGOs and media outlets while ignoring rampant graft within the ruling elite. There is no serious effort to increase transparency in public procurement, political party financing, or government accountability—all of which were key reforms Georgia pledged to undertake. The ACB will likely be tasked with implementing new FARA legislation, equipping it with more punitive tools.

The broader question that the EU should try to ask is whether or not the Georgian Dream is actively preparing to dismantle Georgia's European integration framework altogether. While the Association Agreement is legally binding, Article 427 allows for its denunciation by either party. If the government intends to fully disengage from the EU, withdrawing from the agreement would be its next logical step. The first warning signs have already appeared. In January 2025, Georgia [announced](#) its withdrawal from the Parliamentary Assembly of the Council of Europe (PACE) after the body called for fresh elections. The move was eerily reminiscent of Russia's [decision](#) to quit the Council of Europe in March 2022, just before fully embracing autocracy and cutting ties with European institutions.

If these trends continue, Georgia risks becoming the first Eastern Partnership country to willingly abandon its EU aspirations. The consequences would be severe, not just for Georgia's democratic future, but for its economic stability, regional security, and geopolitical standing. The European Parliament's recent resolution may be a warning shot but, unless the EU moves beyond rhetoric and begins enforcing the consequences of these violations, the Association Agreement will become a meaningless document—and Georgia's European path will fade into history.

Could Georgia Follow Iceland's Path?

In November 2024 when Irakli Kobakhidze announced that Georgia would merely “postpone” accession talks, it was clear that this was more than a tactical delay. It was the first major step toward deliberately disengaging from the EU enlargement process. The Georgian Dream could still formally withdraw the country's EU membership application altogether if it deems it necessary for internal political reasons.

This scenario is not without precedent. In 2015, Iceland became the first country to unilaterally [withdraw](#) its EU membership application due to a combination of political, economic, and sovereignty-related factors. By 2015, Iceland's economy had recovered with its GDP returning to pre-crisis levels, thereby reducing the urgency of joining the EU and so the application was dropped. In Iceland, this decision was a calculated, pragmatic step based on its economic recovery, concerns over sovereignty, and a lack of public urgency. In Georgia, however, this could happen for totally different reasons - political hostility from the ruling party, economic realignment with Russia, and growing authoritarian tendencies.

Unlike Iceland, which maintained close economic and political ties with the EU despite halting accession, Georgia's potential disengagement could result in a complete rupture with European institutions. The Georgian Dream has increasingly framed the EU as a hostile force, attacking EU diplomats, assaulting civil society, and undermining democratic institutions—moves that signal not just a pause but a potential reversal of Georgia's European path. While Iceland chose to step away from EU membership because it no longer saw a compelling economic reason to join, Georgia's government appears to be deliberately severing ties for political survival, fearing that continued alignment with Brussels would limit its authoritarian consolidation.

The key lesson from Iceland's case is that once a government politically commits to reversing EU integration, it can do so unilaterally, regardless of public sentiment. In Iceland, the decision was made without a referendum or full parliamentary approval, despite demands for a national vote. Georgia risks following the same trajectory—except in its case, the consequences would be far more severe. The question is no longer whether or not the Georgian Dream wants to remain on the EU path—it is if the Georgian public and opposition forces can resist its retreat before irreversible damage is done.

To justify such a drastic move, the Georgian Dream could attempt to shift blame onto Brussels, pointing to the lack of progress for Ukraine and Moldova as evidence that EU membership was never a realistic prospect. Some Icelandic politicians used a similar argument in 2015, claiming that negotiations were stalled indefinitely and that there was no point in remaining in the queue. If Moldova and Ukraine continue to struggle with their accession timelines, the Georgian Dream may find it easier to convince its supporters that the EU was never serious about integrating the country in the first place.

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The EU cannot afford to be passive in the face of this looming deterioration. It must increase its scrutiny of Georgia's democratic trajectory, making it clear that withdrawal from the accession process would not simply be a political maneuver but a catastrophic decision with real consequences. Expanding the EU Rule of Law Report to include Georgia could be one way to keep pressure on the government. The visa suspension mechanism, another tool at the EU's disposal, could also serve as leverage. If the Georgian Dream believes that it can quietly walk away from the European project while continuing to enjoy the economic and travel benefits of EU cooperation, Brussels must prove otherwise.

No Economic Anchor Either

Economic arguments that once made Georgia's EU alignment seem inevitable are now losing their weight. The Deep and Comprehensive Free Trade

Area (DCFTA), a central pillar of the Association Agreement, was once hailed as a game-changer for Georgia's economy, offering businesses privileged access to the world's largest single market. Yet, over the past decade, this promise has been steadily eroding and the numbers tell a clear story. In 2015, Georgia's [exports](#) to the EU accounted for 28.3% of total trade. By 2024, that figure had [collapsed](#) to just 8.7%.

The decline in exports is not just a temporary economic fluctuation—it is a reflection of a deliberate political and economic realignment. Georgian businesses, once enthusiastic about the EU's market opportunities, now find themselves facing trade barriers, shifting regulatory requirements, and political uncertainty. At the same time, economic actors closely aligned with the ruling Georgian Dream party have cultivated deeper financial and commercial ties with Russia and China, reducing their reliance on Europe. As a result, the once-powerful business sector, a key advocate for EU integration, has become noticeably silent. The private sector, which previously saw EU trade as a ticket to modernization and economic stability, now appears resigned to Georgia's pivot toward alternative markets.

Meanwhile, Russian and Chinese investments have [surged](#), providing the Georgian government with a new source of financial and political leverage. While Chinese infrastructure projects and Russian energy investments come with fewer conditions than EU assistance, they also create long-term economic dependencies that could prove costly for Georgia's sovereignty. In particular, Chinese loans for large-scale infrastructure projects—often issued without stringent transparency requirements—have already led to concerns about debt diplomacy. At the same time, Russian capital has been flowing into Georgia at an unprecedented rate, especially since the full-scale invasion of Ukraine. The [influx](#) of Russian businesses and individuals fleeing sanctions has brought an economic boost to certain sectors but at a geopolitical cost: Georgia is increasingly seen

as a safe haven for Russian money, further straining relations with the West.

With fewer economic incentives to remain closely aligned with Brussels, Georgia may feel emboldened to continue drifting away from the EU. If European markets no longer serve as Georgia's primary trading destination and alternative funding sources from China and Russia continue to expand, the government could argue that the EU is no longer an economic necessity. This would not only provide justification for political disengagement but would also further neutralize the business sector as a force for pro-European advocacy.

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The EU must recognize that its economic leverage over Georgia is diminishing. The benefits of visa-free travel and DCFTA access are no longer enough to counterbalance the increasingly attractive offers from China and Russia. To counter this trend, Brussels needs to rethink its economic engagement strategy, offering stronger investment guarantees, trade incentives, and tangible economic benefits that keep Georgia anchored in the European orbit. Without a renewed push to deepen economic ties, the EU may find itself losing not just Georgia's government but also its business community and economic elite.

Forthcoming Diplomatic Freeze Out?

Another avenue for the deterioration of Georgian Dream-EU relations could be the frontal attack against the EU diplomatic missions and its dele-

gation in Georgia. Georgia's diplomatic retreat is already evident. The Georgian Dream has left ambassadorial posts vacant in 11 out of 27 EU member states as well as in the U.S., and the UK, weakening engagement with key Western partners. At the same time, the ruling party is vilifying European diplomats, including the ambassadors of the [EU](#) and [Germany](#), accusing them of political interference and questioning their very presence in Georgia. The next logical step would be expelling EU diplomats, a tactic used by Russia, Belarus, and Azerbaijan to eliminate international scrutiny. The Georgian Dream has already [hinted](#) at invoking Article 9 of the Vienna Convention, which would allow it to declare European diplomats persona non grata, further isolating Georgia from Brussels.

The Georgian Dream is also tightening its grip on civil society, a crucial counterbalance to its growing authoritarianism. The closure of USAID and NED operations has already dealt a severe financial blow to independent NGOs and the Georgian Dream is now [establishing](#) a state-controlled funding agency to channel Western grants exclusively to pro-government organizations (GONGOs). This mirrors Azerbaijan's crackdown in 2014 when the Aliyev regime [forced](#) all foreign-funded NGOs to register with the state, leading to mass closures. Russia and Belarus followed similar paths, using "foreign agent" laws to criminalize independent civil society.

The European Union has recognized this threat and [promised](#) to redirect EUR 120 million in funding from the Georgian government to civil society organizations. However, months later, this promise remains unfulfilled, allowing the Georgian Dream to continue with its financial suffocation strategy. If the EU fails to act swiftly, it risks repeating the mistakes made in Azerbaijan and Belarus where Western donors were eventually forced out entirely. It cannot be overruled that the ruling party will pass the laws, forbidding uncoordinated funding of the CSOS by the foreign embassies. In such a case (and this could happen soon), the EU and the Euro-

pean embassies have to make a swift decision – do they play by the new undemocratic laws or do they look for alternative, including clandestine funding mechanisms.

Time to Shift Gears

Irakli Kobakhidze's announcement on 28 November 2024 was not the final blow to EU-Georgia relations—far from it. The Georgian Dream still has multiple levers at its disposal to further deteriorate ties. Despite its packed foreign policy agenda, the EU must not turn its back on Georgia. The Georgian people overwhelmingly support European integration, and abandoning them would only embolden the ruling party's authoritarian drift.

There will be a need to react and the results cannot be ignored. Brussels has to figure out what type of immediate response it will have.

The Georgian Dream has not finished making Georgia an authoritarian state. The work is still in progress. The ruling party [announced](#) the adoption of a new package of legislation that would put yet another nail in the coffin of democracy. Once adopted, there will be a need to react and the results cannot be ignored. Brussels has to figure out what type of immediate response it will have. The moves the EU has made so far have not been able to stop the Georgian Dream from pursuing its way of building autocracy. It is time for the EU to move from reactive to proactive. Developing a comprehensive strategy, assessing risks, and preparing countermeasures will allow Brussels to shape events rather than merely respond to them. A strategic recalibration is long overdue ■