# Shattered Dream: The Decline of Democracy and the Path to 2036

idzina Ivanishvili, whose wealth amounts to USD 4.9 billion - equivalent to 15% of Georgia's GDP - rose to power with his political party, the Georgian Dream (GD), in the autumn of 2012. After 12 years in office, the Georgian Dream seeks re-election in October 2024 for another four-year term, with Prime Minister Irakli Kobakhidze stating that the party aims to remain in power until at least 2036.

In a <u>statement</u> issued on 20 August 2024, the Georgian Dream's political council outlined the reasons why it wants to not just stay in power but obtain a constitutional majority. The ruling party is seeking a constitutional majority in the upcoming parliamentary elections to achieve four key objectives: eliminating and outlawing all opposition it labels as the "collective UNM," enacting anti-LGBT legislation to uphold "traditional values," preparing for potential constitutional changes in the event of Georgia's territorial reintegration, and protecting the country's national identity and values, whatev-

er that might mean. The GD argues that a constitutional majority is essential to implement these measures, framing the election as a critical choice between "war and peace," "moral degradation and traditional values," and "sovereignty versus subservience to external forces."

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An analysis of the past decade reveals that Ivanish-vili's governance has been a zero-sum game from the outset, and the recent statement by the GD political council makes precisely that point. If the GD wins, everyone else will lose: political parties – the right to exist; individual politicians – freedom; minorities – their inherent rights; and Georgia – the prospect of European integration. Ivanishvili appears to understand that sharing or losing power equals losing control over everything – a prospect



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he finds unacceptable. Fearing political retribution from both opposition forces and possibly from Moscow - where he amassed his fortune - Ivanishvili seems willing to sacrifice Georgia's Western integration, supported by most of the population, to maintain his grip on power. The results of the October election will reveal whether or not Georgian society is prepared to accept this trade-off.

#### **Phantom Reality**

Bidzina Ivanishvili has long preferred to live in a self-imposed state of obscurity, especially until 2011, when he first revealed his carefully hidden political ambitions. His first major public appearance was in October 2011, when he wrote an open letter detailing his background, motivations, and reasons for entering politics. From the start, Ivanishvili argued that Georgian politics needed only two poles. He claimed he entered politics not for revenge against Saakashvili but out of a sense of duty to his homeland. However, his letter also hinted at a desire to control the media, tame journalists and experts who criticized him, and dispel accusations of being a Russian agent or a businessman who amassed wealth in Russia. When the Georgian Dream unveiled its program ahead of the 2012 general elections, it became clear that Ivanishvili might steer the country toward a shift in foreign policy. The document notoriously stressed that Georgia should no longer be a point of contention between the West and Russia.

In January 2013, during a visit to Armenia as Prime Minister, Ivanishvili <u>remarked</u> that Armenia - despite its close ties with Russia and membership of the Collective Security Treaty Organization (CSTO) - was a role model for Georgia. Eight months later, Armenian President Serzh Sargsyan, under pressure from the Kremlin, opted out of signing an Association Agreement with the European Union and instead joined the Russian-led Eurasian Union. Commenting on this, Ivanishvili did not dismiss the possibility of Georgia also joining the Eurasian

Union, <u>stating</u>: "If, in perspective, we see that it is interesting for the strategy of our country, then why not?..."

Furthermore, it emerged that the Georgian authorities had consulted with their Russian counterparts on whether or not to sign the Association Agreement, including the Deep and Comprehensive Free Trade Area (DCFTA) with the EU. According to Zurab Abashidze, the Prime Minister's Special Representative in relations with Russia, Moscow confirmed that it did not oppose Georgia's signing of the agreement. Abashidze even claimed that informal dialogue with Russia played a role in securing the Association Agreement and visa liberalization with the EU.

To quell doubts about his links with Russia, Ivanishvili initially brought pro-Western politicians and parties into the Georgian Dream coalition, including the Free Democrats led by the then Defense Minister, Irakli Alasania, and the Republican Party headed by the then Parliamentary Chair, David Usupashvili. These inclusions now feel like window dressing to reassure the West that Georgia's Western orientation would remain intact. Over time, these politicians were forced out of the coalition, and Ivanishvili's inner circle gradually shrank to a group of loyalists and yes-men.

After 12 years in power, almost none of the original coalition members remains by his side. Instead, Ivanishvili now relies on those who worked for his private businesses, like Cartu Bank, and who are willing to follow his directives without question. This loyalty was evident when Parliament passed the Russian-style foreign agents law in 2024, with none of the Georgian Dream's members questioning the decision, even though it effectively halted Georgia's EU accession process.

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Signing the Association Agreement in 2014 and securing visa-free travel to the EU and the Schengen Zone countries in 2017 further solidified the deceitful perception that Bidzina Ivanishvili and the Georgian Dream were pro-Western. Georgia's democratic backsliding, in contrast to Ukraine and Moldova, allowed the country to be seen as a shining star within the EU's Eastern Partnership program. Thus, the European Union also bears some responsibility for Georgian democracy's decline. EU officials failed to recognize the early signs of democratic backsliding and instead praised the Georgian leadership for implementing reforms reforms that were often only superficially enacted. Moreover, in 2023, the European Union granted Georgia the status of EU candidate state despite the blatant failure of the Georgian Dream to implement the 12 conditionalities. This credit, as we all saw, was grossly abused by the oligarch and his ruling party.

#### The Zero-Sum Game: Maintaining Power at All Costs

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Ivanishvili's ruling methods reveal a pattern: when faced with a political crisis, he delivers empty promises to defuse protests and later reneges on them. After taking office, he pledged to fight elite corruption but instead turned the country into an oasis of corruption. In 2022, the Georgian Dream submitted an EU membership application to calm street protests, only to abandon the EU path later. Ivanishvili promised to "resolve all issues" within a year after the 2018 presidential elections but never attempted to follow up. The Georgian Dream signed the so-called "Charles Michel Agreement"

in 2021 to diffuse the post-parliamentary election crisis, only to withdraw from it later. Ivanishvili also promised to abolish the majoritarian system in 2020 to quell street protests but again reneged on his promise. In 2023, the Georgian Dream vowed not to pass the Russian-style foreign agents law, but a year later, they did nonetheless. It has taken years for much of Georgian society and the West to recognize that the words of Ivanishvili and his team have no value other than serving the political interests of the oligarch and the ruling party.

## Tolerating, Not Fighting Elite Corruption

Bidzina Ivanishvili and the Georgian Dream coalition rose to power in 2012 on promises of restoring justice and combating corruption. In one of his early speeches, he vowed to fight elite corruption fiercely and hold even his closest allies accountable if they enriched themselves at the state's expense. Yet, despite these promises, the country gradually evolved into a captured state ruled by oligarchs. As Transparency International's Corruption Perception Index 2023 stated: "High-level corruption is turning the government into a kleptocracy." Georgia's slide into corruption has become a significant obstacle to its EU integration. Ivanishvili and the Georgian Dream have consistently tolerated high-level corruption, a fact made evident when the former reappointed Irakli Gharibashvili as Prime Minister in February 2021, despite his previous ousting over corruption allegations. However, Gharibashvili's second tenure lasted only until January 2024, as accusations of corruption again mounted against him.

Corruption is also deeply entrenched in the judiciary. In April 2023, the US Department of State imposed travel bans on three sitting and one former judge who had abused their positions within Georgia's High Council of Justice and were involved in significant corruption. At the time, Prime

Minister Gharibashvili <u>defended</u> the sanctioned judges, claiming that reforms under the Georgian Dream had turned the judiciary into a "model for the whole EU." Despite pre-election promises, Ivanishvili and his team realized that maintaining and nurturing elite corruption and having a judiciary that serves their interests was the best way to consolidate power.

The European Union has <u>called</u> on the Georgian authorities to establish a system of extraordinary integrity checks for judicial candidates, with international experts playing a decisive role. However, the Georgian Dream immediately <u>rejected</u> this request, arguing that it would violate the Georgian Constitution. Ivanishvili <u>framed</u> the EU's demand as an attempt to "staff the judicial system with agents."

#### Fear of Losing the Presidency

Another demonstration of Ivanishvili's reluctance to share power came during the 2018 presidential election when the Georgian Dream-backed candidate, Salome Zourabichvili, failed to win in the first round against the UNM candidate, Grigol Vashadze. After years of relative silence, Ivanishvili appeared on television, urging all Georgians to prevent the UNM from taking revenge and vote for Zourabichvili. He promised to correct all of the mistakes of the Georgian Dream within a year and ensure the country's irreversible development.

However, six years later, Georgian democracy has only deteriorated. According to the latest Press Freedom Index, Georgia fell from the 61<sup>st</sup> place in 2018 to the 103<sup>rd</sup>. In the Corruption Perception Index, Georgia dropped from 41<sup>st</sup> in 2018 to 53<sup>rd</sup> in 2023. The Democracy Index prepared by the Economist Intelligence Unit now classifies Georgia as a hybrid regime, with a democracy index score that declined from 5.5 in 2018 to 5.2 in 2023.

While democracy has regressed, Georgia's economy has grown in recent years. According to World Bank data, the GDP per capita (PPP) nearly doubled from USD 4,804 in 2018 to USD 8,120 in 2023. However, due to endemic corruption, wealth distribution remains uneven, and the gap between the rich and the poor has widened. The number of people receiving subsistence allowances remains high at 12.7% of the total population. According to the Caucasus Barometer 2024, half of the country's population is unemployed, and 45% want to emigrate temporarily. In contrast, at least 23 members of Parliament are millionaires.

### Fear of Losing Control Over Parliament

Since 2012, Ivanishvili and the Georgian Dream have fully controlled the Georgian Parliament. The election system has played a significant role in this. The 2012-2020 Georgian Parliament comprised 150 members, of whom 77 were elected through proportional representation (party lists) and 73 through a majoritarian system. This mixed system consistently ensured a majority for the ruling party in Parliament. The majoritarian system was particularly unfair as it allowed a party to secure many more seats than the votes received. In the 2016 parliamentary elections, the Georgian Dream received 48.6% of the votes but secured 115 out of 150 seats, granting them a constitutional majority. The same happened in 2008 when the ruling UNM received 59% of the votes but secured 119 seats in Parliament - also a constitutional majority.

In June 2019, protests erupted after Sergei Gavrilov, a Russian Duma member, and supporter of Abkhazia's independence, sat in the chair reserved for the head of the Parliament and delivered a speech in Russian. To calm the tens of thousands of protesters gathered outside the Parliament building, Ivanishvili pledged to reform the electoral system, moving from a mixed 77/73 system to

full proportional representation with a zero-vote barrier. However, the proposed bill was blocked by majoritarian MPs, allegedly at Ivanishvili's behest, fearing that this reform would jeopardize the Georgian Dream's hold on power in the 2020 parliamentary elections. Instead, a compromise was reached in 2020, stipulating that 120 deputies would be elected through proportional representation and 30 from single-member constituencies. The transition to a fully proportional system was postponed until the 2024 general elections. In the 2020 parliamentary elections, the Georgian Dream received 48.2% of the votes but secured 90 seats in Parliament, once again thanks to the mixed system.

#### Russian Law: Another Broken Promise

Inspired by Russia's foreign agents law, the Georgian Dream attempted to pass a similar legislation in the spring of 2023. The ruling party saw this as an effective tool to stigmatize and silence critical voices in the media and civil society. Due to widespread protests and Western criticism, the Georgian Dream was forced to backtrack and halt the law's passage. At the time, Prime Minister Gharibashvili vowed not to revisit the draft law, stating that "the topic is over." However, the Georgian Dream resumed the legislative process and passed the law in the spring of 2024, just months before the general election. The law's passage, despite warnings from the West that it would end Georgia's EU accession process, demonstrated the Georgian Dream's willingness to trade off Georgia's EU aspirations to maintain power. On 26 October, the Georgian public will have the chance to decide whether or not they will accept this compromise.

#### The Way Ahead

Bidzina Ivanishvili has largely failed to deliver democratic and socio-economic reforms over the past 12 years. As the 2024 parliamentary elections approach, the Georgian Dream rhetorically positions itself as the only political force capable of maintaining peace with Russia and avoiding armed conflict. Playing on the trauma of the 2008 war, the Georgian Dream frames the 2024 election as a choice between peace and war, with the underlying message being peace versus EU integration. Ironically, while the Georgian Dream brands the West as a "global war party" pushing Georgia to open a second front against Russia, it simultaneously promises to secure Georgia's EU membership by 2030. This message is targeted at Georgian Dream supporters who believe that EU integration is not incompatible with passing Russian-style laws.

However, the message of war vs. peace appears to have changed recently. Now, the Georgian Dream is pushing for a strong authoritarian state with no opposition, no regard for Western values, and nobody to challenge Mr. Ivanishvili's whims and governance methods. This strategy of "all in" shrinks the possibility of influencing Georgian Dream's actions from outside, by Western partners, or inside, from the remaining few democratic institutions to the minimum. In such an environment, the legitimacy of the elections raises serious doubts. At the end of the elections, we will know whether the Georgian Dream secured enough support or snatched election results to achieve the autocratic rule it had announced or whether the Georgian people will punish the oligarch for banking on authoritarianism instead of Georgia's European future and prosperity