

GEO POLITICS

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Fahrenheit 451



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Our Mission

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We, at *GEOpolitics*, believe that disseminating knowledge and analysis conducted with integrity and impartiality can advance national interests and strengthen democratic institutions in Georgia and across the broader region. Our journal fosters a culture of intellectual exchange, encouraging meaningful contributions to the wider geopolitical discourse, with particular attention to Georgia and the South Caucasus.

In line with our ethos, the journal is firmly committed to promoting Georgia's European and Euro-Atlantic integration and democratization, while also engaging with political and security developments across the wider region. *GEOpolitics* reflects the Georgian people's strategic orientation toward the Western world, democracy, and Europeanization. Our vision is that Georgia can and must contribute to universal democratic values and to strengthening regional and international security through analytical and intellectual engagement.

We have assembled a team of experts and contributors with strong policy experience who enrich the debate on Georgia's foreign and security policy, while examining broader dynamics in the South Caucasus. We analyze Georgia's relations with the EU, NATO, Russia, and other key geopolitical actors and institutions, and assess how internal developments shape Georgia's geopolitical role, fostering informed dialogue from, about, and in Georgia and the broader region.

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The Fire That Backfired and Set Russian Imperial Project Ablaze

Russia invaded Ukraine to extinguish a nation, to erase Ukrainian sovereignty, subordinate its political institutions, rewrite its history, and demonstrate that military force could restore an empire whose authority had been receding for decades. The invasion produced the opposite strategic effect. Ukraine has depleted Russian military power, shattered the myth of Moscow's invincibility, accelerated the erosion of its influence across the post-Soviet space, and forced Europe to confront the persistence of Russian imperialism. The lighter on this issue's cover carries the Ukrainian trident, while its flame assumes the shape of the Kremlin, capturing the central paradox of the war: the assault designed to destroy Ukraine has set Russia's imperial project ablaze.

The symbolism of *Fahrenheit 451* also reaches beyond the battlefield. Ray Bradbury portrayed a political order sustained through the destruction of knowledge, the manipulation of memory, and the elimination of independent thought. Putin's Russia has constructed its own version of that order, replacing history with state mythology, journalism with propaganda, citizenship with obedience, and political disagreement with treason. Its methods have spread across borders. Moscow finances political actors, exploits social divisions, manipulates information, interferes in elections, and uses the very institutions and instruments available in democracies to undermine neighbors' democratic systems. This transformation challenges one

of the deepest assumptions of post-Cold War liberal thought: that democratic institutions are naturally capable of protecting themselves. They are not. Ukraine has shown that freedom can withstand military aggression when a society is prepared to defend it. Meanwhile, the wider European challenge is how to support democracies in defending themselves, not only through developing the legal, political, and security capacity to resist authoritarian interference, but also to resist foreign malign interference, whether through electoral manipulation, occupation and annexation, or disinformation. The current issue of *GEOPOLITICS* is centered precisely around these topics.

Vano Chkhikvadze opens the issue by examining one of the European Union's most consequential remaining instruments of leverage over Georgia: visa-free travel. Georgia's democratic governance, protection of fundamental rights, and alignment with European policy have deteriorated sufficiently to activate the revised Visa Suspension Mechanism. Migration indicators, however, present a more favorable record, including declining asylum applications and continued cooperation on readmission. Chkhikvadze questions whether suspending visa-free travel for ordinary citizens would influence Georgian Dream's conduct. The immediate costs would fall on students, patients, seasonal workers, journalists, civil society representatives, and families dependent on remittances. The measure would also reinforce the government's claim that Europe is hostile to Georgia. Applying the principle

of *primum non nocere* — first, do no harm, Chkhikvadze calls on Brussels to direct restrictions toward the officials responsible for democratic backsliding and to preserve the human bridge connecting Georgian society with Europe.

Sergi Kapanadze explores whether Russia is preparing to convert its occupation of the Tskhinvali Region/South Ossetia into formal annexation. The departure of de facto leader Alan Gagloev for a Kremlin position, the elevation of another Russian official in Tskhinvali, and new integration arrangements expose the fictitious character of the territory's independence. For many years, Moscow benefited from the ambiguity of occupation. The unresolved conflict provided leverage over Georgia without the additional costs of annexation. That calculation may be changing. Western sanctions remain focused overwhelmingly on Ukraine, while Georgian Dream has separated Russia's aggression against Georgia from Moscow's wider imperial policy, weakened relations with Western partners, and expanded the country's economic exposure to Russia. The Kremlin may now calculate that annexation would generate condemnation without compelling Tbilisi to alter its strategic course. Georgian Dream's policy has thus created a South Ossetian trap: accommodation has produced greater dependence, diminished deterrence, and fewer options for responding to another unilateral change in the status quo.

Temuri Yakobashvili explores the gradual consumption of Georgia's economic future. The country has repeatedly drawn prosperity from geography, knowledge, natural resources, and connectivity, from the ancient symbolism of the Golden Fleece to modern pipelines and transport corridors. Georgian Dream has redirected these advantages toward monopolization, gambling, opaque financial activity, surveillance, and immediate private gain. The failure is particularly visible in artificial intelligence. Neighboring states are building AI infrastructure, regulatory systems, educational capacity, and international partnerships, while

Georgia has abandoned important educational projects and concentrated its technological capacity in politically coercive sectors. Georgia possesses the talent, energy resources, location, and connectivity required to become a regional center of innovation. These assets could form a modern Golden Goose, generating long-term prosperity. Their continued misuse threatens deeper stagnation, accelerating brain drain, and the loss of opportunities that future governments may struggle to recover.

Shota Gvineria turns to Armenia, where recent elections kept in power pro-Western Nikol Pashinyan, who succeeded over the pro-Russian political forces. Yerevan is reducing Russian influence, dismantling some of Moscow's security levers, and attracting substantial Western investment in connectivity and advanced technology. Georgia's experience provides an urgent warning to Armenia and Europe. Reform remains reversible when courts are vulnerable to political capture, economic chokepoints stay under Russian control, and international engagement fails to address the country's security environment. Armenia faces each of these risks. It also operates under more favorable geopolitical conditions than Georgia did after 2008. Russia has weakened itself through its war against Ukraine and has lost credibility as Armenia's security guarantor, while Western states have established material interests on Armenian territory. Gvineria argues that Washington and Brussels should help Yerevan reduce its economic and security dependence on Moscow, while Armenia must consolidate independent institutions capable of surviving changes of government. The durability of Armenia's Western trajectory will ultimately depend on whether state transformation keeps pace with geopolitical realignment.

Thornike Gordadze tackles this issue's central question: how should open societies defend themselves when Russia uses democratic freedoms as instruments of hybrid war? Armenia, Moldova, and Ukraine have restricted political parties, media organizations, and religious structures associated

with Russian influence. These measures respond to genuine security threats and simultaneously create opportunities for domestic abuse. Drawing on Germany's doctrine of *wehrhafte Demokratie*, Gordadze argues that militant democracy must evolve into resilient democracy. Restrictions should rest on demonstrable evidence, independent judicial authorization, proportionality, limited duration, and effective legal review. The European Union has a decisive role in establishing these safeguards. Enlargement can provide frontline states with constitutional discipline, institutional support, economic resilience, and a credible political horizon. Europe's task is to help these democracies withstand Russian pressure and maintain democratic accountability throughout the process.

Jaba Devdariani and Tornike Zurabashvili close the issue by examining another potential shift in Georgia's strategic environment: the emergence of a wealthier, more nationalist, and more pragmatic Iran. A post-conflict settlement, whenever it comes, could release Tehran from important sanctions, restore energy revenues, and empower a younger governing elite whose statecraft relies more heavily on nationalism and material interests. Tehran could seek a greater role in the South Caucasus, deepen cooperation with Armenia, support regional formats that constrain Western involvement, and invest in north-south transport routes through Georgia. Expanded trade, tourism, and infrastructure investment could provide Georgia with economic

opportunities while introducing new dependencies and strategic pressures. Russia's weakening is opening political space across the region, and Iran will be among the powers seeking to occupy it.

The articles in this issue describe a region entering a period of strategic combustion. Ukraine has demonstrated that Russian power can be resisted and materially degraded beyond the battlefield through drone attacks and undermining of oil and gas infrastructure. Armenia is testing whether a state can escape Moscow's orbit and consolidate a Western orientation. Georgia shows how institutional capture, economic dependence, and the absence of strategic vision can reverse decades of progress. Iran's possible transformation points to a regional order in which Russia's decline will generate competition rather than geopolitical emptiness. Europe therefore faces decisions extending far beyond the management of a single war. It must protect democratic societies, distinguish between captured governments and the citizens they rule, close the security gaps Russia exploits, and engage the regional powers emerging around its eastern frontier. The fire Russia lit in Ukraine has begun to spread back toward the imperial center. Whether it consumes Moscow's capacity for domination or merely clears the ground for new forms of authoritarian influence will depend on the institutions, alliances, and policy choices built while the flames are still burning ■

With Respect,
Editorial Team

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Primum Non Nocere: Visa-Free Travel for Georgians

Nearly a decade after [granting](#) Georgian citizens visa-free access to the Schengen Area, the European Union faces an uncomfortable dilemma. Democratic backsliding in Georgia has prompted Brussels to consider activating one of its strongest remaining instruments of political pressure, the suspension of visa-free travel. Legally, the grounds for doing so are becoming increasingly difficult to dismiss. Politically, however, the consequences are far less straightforward.

The question is no longer whether Georgia has regressed in meeting many of the commitments underpinning visa liberalization. The European Commission has repeatedly concluded that it has. The more difficult question is whether suspending visa-free travel would achieve its intended objective or would primarily affect those Georgians who continue to see Europe as their country's political, cultural, and civilizational home.

The ancient medical principle *primum non nocere* (first, do no harm) offers a useful lens through

which to assess this debate. The European Union has every reason to respond to Georgia's democratic regression and growing divergence from European values. Yet not every available instrument is necessarily the most effective one. Before transforming one of the EU's greatest foreign policy successes into a tool of political pressure, Brussels should carefully consider whether the remedy risks harming those it seeks to protect.

For human rights defenders working in an increasingly hostile domestic environment, the ability to travel freely has become not only a professional necessity but, at times, an important safety mechanism.

For most Georgians, the significance of visa-free travel extends well beyond tourism. Since visa-free travel entered into force in 2017, more than a [million](#) Georgians have traveled to the European Union and the Schengen Area without visas.



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For [thousands](#) of patients every year, it has provided access to medical treatment unavailable in Georgia. It has [enabled](#) students to participate in academic exchanges, entrepreneurs to establish business contacts, and civil society representatives to engage more actively with their European counterparts. For human rights defenders working in an increasingly hostile domestic environment, the ability to travel freely has become not only a professional necessity but, at times, an important safety mechanism.

Visa liberalization has also carried a less visible but equally important socio-economic dimension. Although reliable statistics are scarce, it is widely acknowledged that many Georgians, particularly from economically vulnerable regions, use visa-free travel to [undertake](#) short-term seasonal work in Europe. Their earnings support families through remittances and help alleviate the economic hardship that continues to affect large parts of the country. Research consistently shows that emigration remains deeply embedded in Georgian society: approximately [three](#) out of four families report

having a close relative living abroad, while one in five households receives remittances.

From Bridge to Political Conditionality

Ironically, one of the European Union's most successful instruments of soft power is increasingly being viewed as a potential instrument of political pressure.

As relations between Brussels and Tbilisi continue to deteriorate, absent a consensus on other restrictive measures, visa liberalization has emerged as one of the few areas where the European Union retains meaningful leverage over the Georgian authorities. The [revised](#) Visa Suspension Mechanism, adopted in 2025, has considerably broadened the political and legal grounds on which visa-free travel may be suspended. While migration-related indicators remain relevant, the mechanism now places far greater emphasis on democratic governance, respect for fundamental rights, alignment with the EU's

foreign and visa policies, and broader considerations relating to the Union's external relations.

This evolution makes it clear that for the EU, visa-free arrangements are no longer assessed solely through the lens of migration management. It has become part of a broader geopolitical toolkit.

This evolution makes it clear that for the EU, visa-free arrangements are no longer assessed solely through the lens of migration management. It has become part of a broader geopolitical toolkit through which the EU links mobility benefits to broader political and foreign policy commitments, including democratic governance, respect for fundamental rights and alignment with EU policies.

In light of this modified approach, the European Commission has steadily increased its warnings to Georgia. Its [eighth](#) Visa Suspension Report, published in December 2025, concluded that Georgia had continued to regress in key areas of governance, democracy and fundamental rights. The report reiterated that respect for these principles was one of the core conditions agreed during Georgia's visa liberalization dialogue and warned that the revised mechanism should be considered if the country's trajectory remains unchanged.

The political message soon translated into concrete action. In March 2026, the European Union [suspended](#) visa-free travel for holders of Georgian diplomatic, service and official passports for an initial period of one year, with the possibility of extension. Although largely symbolic in practical terms, the decision carried a much broader political significance. For the first time, Brussels demonstrated that suspension was no longer merely a theoretical possibility.

Since then, the debate has moved to a far more consequential question: should the suspension

eventually be extended to ordinary Georgian citizens?

That question lies at the heart of the current debate. Legally, the revised mechanism provides the European Union with considerably greater room for maneuver than before. Politically, however, the decision is considerably more complex. Before taking such a step, it is worth examining whether Georgia's overall record actually justifies extending the suspension beyond diplomatic passport holders.

Does Georgia's Mixed Record Meet the Test?

Whether the European Union should extend the suspension of visa-free travel ultimately depends on a straightforward question: does Georgia meet the conditions set out in the revised Visa Suspension Mechanism? The answer is neither a simple yes nor a simple no.

The mechanism, substantially revised in 2025, reflects the changing nature of the EU's neighborhood policy. Originally conceived primarily as a safeguard against irregular migration, it now also incorporates broader political considerations. In addition to migration-related indicators, such as asylum applications, irregular stays and readmission cooperation, the revised regulation places considerable emphasis on democratic governance, respect for fundamental rights, alignment with the EU's visa and foreign policy, and developments that may affect the Union's external relations and internal security.

While the country's democratic record has deteriorated sharply, several of the traditional migration indicators have moved in the opposite direction.

Assessing Georgia against these criteria reveals a considerably more nuanced picture than the current political debate often suggests. While the country's

democratic record has deteriorated sharply, several of the traditional migration indicators have moved in the opposite direction.

One of the strongest arguments historically used to justify closer scrutiny of visa-free regimes has been the risk of irregular migration and unfounded asylum applications. Yet, paradoxically, this is one area where Georgia's performance has steadily improved.

The number of asylum applications lodged by Georgian citizens in the European Union has [fallen](#) significantly—from 24,350 in 2023 to 14,530 in 2024. The same trend is evident in the principal destination countries. In Germany, applications [declined](#) from almost 9,400 to approximately 3,500 over the same period, while in France they fell from nearly 7,200 to around 4,400. Recognition rates have remained consistently low, at around 7%, suggesting that the overwhelming majority of applications continue to be rejected.

A similar pattern can be observed in return procedures. The number of return decisions issued to Georgian nationals [decreased](#) from more than 20,000 in 2023 to approximately 17,900 in 2024. Equally important, Georgia has maintained a high level of cooperation with EU Member States in implementing [readmission](#) agreements. Of the 4,196 readmission requests received in 2024, only 0.55% were rejected by the Georgian authorities.

These indicators suggest that the migration-related concerns that originally shaped the visa suspension debate are less relevant for Georgia. If the discussion were based solely on asylum trends, irregular migration, and readmission cooperation, Georgia would present a relatively reassuring picture.

The concerns emerging in Brussels, therefore, lie elsewhere.

One of the European Commission's principal concerns is Georgia's growing divergence from the EU's visa policy. Countries benefiting from visa-free

travel are expected to progressively align their visa regimes with those of the European Union, particularly for neighboring states that may serve as transit routes for irregular migration.

Georgia has made virtually no progress in this regard.

According to the Visa Suspension Mechanism [Report](#), Georgia continues to maintain visa-free regimes with twenty-six countries whose nationals still require visas to enter the European Union. The list includes, among others, China, Russia, Iran, Belarus, Saudi Arabia, Qatar, and several Central Asian states. From Brussels' perspective, the decision to [introduce](#) visa-free travel for Chinese citizens in September 2023 further widened the gap between Georgia's visa policy and the EU's.

European institutions increasingly associate this divergence with broader security concerns. Following Russia's full-scale invasion of Ukraine, approximately 160,000 [Russian](#) citizens relocated to Georgia. While the vast majority arrived for legitimate reasons, European officials have [expressed](#) growing concern that Russia's expanding presence may increase opportunities for sanctions circumvention, foreign influence operations, and other hybrid threats. Similar concerns have also been raised regarding the simplified acquisition of Georgian citizenship by Russian nationals, particularly where such decisions may have implications for access to the Schengen area.

Yet even these issues are not the primary reason why Georgia's visa-free regime has come under unprecedented scrutiny.

Real Concerns

Democratic governance has become one of the most significant new criteria under the revised Visa Suspension Mechanism. The Commission argues that continued compliance with reforms implemented under the Visa Liberalization Action Plan (VLAP)

is now an integral element in maintaining visa-free travel. This represents a profound shift in the European Union's approach. Whereas earlier assessments focused largely on migration management and border security, the revised mechanism explicitly links visa liberalization to continued compliance with the political reforms undertaken during the implementation of the VLAP.

Whereas earlier assessments focused largely on migration management and border security, the revised mechanism explicitly links visa liberalization to continued compliance with the political reforms undertaken during the implementation of the VLAP.

It is in this area that Georgia has experienced its most serious regression.

Over the past two years, the European Commission has repeatedly concluded that Georgia has failed to address the recommendations contained in successive Visa Suspension Reports. Instead, it has identified further deterioration in democratic governance, judicial independence and the protection of fundamental rights.

Particular concern has been expressed over the [legislative package](#) on so-called Family Values and the Protection of Minors, which Brussels considers incompatible with fundamental freedoms, including freedom of expression, freedom of assembly, freedom of association and the right to privacy. Equally troubling for the European Union has been the adoption of legislation [targeting](#) civil society organizations and independent media. These laws have been widely viewed as undermining the democratic commitments that originally underpinned Georgia's visa liberalization dialogue.

Additional concerns arise from the security dimension. [Europol](#) continues to identify Georgian

organized criminal groups among the most active transnational networks involved in organized property crime and trafficking in human beings across Europe. National statistics reinforce these concerns. In Poland, for example, Georgian nationals were responsible for [approximately](#) 17% of all crimes committed by foreigners in Warsaw during 2024.

Punishing the Wrong Target?

The revised Visa Suspension Mechanism undoubtedly gives the European Union greater legal reason to suspend visa-free travel. Yet the existence of a legal instrument does not automatically make its use strategically wise. The central question now is not whether Georgia's regressions are sufficient to trigger visa suspension, but whether removing visa-free travel for Georgian citizens would achieve the political objectives behind such a move.

The purpose of the EU's conditionality has never been punishment for its own sake. It is intended to influence the behavior of governments. If a particular measure primarily affects those who are not responsible for the policies it seeks to change, its effectiveness becomes considerably less certain.

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In Georgia's case, there are strong reasons to question whether extending the suspension to ordinary citizens would produce the intended outcome.

The first argument is also the most fundamental. When the European Union granted Georgia candidate status in December 2023, it did so despite acknowledging that the government had failed to

fulfill many of the twelve priorities established by the European Commission. Brussels deliberately distinguished between the policies of the ruling authorities and the aspirations of Georgian society. Candidate status was widely presented as recognition of the Georgian people's consistently demonstrated commitment to European integration rather than an endorsement of government policy. That distinction remains equally relevant today. Public support for European Union membership remains among the highest in the region (up to 71%) despite the suspension of accession negotiations and the country's democratic backsliding. Suspending visa-free travel would inevitably blur the line the European Union has carefully sought to maintain between holding governments accountable and supporting societies that continue to embrace the European project.

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If candidate status represented a political message of confidence in Georgian society, withdrawing visa-free travel could easily be interpreted as the opposite.

Burning the Bridge vs Keeping It Open

Any decision taken in Brussels will be judged through the prism of political communication. For months, Georgian Dream has sought to portray the European Union as demanding that Georgia surrender its traditions, identity, and sovereignty in exchange for closer integration. Within this narrative, restrictive measures adopted by Brussels are presented not as responses to democratic backsliding, but as evidence of European hostility towards Georgia itself.

Given the European Union's persistent difficulty in communicating its policies effectively in Georgia, it should consider carefully whether a measure intended to pressure the government might instead strengthen one of the government's most effective political messages.

Suspending visa-free travel would hand this propaganda narrative a potent symbol. Whether the government's interpretation was accurate would become almost secondary, because political communication rarely turns on legal nuance. Images of Georgian citizens once again queuing for visas would almost certainly carry greater emotional force than detailed explanations of the Visa Suspension Mechanism or references to democratic benchmarks in European Commission reports. Given the European Union's persistent difficulty in communicating its policies effectively in Georgia, it should consider carefully whether a measure intended to pressure the government might instead strengthen one of the government's most effective political messages.

Visa liberalization was never intended merely to make travel more convenient. It has been one of the European Union's most successful instruments of soft power, encouraging personal contacts, academic exchanges, tourism, business cooperation and cultural interaction. In countries with a credible European perspective, these connections perform an even more important function: they keep societies connected to Europe when their governments begin moving in the opposite direction.

That bridge is especially valuable at a time when political relations between Brussels and Tbilisi are deteriorating. Preserving direct links between European societies and Georgian citizens may now be more important, not less. Restricting those links would risk weakening precisely the part of Georgian society that has remained most consistently committed to European integration.

Beyond the political calculations lies a more immediate human reality. Thousands of Georgians travel to European countries for specialized medical treatment that may not be available at home. Human rights defenders, investigative journalists and civil society representatives increasingly depend on the ability to leave the country quickly when security risks arise, or temporary respite becomes necessary. Students, researchers and young professionals benefit from exchanges that have gradually integrated Georgia into Europe's academic and professional networks.

Reintroducing visas would not make such travel impossible, but it would make it slower, more expensive, and less predictable. These burdens would fall not on the officials responsible for democratic regression, but often on those already experiencing its consequences.

The effectiveness of any restrictive measure should ultimately be assessed against a simple question: Is it likely to change the behavior it is intended to influence? In this case, the answer is far from clear. There is little reason to assume that suspending visa-free travel would fundamentally alter Georgian Dream's political calculations. On the contrary, it could reinforce the government's claim that the European Union has become an unreliable partner determined to punish Georgia regardless of domestic developments.

At the same time, suspension would almost certainly generate disappointment and frustration among citizens whose support for European integration has consistently exceeded that of the political leadership representing them. Conditionality works best when its costs fall primarily on those responsible for the decisions being challenged. Suspending visa-free travel risks reversing that logic: political leaders would retain their privileges and resources, while ordinary citizens would bear the most visible and immediate consequences.

There is also a longer-term danger. Although suspension would formally be temporary, such restrictions tend to acquire political permanence. Migration has become an increasingly sensitive issue in many EU Member States. Even if Georgia eventually returned to full compliance with the visa-liberalization benchmarks, restoring visa-free travel might prove politically more difficult than suspending it. The threshold for reinstatement could become considerably higher than the threshold for withdrawal.

Visa-free travel is not merely a benefit that can be switched off and restored without lasting effects. It is a strategic connection between Georgian society and Europe.

This makes the decision more consequential than it may initially appear. Visa-free travel is not merely a benefit that can be switched off and restored without lasting effects. It is a strategic connection between Georgian society and Europe. Weakening that connection would risk punishing the wrong people, strengthening anti-European propaganda and removing one of the EU's most effective means of maintaining influence in Georgia.

Brussels should therefore resist measures that blur the distinction it has repeatedly made between the Georgian government and the Georgian people. If the objective is to change the conduct of those in power, restrictions should be designed to affect decision-makers directly. The bridge connecting Georgian citizens to Europe should be preserved—especially as their government moves away from it.

The principle of *primum non nocere* was never intended to discourage action. Rather, it reminds us that before prescribing a remedy, one should first consider whom it is likely to harm. The European Union would do well to remember that principle when deciding the future of visa liberalization with Georgia ■

Is Annexation Close? The South Ossetian Trap

On June 23, 2026, Alan Gagloev [resigned](#) as the de facto president of Georgia's occupied Tskhinvali Region/South Ossetia and accepted a position as an adviser to Vladimir Putin. The transfer came one day after his meeting with the Russian president and several weeks after Moscow and Tskhinvali [signed](#) a new treaty on deepening their allied relations.

These developments raise a legitimate question in Georgia. Is Moscow preparing to formally annex Tskhinvali Region/South Ossetia? While the issue of formal annexation has long been on the agenda, it is worth examining the factors that could make it more relevant in the coming months. Taking a look at the history of Russia's absorption of Tskhinvali Region/South Ossetia and the mistakes the Georgian Dream has made will also shed more light on possible answers to this question.

Parachutists in Charge

The transfer of Gagloev to Moscow left little doubt about the fictitious nature of South Ossetia's "independence." The leader of a territory recognized by

only five UN member states resigned to take an advisory post in the Kremlin, the government that already exercises effective control over it. Gagloev presented the move as a career transition, but the step from "president" to Kremlin adviser exposed the hierarchy more clearly than any formal explanation would.

Gagloev's departure also ensured that Marat Kambolov [became](#) acting president. Kambolov is a Russian citizen and former Russian official who worked at the Kurchatov Institute, an institution headed by Mikhail Kovalchuk, a member of Putin's inner circle. He arrived in Tskhinvali Region/South Ossetia shortly before being appointed de facto prime minister, placing him first in the line of succession when Gagloev left for a "better job."

The history of Russian officials [being parachuted](#) into Tskhinvali is nearly as long as the road from Tskhinvali to Moscow. Anatoly Barankevich, a career Russian Army officer who had served in Afghanistan and Chechnya, [became](#) the de facto defense minister in 2004 and later secretary of the Security Council.



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Mikhail Mindzaev, previously deputy chief of staff of the Interior Ministry in Russia's North Ossetia, [was appointed](#) de facto interior minister in April 2005 and remained in office through the August 2008 war. Russian officers [subsequently](#) occupied the defense portfolio in an almost uninterrupted sequence, including Major General Vasily Lunev, former Russian military intelligence official Yuri Tanaev, and Colonel Valery Yakhnovets. When Yakhnovets was appointed in July 2010, Freedom House [described](#) him as the fifth consecutive Russian military officer to hold the position.

Russian penetration was equally visible in the civilian administration. From 2005 until 2012, three consecutive de facto prime ministers arrived from Russia with limited previous political involvement in South Ossetia. Yuri Morozov, previously the commercial or financial director of an oil company in Kursk, was [appointed](#) prime minister in July 2005. Following the August 2008 war, Morozov was [replaced](#) by Aslanbek Bulatsev, formerly head

of the Russian Federal Tax Service's administration in North Ossetia. Bulatsev was [succeeded](#) in August 2009 by Vadim Brovtsev, a Russian construction executive from Chelyabinsk whose appointment was reportedly intended to accelerate reconstruction and impose greater control over the expenditure of Russian assistance. Freedom House [reported](#) that Brovtsev had been appointed under pressure from Moscow and that Russian intervention subsequently prevented Eduard Kokoity from removing him.

The post-2008 war cabinet further demonstrated the scale of the practice. Alexander Bolshakov, a former vice-governor of Russia's Ulyanovsk Oblast, [became](#) head of Kokoity's administration, while Aleksey Pantelev, another former Ulyanovsk official, [was appointed](#) finance minister. Contemporary reporting said that these appointments had been agreed with the Russian authorities and were intended to strengthen control over the ten billion rubles allocated by Moscow for reconstruction. Anatoly Kusraev, who had previously worked

in the government of North Ossetia and headed the Vladikavkaz Scientific Centre, was [appointed](#) education minister in the post-war administration. Russian officers also occupied senior positions in the de facto security and intelligence structures, a pattern [documented](#) by the International Crisis Group and the Independent International Fact-Finding Mission on the [2008 war](#).

By 2010, the International Crisis Group [found](#) that Moscow staffed more than half of the de facto government, provided security, and financed approximately 99% of South Ossetia's budget. The prime minister, deputy prime minister, and the ministers responsible for defense, economic development, and finance had all been transferred from Russia, while Russian officers had controlled the principal security structures for years. These appointments placed the security apparatus and the administration of Russian financial assistance under Moscow's supervision, restricted the autonomy of local political groups and enabled Russian officials to intervene directly in disputes over reconstruction money and political power. The conflict between Kokoity and Brovtsev, in which Moscow [reportedly protected](#) the Russian-appointed prime minister from removal, illustrated how this arrangement worked in practice.

Marat Kambolov's rapid advancement in 2026 therefore followed an established model. Born in North Ossetia, he spent much of his career in senior positions within Russian federal institutions, including the ministries responsible for education and nationalities, before [serving](#) as director of the Kurchatov Institute from 2021 to 2025. He was appointed Gagloev's adviser on May 27, 2026, became de facto prime minister on June 16 and [assumed](#) the functions of de facto president one week later, after Gagloev resigned and accepted an advisory position in Putin's administration.

The history of Russian "parachutists" provides substantial evidence of Moscow's effective control over

Tskhinvali Region/South Ossetia, although the legal case for occupation rests on a wider combination of military, political, economic and administrative control. In its 2021 judgment in *Georgia v. Russia (II)*, the European Court of Human Rights [found](#) that Russia had exercised continued effective control over South Ossetia after the cessation of active hostilities in August 2008, citing Russia's military presence and the local authorities' military, economic and political dependence on Moscow. South Ossetia's financial dependence on Russia, the subordination of its security institutions and the continuing presence of Russian forces [therefore constitute](#) the second pillar of occupation alongside Moscow's direct influence over the composition of the de facto government.

Russification and Absorption

Tskhinvali Region/South Ossetia is among the clearest examples of Russian control over an occupied territory. Russia finances its institutions, protects the occupation line, distributes passports, operates military bases, and shapes its political leadership. The Russian ruble is used as currency; residents depend heavily on Russian social payments; the South Ossetian budget is almost 90% [dependent](#) on Russian transfers; and access to the outside world runs through the Roki Tunnel into North Ossetia.

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Russia's integration of the Tskhinvali Region/South Ossetia began before the 2008 war through passportization, financial dependence and the transfer of Russian officials into local institutions. After Russia simplified its citizenship procedures in 2002, most residents [acquired](#) Russian passports, while

the Russian ruble became the territory's currency and Moscow financed an increasing share of its public expenditure. Russian officers were appointed to the defense, interior, and intelligence structures, and Russian administrators began occupying senior civilian positions. By August 2008, Russia had created a territory whose population, economy, and security institutions were closely connected to the Russian state, even though Moscow still formally presented itself as a peacekeeper and mediator. The war removed the remaining restraints on this process. Russia [recognized](#) South Ossetia on August 26, 2008, established diplomatic relations with the de facto authorities, and began converting its existing control into a system of bilateral treaties.

The foundational [document](#) was the Treaty on Friendship, Cooperation and Mutual Assistance, signed on September 17, 2008. It [provided](#) the legal façade for Russia's permanent military presence, security guarantee and construction of military bases. It also envisaged coordination in foreign policy, banking, taxation, customs, energy, communications, social protection and pensions, together with the gradual approximation of legislation. The agreement was followed in April 2009 by a [treaty](#) placing the claimed South Ossetian border under the protection of Russia's Federal Security Service. Russian border guards subsequently assumed control over the occupation line with the rest of Georgia, constructed bases and observation posts, and supervised borderization. Additional [agreements](#) regulated the Fourth Russian Military Base, customs cooperation, taxation, [foreign relations](#), pensions, healthcare, transport, and Russian investment. Each document transferred another practical function of government to a corresponding Russian institution.

The [Treaty on Alliance and Integration](#), signed on March 18, 2015, [brought](#) these separate arrangements into a single system. It created a common defense and security space, assigned Russia responsibility for South Ossetia's defense, and claimed borders. It [provided](#) for parts of the South

Ossetian military and security services to enter Russian structures, established a joint interior ministry coordination center, and required South Ossetian customs authorities to apply Russian and Eurasian Customs Union legislation, software, and operating procedures. It [simplified](#) the acquisition of Russian citizenship, removed restrictions on movement between Russia and South Ossetia, and tied public salaries and pensions to levels in Russia's North Caucasus Federal District. Education regulations were to correspond with Russian law, qualifications were to be mutually recognized, and Russian financing was extended to healthcare and social insurance. The subsequent 2017 [military agreement](#) absorbed South Ossetian servicemen into Russia's Fourth Military Base, where their service became subject to Russian military legislation. By this stage, Moscow controlled external security, border protection, [military command](#), and customs while financing the institutions responsible for welfare and internal administration.

The 2026 Treaty on Deepening Allied Interaction advances this system by [further opening](#) public institutions to officials from the other side. Its adoption paved the way for the arrival of Marat Kambolov, a Russian citizen with a career in Russian federal institutions, and the transfer of Gagloev to the Kremlin.

The symbolic landscape of Tskhinvali reflects the same transformation. After the 2008 war, the Moscow city government [financed](#) the construction of the Moskovsky, or Moscow, microdistrict, capable of housing several thousand people. It was built [on territory](#) incorporated into Tskhinvali after the destruction and depopulation of the Georgian village of Tamarasheni. The [streets](#) in the new district were named after Vladimir Putin and Dmitry Medvedev, the two Russian leaders associated with the war and Russia's recognition of South Ossetia. In 2019, the occupation authorities [renamed](#) a central Tskhinvali Street after Putin, explaining that the decision expressed gratitude for Russia's actions in August

2008 and its subsequent recognition of the territory. In 2026, a street in Tskhinvali was [named](#) after Russian officer Denis Vetchinov, who died during the 2008 war. Tskhinvali also observes Moscow time, uses the Russian ruble, and organizes its political calendar around Russian state commemorations. These names and practices capture the result of the treaty process: a Georgian territory whose institutions, public space, and everyday life have been steadily reorganized around Russia.

Tskhinvali Region/South Ossetia's geography makes this absorption especially consequential for Georgia. Much of the administrative boundary line does not follow a river, mountain range, or other substantial natural barrier. It cuts through fields, communities, and local roads. Villages that once formed a connected social and economic area have been separated by fences controlled by Russian forces.

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The demographic consequences are equally important. Thousands of ethnic Georgians [were](#)

[expelled](#) during successive phases of conflict, particularly during and after the August 2008 war. Georgian villages [were burned and looted](#), and their residents were prevented from returning.

This outcome helped produce a territory with few internal constituencies supporting reintegration with Georgia or peaceful restoration of territorial integrity. The removal of much of the ethnic Georgian population, the isolation of those who remained, Russian passportization, and decades of dependence on Moscow have steadily narrowed the social space for a Georgian policy of engagement.

The Neverendum and the Benefits of Limbo

The aspiration to join Russia has been part of South Ossetian politics since the collapse of the Soviet Union. On January 19, 1992, the de facto authorities organized a referendum containing two questions: whether South Ossetia should be independent and whether voters supported the decision to reunite with Russia. The organizers reported 99.9% support for both propositions. Neither Georgia nor the international community [recognized the vote](#). The combination of independence and incorporation into another state revealed an ambiguity that has remained unresolved ever since. Independence offered South Ossetian leaders their own offices, budgets, and institutions, while accession to Russia remained the declared national objective.

A second referendum was held in November 2006, although this time the question concerned preserving Tskhinvali Region/South Ossetia's status as an independent state and securing international recognition. The de facto election commission [reported](#) that 99.88% voted in favor. Two years later, Russia recognized this supposed independence following the August 2008 war. The recognition created a formal obstacle to immediate incorporation. Moscow had justified the war and its subsequent policy through the claim that South

Ossetia constituted an independent state. Annexing it soon afterward would have exposed recognition as a transitional mechanism for acquiring Georgian territory. Russia consequently gained military and administrative control while retaining the legal fiction that it was protecting a sovereign ally.

The accession question returned after the signing of the 2015 Treaty on Alliance and Integration. President Leonid Tibilov proposed a referendum to amend the constitution and authorize the de facto president to request South Ossetia's admission to Russia. He initially suggested that the vote could take place before August 2016. Vladimir Putin responded cautiously, raising questions about the wording and offering no commitment that Russia would accept the result. Tibilov and parliamentary speaker Anatoly Bibilov eventually [postponed](#) the referendum until after the 2017 presidential election. The vote held in April 2017 [dealt instead](#) with changing the territory's name to the "Republic of South Ossetia, the State of Alania." The new name mirrored that of Russia's Republic of North Ossetia-Alania and symbolized a future unification.

Anatoly Bibilov revived the proposal after Russia invaded Ukraine in February 2022. On March 30, he [announced](#) that legal preparations for accession would begin. After losing the de facto presidential election, Bibilov signed a decree scheduling the referendum for July 17, 2022. His successor, Alan Gagloev, [suspended](#) the decree on May 30 and stated that a referendum should proceed only after consultation with Moscow. The Russian Foreign Ministry [welcomed](#) the suspension, noting that Bibilov's initiative had not been coordinated with Russia. This response clarified where the effective decision lay. South Ossetian leaders could campaign on accession, announce votes, and appeal to the unity of the Ossetian people, but incorporation required a political instruction from the Kremlin.

Formal annexation would bring few immediate gains because Russia already controls the territory's borders, defense, military bases, customs system, principal revenue streams and external relations.

Several considerations explain Moscow's reluctance. Formal annexation would bring few immediate gains because Russia already controls the territory's borders, defense, military bases, customs system, principal revenue streams and external relations. It would create another heavily subsidized federal subject and invite additional international costs (not that they matter for Russia any longer, or that Georgia is pushing for it). It would also remove an instrument of pressure over Georgia. An unresolved South Ossetia can be presented as a territory whose final status depends on Tbilisi's foreign policy. Annexation would reduce Moscow's ability to alternate between threats, integration measures and vague suggestions of a future settlement. In 2022, there was an additional consideration. Moscow had an interest in preserving Georgian Dream's accommodating policy and in avoiding action that might provoke a stronger anti-Russian reaction in Georgia.

The unresolved status supports a political economy that has benefited Russian contractors, South Ossetian officials, and financial intermediaries.

Money is another reason. The unresolved status supports a political economy that has benefited Russian contractors, South Ossetian officials, and financial intermediaries. Russian assistance after the 2008 war was enormous relative to the territory's population and administrative capacity. Putin stated that Russia [provided](#) more than 43 billion rubles between 2008 and 2014. In the 2017 South Ossetian [budget](#), 7.3 billion rubles out of total revenues of 8.1 billion came from Russia. Such transfers

entered a jurisdiction closed to international monitoring, lacking independent media and courts, and governed through overlapping Russian and local patronage networks.

The reconstruction program [produced](#) some of the clearest evidence of abuse. In December 2008, an initial tranche of 1.5 billion rubles was reportedly distributed among contractors within four days because officials had been instructed to spend the money before the end of the year. South Ossetian investigators later said that some companies took the funds and disappeared without carrying out the work. Russia's Audit Chamber found that construction in South Ossetia cost approximately one-third more per square meter than comparable construction in the Russian North Caucasus. A later audit found that more than one billion rubles had been spent with irregularities. By 2013, the South Ossetian prosecutor's office had opened 64 criminal cases concerning Russian assistance, including 32 transferred to Russian prosecutors because the suspects were located in Russia.

One case even produced criminal convictions. Pavel Begeba, deputy head of the Russian federal Southern Directorate responsible for reconstruction, was accused of arranging inflated payments connected to the rebuilding of a wastewater treatment facility in Tskhinvali. Investigators found that he and an associate received a 12-million-ruble bribe in exchange for facilitating a state contract and accepting work priced at more than 32 million rubles. In 2016, a court in Yekaterinburg sentenced Begeba to nine years in prison. Two accomplices were also convicted, while another suspect was placed on an international wanted list. [The Begeba case](#) established in court that South Ossetian reconstruction funding had been used for bribery and embezzlement. Other investigations produced fewer public results, despite the scale of the violations identified.

South Ossetia later acquired a broader role as a financial gateway for other Russian-controlled

territories. After the creation of the Donetsk and Luhansk "people's republics" in 2014, internationally recognized banks could not deal with their institutions without incurring legal and sanctions risks. The International Settlements Bank, registered in South Ossetia in 2015, became the correspondent bank for financial institutions in Donetsk and Luhansk. Russian banks could transfer rubles to South Ossetia, after which the South Ossetian institution could move them to the occupied Ukrainian territories. A Washington Post [investigation](#) found that transfers between Russia and the separatist territories were routed through this arrangement. A Donetsk lawyer involved in foreign trade described South Ossetia as functioning, in substance, like an offshore company.

The scale extended beyond ordinary payments. The Luhansk de facto state bank reported almost 49 billion rubles in foreign economic transactions during 2017, using correspondent accounts in the South Ossetian International Settlements Bank. Investigations identified numerous companies registered under South Ossetian jurisdiction to conduct trade between the occupied Donbas and Russia. Vneshtorgservice, a company registered in Tskhinvali and associated with Ukrainian oligarch Serhiy Kurchenko, took control of major coal, steel, and industrial enterprises seized in Donetsk and Luhansk. South Ossetian registration allowed goods, payments, and contracts originating in an internationally isolated war economy to be presented as transactions involving a jurisdiction recognized by Russia.

The same financial infrastructure later appeared in a sanctions-evasion operation involving North Korea. In September 2024, the United States Treasury [sanctioned](#) the International Settlements Bank, then operating as MRB Bank, and described it as part of a network that supports illicit payments between Russia and North Korea. According to the Treasury, the Russian Central Bank orchestrated an arrangement in which MRB Bank, based in occupied South Ossetia, acted as a cut-out for a sanctioned

Russian bank and established a secret relationship with North Korea's Foreign Trade Bank. MRB opened accounts for North Korean institutions and facilitated payments that ordinary Russian banks could not process openly.

These cases show three ways in which the unresolved territory generates financial utility. Russian subsidies can be distributed through procurement systems with limited scrutiny. Companies can register in South Ossetia and engage in intermediate trade involving other unrecognized or occupied territories. Banks can use the jurisdiction as a cut-out when direct transactions with Russia would expose the parties to sanctions or legal action. Formal annexation would place these activities more directly inside Russia's declared jurisdiction and reduce the deniability provided by a nominally independent state.

The financial argument, therefore, can not be ignored. Strategic leverage over Georgia, diplomatic costs, and the absence of any administrative necessity for annexation remain central. The territory's financial opacity adds a practical advantage to the status quo. A Kremlin-connected political consultant [quoted](#) in June 2026 described South Ossetia as a grey zone used for money laundering and illicit cash schemes, suggesting that this had contributed to earlier hesitation over annexation. The documented record of reconstruction fraud, shell-company trade, Donbas financial intermediation, and the North Korean banking arrangement gives substance to that assessment.

The Tskhinvali Region/South Ossetia's repeated referendums consequently serve several political purposes without settling the issue. Local leaders use accession to demonstrate loyalty, mobilize voters and compete for Moscow's favor. Russia uses the possibility of accession to pressure Georgia while preserving the administrative and financial conveniences of a separate jurisdiction. The referendum is always close enough to remain credible and always dependent on a signal from Moscow. This

arrangement has allowed South Ossetia to become almost completely integrated into Russia while its formal status remains deliberately unfinished.

To Annex or Not To Annex?

As discussed above, the formal annexation of Tskhinvali Region/South Ossetia would change relatively little on the ground. It could, however, acquire political value if Putin sought an easily deliverable territorial gain to compensate for Russia's difficulties in Ukraine, Ukrainian strikes deep inside Russian territory, and mounting economic and financial pressures, including disruptions in the energy sector. Under such circumstances, absorbing a territory already under complete Russian control could be presented domestically as another successful expansion of the Russian state.

The question, therefore, is whether the remaining counterweights would be sufficient to prevent such a step. Gagloev's departure and Kambolov's rapid elevation were widely interpreted as possible preparations for formal annexation. This requires examining the political, strategic and financial considerations that may still outweigh Putin's interest in presenting another territorial acquisition as evidence of Russian expansion.

Russia paid no meaningful economic price for its invasion of Georgia in 2008, recognition of Abkhazia and the Tskhinvali Region/South Ossetia, or subsequent establishment of military bases there.

The prospect of a forceful international response is unlikely to constitute a serious counterweight. Russia paid no meaningful economic price for its invasion of Georgia in 2008, recognition of Abkhazia and the Tskhinvali Region/South Ossetia, or subsequent establishment of military bases there. The European Union briefly suspended negotiations on a new partnership agreement with Russia,

but [resumed](#) them in November 2008, only two months after the war, even though Moscow had not returned its forces to their pre-war positions. No sanctions regime comparable to the measures adopted after the annexation of Crimea was created. Political and economic cooperation with Russia [soon continued](#) through the EU-Russia Partnership for Modernization, negotiations on a new agreement, and the wider Western policy of resetting relations with Moscow. The lesson for the Kremlin was straightforward: the occupation of Georgian territory generated condemnation and non-recognition, but little material punishment.

Political and economic cooperation with Russia soon continued through the EU-Russia Partnership for Modernization, negotiations on a new agreement, and the wider Western policy of resetting relations with Moscow. The lesson for the Kremlin was straightforward: the occupation of Georgian territory generated condemnation and non-recognition, but little material punishment.

The sanctions adopted after 2014 were constructed around Russia's actions in Ukraine. Their legal basis, designation criteria and renewal procedures refer to the annexation of Crimea, destabilization of Ukraine and, after 2022, Russia's full-scale invasion. They were never extended into a general sanctions regime covering Russia's occupation of Georgian territory. This creates an important practical gap. If Moscow formally absorbed the Tskhinvali Region/South Ossetia, many Russian institutions and officials involved would already be sanctioned for their role in Ukraine. Additional Western measures might therefore be limited to new individual designations, diplomatic condemnation, and another declaration of non-recognition. Such steps would carry symbolic weight but impose few costs that Russia is not already bearing.

Georgian Dream has contributed to this separation by refusing to frame the occupations of Georgia and Ukraine as parts of the same Russian policy. The clearest example came in June 2014, only months after Russia annexed Crimea. In an [interview](#) with BBC World News, then-prime minister Irakli Garibashvili called comparisons between Crimea and Abkhazia and South Ossetia “a big mistake.” He argued that the situation in Georgia's occupied regions was “absolutely different” and said that, according to his government's analysis, Russia was not interested in annexing them.

Georgian Dream's later policy strengthened the distinction. Georgia [supported](#) Ukraine's territorial integrity in international organizations and observed the territorial restrictions specifically connected to Crimea, but it declined to join the broader economic sanctions imposed on Russia after the 2022 invasion. Georgian Dream leaders portrayed participation in sanctions as a threat to peace and repeatedly accused domestic critics and Western or Ukrainian officials of attempting to open a “second front” in Georgia. Georgia's alignment with EU foreign and security policy subsequently declined, while direct flights, trade and other economic connections with Russia expanded. The Georgian government thereby weakened its ability to argue that aggression against Georgia and against Ukraine required a common deterrence system.

Secondly, the Georgian government is already [pursuing policies](#) favorable to Russian strategic interests. Georgian Dream has refused to join the economic sanctions imposed on Russia, while bilateral trade, transport, and tourism links have continued to expand. Direct flights [were restored](#) in 2023, following Moscow's unilateral decision to lift its flight ban and visa requirements for Georgian citizens. Meanwhile, Georgia's alignment with EU foreign-policy decisions fell to 40% in 2025, [according](#) to the European Commission. Relations with the United States have deteriorated, and the EU accession process remains effectively halted.

The principal alternatives to dependence on Russia have therefore been weakened by the Georgian Dream itself.

Georgia is also vulnerable to Russian economic pressure. Russia remains a major destination for Georgian agricultural products, wine, spirits, and mineral water. In 2025, approximately 64% of Georgia's wine-export revenue [still came](#) from the Russian market. During the first seven months of that year, Georgia exported goods worth approximately USD 412 million to Russia, including almost USD 90 million in wine, USD 78 million in spirits, and more than USD 78 million in mineral and flavored waters. These industries support producers and employment across several Georgian regions, enabling Moscow to generate domestic economic pressure through restrictions on a relatively narrow range of products. Russia has already demonstrated this capacity through its embargoes on Georgian wine and mineral water, imposed in 2006 and maintained until 2013.

Dependence also extends to strategically important imports. In January–July 2025, Georgia [imported](#) goods worth almost USD 1.09 billion from Russia. Petroleum products accounted for USD 326 million, natural gas for almost USD 133 million, and wheat for USD 39 million. These figures create direct exposure to Russian supplies in sectors affecting fuel prices, food security, and household expenditure. The vulnerability is particularly pronounced in wheat: in 2023, Russia supplied 97% of Georgia's combined wheat and flour imports, [demonstrating](#) how concentrated the country's dependence had become. These supplies could be diversified over time, especially given Georgia's access to alternative energy and commodity suppliers. Instead, Georgian Dream has allowed dependence on Russian imports to become part of a wider economic relationship that it presents domestically as one of the benefits of avoiding confrontation with Moscow.

Moreover, Georgia's recent [export growth](#) has also become partly tied to the commercial opportunities created by Russia's isolation, including trade that may indirectly facilitate the circumvention of sanctions. Motor vehicles, almost entirely re-exports rather than Georgian production, [generated](#) USD 2.8 billion in export revenue in 2025 and accounted for more than one-third of the country's merchandise exports. Kyrgyzstan received vehicles worth approximately USD 1.4 billion and Kazakhstan another USD 785 million, although neither market had previously imported cars from Georgia on anything approaching this scale. Between 2021 and 2025, Georgian vehicle exports to Kyrgyzstan [increased](#) almost eightyfold, while exports to Kazakhstan increased ninefold.

Georgia prohibited direct exports of covered vehicles to Russia and Belarus in 2023, and the government maintains that cars leave the country for their declared destinations. However, the abrupt redirection of trade after the ban has raised doubts about its final destination. An OCCRP [investigation](#) has documented dealers offering to transport sanctioned luxury vehicles through Georgia and Kyrgyzstan to Moscow. Kyrgyzstan itself has [emerged](#) as an established re-export hub serving the Russian automobile market. This trade pattern clearly shows that Georgian dealers, transport companies, customs brokers, and other service providers are earning substantial income from supply chains whose rapid expansion is closely connected to restricted Russian demand. This gives parts of the Georgian economy an additional material interest in preserving the commercial arrangements created by the war and further increases the potential cost of a serious confrontation with Moscow.

Tourism creates another channel of exposure. Russia [was](#) Georgia's largest source of foreign visitors in 2025, accounting for 1.3 million visitors, or 23.2% of the total. Russian money transfers have declined from the exceptional levels recorded after

the invasion of Ukraine, but Russia still [accounted](#) for about 14% of transfers received by Georgia in 2025. The combination of tourists, remittances, trade, and Russian citizens residing or operating businesses in Georgia has created a constituency with a direct interest in preserving uninterrupted relations. This gives Russia several points of pressure through administrative decisions that can create visible costs on specific sectors and social groups.

Russian officials openly acknowledge the political value of this course. In December 2024, Foreign Minister Sergey Lavrov [praised](#) the Georgian authorities for pursuing what he called a “sovereign policy” based on national interests and for refusing to become a Western “pawn.” In February 2025, Deputy Foreign Minister Mikhail Galuzin [welcomed](#) the Georgian Dream government’s “pragmatic line” and connected it directly with Moscow’s willingness to expand bilateral cooperation. In November 2025, Russian Security Council Secretary Sergei Shoigu praised the Georgian authorities for resisting what he described as destructive external influence. The message became still clearer in January 2026, when Foreign Ministry spokesperson Maria Zakharova [commended](#) the Georgian government for maintaining cooperation with Russia despite Western pressure, while pointing approvingly to rising trade and Russian tourist numbers.

This approval is significant because Moscow is praising Georgian Dream for the conduct that has damaged Georgia’s relations with its Western partners. Georgian Dream’s claims about a Western effort to open a “second front” in Georgia, to organize a revolution, or to use civil society to overthrow the government closely follow Russia’s description of Western policy in the region. Russian officials no longer need to demand an openly pro-Russian declaration from Tbilisi. They can support Georgian Dream’s language of sovereignty, peace and resistance to foreign interference while the practical result is a Georgia more isolated from the EU and

the United States and more cautious in its dealings with Moscow.

Formal annexation of the Tskhinvali Region/South Ossetia would create public anger and would oblige the Georgian government to condemn Russia. However, it would not automatically restore Georgian Dream’s freedom of maneuver and realignment with the West. A meaningful turn away from Moscow would require sanctions, restrictions on bilateral links, accelerated diversification of trade and energy supplies, and a political rapprochement with the EU and the United States. Most importantly, it would require democratic reforms, which Bidzina Ivanishvili is so averse to. Each of these steps would carry costs that Georgian Dream has spent years portraying as threats to peace, economic stability, or national sovereignty. The government would also have to seek assistance from Western partners whom it has accused of supporting revolution, financing extremism, and attempting to involve Georgia in the war in Ukraine.

Conversely, the Georgian Dream will also find it easy to blame the formal annexation of the Tskhinvali Region/South Ossetia on the Georgian opposition. Through the work of the parliamentary investigative commission, the groundwork has already [been laid](#) for such a blame game, even paving the way for introducing criminal charges against Mikheil Saakashvili, the former governing United National Movement, and other opposition parties for “starting the war in 2008.”

For these reasons, Russia may conclude that annexation in the near future would not jeopardize Georgia’s present geopolitical course. Georgian Dream could protest diplomatically, appeal to the principle of territorial integrity, and continue its policy of economic engagement and strategic restraint. Moscow would have taken the territory while preserving much of the leverage that the unresolved conflict previously provided. Georgia’s dependence would then assume a different form:

the hope of recovering South Ossetia would diminish, while the fear of further Russian action, including pressure concerning Abkhazia, trade restrictions or military escalation, would continue to constrain Tbilisi.

If Moscow annexed the Tskhinvali Region/South Ossetia, the Georgian government would face a choice between reversing the central assumptions of its own foreign policy and accepting another change in the status quo.

This is the trap created by Georgian Dream's policy. Accommodation of Moscow has not generated a negotiating process over the occupied territories or reduced Russia's military and political control over them. It has increased Georgia's exposure to Russian leverage while weakening the Western relationships that could help the country absorb Russian retaliation. If Moscow annexed the Tskhinvali Region/South Ossetia, the Georgian government would face a choice between reversing the central assumptions of its own foreign policy and accepting another change in the status quo. Having made economic stability, regime security, and the avoidance of confrontation the foundations of its approach, Georgian Dream would have little room to choose the first option ■

From the Myth of the Golden Fleece to the Lesson of the Golden Goose

Controversy over the newly released film adaptation of the *Odyssey* has revived interest in Greek mythology. In Georgia's context, the most relevant myth is likely that of Jason and the Argonauts.

According to the story of the Argonauts and later interpretations, Colchis—modern-day Georgia—was known for unusually advanced knowledge in metallurgy, agriculture, and medicine. In that era, expertise in these three fields could make a society a major power. As Jared Diamond argues in [Guns, Germs, and Steel](#), geographic and biological conditions can shape such advantages. Georgia's location at the center of Eurasia, along with its remarkable climatic diversity—spanning lush subtropical coasts to alpine zones of permanent snow and ice—would have given its population a strong foundation for development.

Yet natural advantages alone were not enough; they had to be transformed into knowledge, technology,

and institutions by people. From antiquity to the present, Georgia's models of prosperity have shifted with the rise and fall of surrounding empires. Alliances, religion, and political leadership have all shaped economic development. The search for comparative advantage, guided by visionary leadership, has been—and remains—a decisive ingredient of sustainable growth.

Search of a New Economic Identity

Georgia's history still echoes these ancient advantages. Centuries later, Soviet planners assigned Georgia industries that reflected them: wine and tea plantations, the Rustavi metallurgical plant, and Borjomi mineral water, famed for its healing properties.

After the Soviet Union collapsed, Georgia's leaders had to define a new economic identity. The country's main asset was geography: a strategic position offering valuable energy and transport routes.



TEMURI YAKOBASHVILI
Contributor

Ambassador Temuri Yakobashvili distinguishes himself as an accomplished leader in government, crisis management, and diplomacy. As the founder of TY Strategies LLC, he extends advisory services globally. A pivotal figure in co-founding the Revival Foundation, aiding Ukraine, and leading the New International Leadership Institute, Yakobashvili held key roles, including Georgia's Ambassador to the U.S. and Deputy Prime Minister. With the rank of Ambassador Extraordinary and Plenipotentiary, he is a Yale World Fellow, trained at Oxford and Harvard. As a co-founder and chair of the Governing Board of the Georgian Foundation for Strategic and International Studies, he actively contributes to global media discussions on regional security. His significant contributions have merited the Presidential Medal of Excellence.



Successive governments therefore co-initiated or supported major regional connectivity projects.

After the Soviet Union collapsed, Georgia's leaders had to define a new economic identity. The country's main asset was geography: a strategic position offering valuable energy and transport routes.

These included the Baku–Tbilisi–Ceyhan oil pipeline, commissioned in [2006](#); the South Caucasus gas pipeline; the EU-supported [TRACECA](#) program launched in 1993; the Trans-Caspian [Middle Corridor](#); and the [BTK railway](#) connecting Baku, Tbilisi, and Kars.

After the Rose Revolution, governance and market reforms produced rapid growth. The World Bank [recorded](#) average annual expansion of about 6.1% in 2004–2012, driven by structural reform, foreign investment, and growth in services. The reforms were imperfect and sometimes harsh, but they established a recognizable model: reduce petty corruption, build functioning public institutions, and connect Georgia to Western markets and rules.

That trajectory began to change after Georgian Dream came to power.

State Capture, Georgian Style

There is extensive academic literature on the effectiveness of businesspeople who enter politics. The phenomenon did not begin with Donald Trump and will likely not end with him. Georgia, however, presents a distinct case: one man, known for his reclusive style and mindset, achieved [state capture](#) and now governs as he sees fit. Bidzina Ivanishvili has held formal office only intermittently, yet Georgian Dream, the party he founded, has dominated government since 2012. In December 2024, the United States [designated him](#) under its Russia sanctions authority, stating that he had undermined

Georgia's democratic and Euro-Atlantic future for Russia's benefit.

Georgia, however, presents a distinct case: one man, known for his reclusive style and mindset, achieved state capture and now governs as he sees fit.

Businesspeople who enter politics usually try to turn their knowledge and experience into a political project, whether credible or not. In Georgia, the reverse appears to be happening: public policy has been reduced to the immediate financial interests of one businessman. In such an environment, discussions of sustainable growth strategies, implementation mechanisms, or coherent policy choices feel out of place.

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Out of habit, many observers inside and outside Georgia tried to make sense of the country's economic trajectory. In reality, signs that the state was becoming another business enterprise were visible but deliberately ignored.

After Russia's invasion of Ukraine and the resulting sanctions, it became increasingly clear that Georgia's "economic model" was benefiting from sanctions evasion, even when doing so contradicted the country's declared and constitutionally enshrined national interests.

The proverb "money has no smell" became an unwritten state policy. The Georgian regime opened its doors to Russian businesses fleeing sanctions.

Transparency International Georgia [reported](#) that roughly 29,000 Russian-owned companies were registered by the end of 2022 and that more than 21,000 were created between March 2022 and June 2023, based on the national business register. Later estimates placed the post-invasion total still higher.

Russians seeking to avoid both sanctions and military mobilization brought significant capital. By the end of 2023, approximately 34,000 companies owned by Russian citizens or legal entities [were registered](#) in Georgia, while migration-related spending, financial inflows, and transit trade contributed directly to exceptional economic growth and higher government revenues.

Georgia's leading export destination [became](#) Kyrgyzstan, one of Central Asia's poorest countries and a member of the Russia-centered Eurasian Economic Union. Kyrgyzstan's own trade with Russia increased by several hundred percent.

Opaque cryptocurrency exchanges also emerged. In May 2026, the United Kingdom [sanctioned](#) three cryptocurrency platforms registered in Georgia for allegedly helping Russia bypass international restrictions and finance its war in Ukraine.

In September 2025, the Tbilisi City Court [sentenced](#) a currency exchange office owner to 11 years in prison after finding him guilty of laundering nearly \$700 million between 2022 and 2024. With Georgia's state budget at roughly \$12 billion, the scale of this single "exchange" far exceeded what the economy could plausibly absorb unnoticed.

One might assume these were short-term cash grabs and that the government would still invest in, or join, major infrastructure and regional projects.

Instead, the current government missed the [TRIPP project](#)—the Trump Route for International Peace and Prosperity—which bypasses Georgian territory entirely. For the first time in decades, a major

East–West route in the South Caucasus is being designed around a pathway that does not require Georgian territory.

The strategic Anaklia deep-sea port, which could significantly strengthen Georgia's connectivity, create jobs, and generate income, was [stalled](#), offered to Chinese investors, and most recently [nationalized](#) outright, with no clear indication of when it will be built or how it will be financed.

The AI Revolution and Georgia's Stagnation

Today, few reputable economists or political scientists avoid discussing artificial intelligence and its impact on statecraft, especially the economy. Governments worldwide are racing to regulate AI, build the necessary infrastructure, and train the workforce it requires. It is widely recognized that, unlike in earlier stages of human evolution or previous industrial revolutions, people will increasingly compete not with organic forces—nature, animals, or other humans—but with silicon.

A naïve observer might reasonably ask whether Georgia's government is investing in new technologies and building its economy around the next industrial revolution.

In Georgia, however, such philosophical and practical questions are absent from political, economic, and public discourse. The legal basis for regulating AI does not exist, even in embryonic form. The idea of a modern Batumi Tech University, developed with leading Western technology schools, has been abandoned, and its building has been turned into a casino. The newly announced "educational reform" sharply limits the institutions where AI-related expertise could even theoretically be taught or developed. Georgia's drift away from the EU, the United States, and Western institutions more broadly is further weakening ties with communities working on AI adoption and regulation.

While other countries are integrating AI across governance and economic activity, the Georgian government's only visible [use](#) of it appears to be CCTV data collection, social media monitoring, and using such systems to intimidate political opponents, independent media, civil society, and dissent more broadly. The relevant software system was allegedly procured in Russia.

Existing Georgian tech talent is largely being diverted into surveillance systems, illegal call centers, opaque online betting and gambling platforms, and the cryptocurrency exchanges mentioned above.

Other countries are moving quickly. EU candidate states are aligning their laws with EU legislation; Albania has even appointed an AI cabinet minister. Kazakhstan has created a dedicated ministry for digital transformation and leads much of Eurasia in AI infrastructure, adoption, and legislation. Ukraine has turned to AI for public services and defense. By contrast, Georgia's Digital Governance Agency operates under the Ministry of Justice, and its public website shows no substantial activities or services. Discussions of a 20MW data center have circulated for four years, but no visible progress has followed.

Meanwhile, neighboring Armenia [hosts](#) Oracle's R&D office and has opened its first AI factory in collaboration with Nvidia. Azerbaijan has [adopted](#) a national Artificial Intelligence Strategy for 2025–2028, and its Agency for Innovation and Digital Development (İRİA) recently [signed](#) a memorandum with the international start-up Polygraf AI, founded by an ethnic Azerbaijani, to establish a regional AI center of excellence serving the Caucasus, Central Asia, and the Middle East.

In an interconnected and rapidly evolving digital world, this reality pushes Georgia toward an uncomfortable category: either you pay for the product, or you become the product.

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How to Use a Golden Goose

With its location, access to major trade routes, biodiversity, talented population, and inexpensive electricity, Georgia should be leading AI-related innovation and attracting significant investment and talent. That is not happening because the country lacks advantages, but because it lacks state policy, institutional support, and basic focus.

Together, these factors should be Georgia's Golden Goose—laying “golden eggs” of prosperity and development. Instead, these opportunities are being consumed for short-term financial gain, with no comprehensive vision, strategy, or plan beyond monopolizing politics, business, and opportunity while remaining in power for as long as possible.

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Even recognizing this dire reality, it is hard to see what could trigger a major shift in the current government's approach. Anyone who expects the existing “digital community” to drive change should look at Belarus, where a far larger and wealthier tech community has achieved little under the current political conditions.

At the same time, rigid systems have an inherent weakness: they are fragile and vulnerable to

unexpected “black swan” events. The recent scandal involving Russian tourists who [insulted](#) a Georgian wedding party and sparked physical altercations revealed previously hidden but growing resentment toward the government’s policy of encouraging as many Russian visitors as possible. Such ruptures do not easily heal. The next scandal could prove fatal for the entire system if the political opposition can move beyond condemning the regime and highlighting its failures to offer a viable alternative with capable leadership.

The alternative is grim. In Aesop’s fable, a farmer owns a magical goose that lays one golden egg each day. Driven by greed and impatience, he kills the goose in hopes of seizing all the gold at once—only to lose his steady source of wealth forever.

Ivanishvili’s Georgia resembles that farmer. By killing the goose, Ivanishvili may lose his riches or his place in history; but the far greater loser will be Georgia itself, along with its current and future generations ■

The Window That Closed in Tbilisi Is Open in Yerevan

In April 2026, while receiving Nikol Pashinyan in the Kremlin, Vladimir Putin [told](#) his guest that membership in the Eurasian Economic Union (EAEU) and integration with the European Union are impossible to combine: “impossible by definition,” as he put it, and a matter of pure economics rather than politics. The courteous framing should deceive no one. Putin was informing Yerevan that the era of balancing has reached its end and that Russia planned to follow up on it. Bidzina Ivanishvili probably received the same message in a different form in 2022, when Russia’s full-scale invasion of Ukraine eliminated the space between accommodating the aggressor and partnering with the West.

Georgia’s ruling party has since chosen Russia. Armenia has so far resisted making the choice Moscow demands. Whether Yerevan and Pashinyan can sustain that resistance will determine if the West retains a strategic foothold in the South Caucasus.

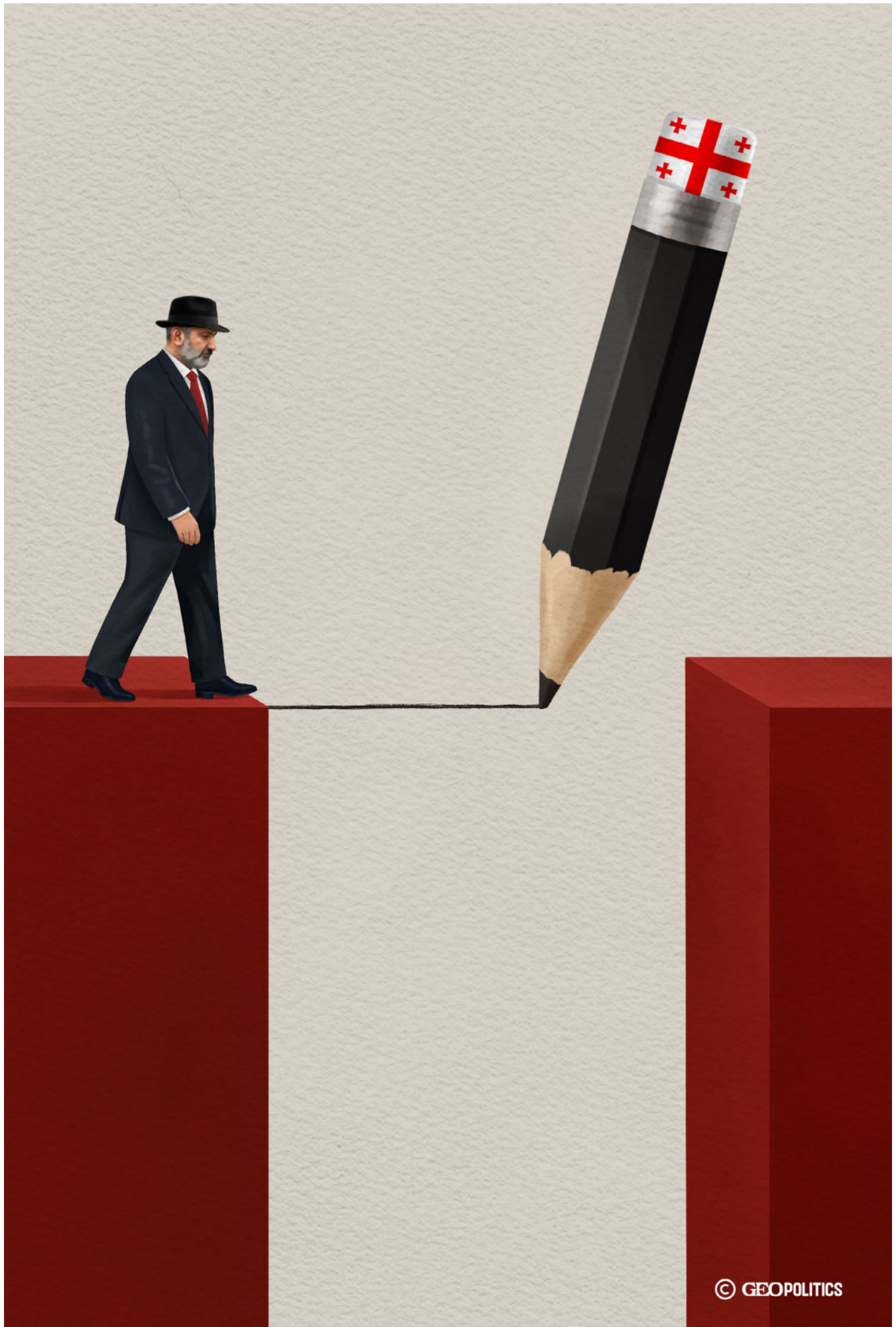
When Ivanishvili began promoting a diversified and multi-vectoral foreign policy after 2012, the project was an oxymoron, since dependability is precisely the asset that cannot be diversified.

For two decades, Georgia was the West’s most [dependable](#) partner in the wider Black Sea region. Its value and strategic weight in Brussels and Washington rested on two qualities: it was democratic and reliable. When Ivanishvili began promoting a diversified and multi-vectoral foreign policy after 2012, the project was an oxymoron, since dependability is precisely the asset that cannot be diversified. Ivanishvili understood that he was repositioning the country, and so did Western capitals. Yet hesitation was dubbed as pragmatic diplomacy, and Georgia was permitted to drift, decision by decision, from a Western stronghold into a state that now functions as a Russian vassal.



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That outcome should be read as more than a domestic political failure. It is a clear illustration of what happens to the geopolitical periphery when the West's power of attraction is left to run on the inertia of the post-Cold War moment.

Armenia now stands roughly where Georgia stood in 2003 and 2004. A reformist government has broken the hold of an entrenched, Russia-dependent elite, while public opinion increasingly favors a Western orientation. Yet Russian influence remains deeply embedded in the economy, the security sector, and parts of the political class. Such momentum does not last indefinitely. Georgia's experience showed both how much can be achieved and how completely the gain can be squandered.

The question, then, is whether Armenia can become the new foothold of Western interests in the region. Answering it requires addressing three related questions: Why did Georgia's turn toward the West prove reversible, and which mistakes by Georgians and their Western partners made it so? What do the similarities and differences between Georgia's position then and Armenia's position now reveal about the real vulnerabilities? And what must Yerevan, Brussels, and Washington do, concretely and in real time, to ensure that Armenia consolidates its momentum rather than repeats Georgia's trajectory? The answers matter beyond Armenia. Getting it right this time would restore credibility to the Western project across the region and strengthen the prospects of a democratic turnaround in Georgia itself.

The Two Revolutions

The clearest similarity between Georgia in 2003 and Armenia in 2018 is what the revolutions inherited. Both Saakashvili and Pashinyan took over weak states that were saturated with Russian influence, from appointed security officials and military bases to energy monopolies and elite networks cultivated over decades. Both moved quickly against corruption, and both delivered real, measurable results.

Georgia's transformation of the visible state remains one of the most [studied](#) anti-corruption episodes in the post-Soviet space: a police force rebuilt from scratch after the dismissal of tens of thousands of compromised officers, digitalized public services, and the dismantling of the entire informal economy of bribes, connections, and favors that had governed daily life. Armenia's velvet government produced its own early record, [dismantling](#) oligarchic monopolies, building new anti-corruption institutions, and registering rare democratic gains at a moment when democracy was retreating almost everywhere else in the region.

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The vulnerabilities are also shared, and they matter more. Georgia's reforms changed who controlled the central institutions inherited from the post-Soviet system, but not how those institutions exercised power. The judiciary remained subordinate to the executive—a failure Saakashvili himself [acknowledged](#). The reform process also produced serious abuses, most notably a zero-tolerance criminal justice policy that [increased](#) the prison population by 300 percent and generated resentment among a vast number of Georgian families. Ultimately, the courts, the prosecution service, and the electoral machinery were not made genuinely independent. They remained instruments of political power, ready to serve the next patron.

That next patron – Bidzina Ivanishvili – arrived with the backing of those who were affected by the reforms. Rooting out corruption stripped illegal income from influential layers of society, whether dismissed police officers and rent-seeking

bureaucrats or the criminal aristocracy of thieves in law. Their grievance was material rather than ideological. Ivanishvili's achievement in 2012 was that he managed to aggregate the dispossessed beneficiaries of the old order with the ordinary victims of punitive justice, wrapped both in the language of restoring fairness, and won a legitimate election.

What followed was the revenge of the post-Soviet elite. The networks that lost their income streams after 2004 recovered them after 2012 and are now part of the regime's operational core, [staffing](#) the loyal judiciary and clientelist apparatus around it. Georgian Dream is best understood as the restoration project of the pre-2004 order, financed by a Russia-made fortune, and the foreign policy reversal followed the same logic, [executed](#) against a public in which roughly three-quarters consistently identify as pro-Western and [support](#) EU membership has stood near 79 percent.

Armenia should avoid replaying the central Georgian failure at any cost. Pashinyan's long battle with the Constitutional Court ended with [compromise](#) judges tied to the former regime, and eight years into his rule, the prime minister [concedes](#) that the judiciary remains the country's least reformed institution. Meanwhile, the anti-corruption drive has [produced](#) high-profile prosecutions of former presidents and the billionaire Samvel Karapetyan that have yet to yield court verdicts. Some Armenian monitors [are raising](#) red flags about the use of state resources and law enforcement for political purposes and a deepening personalization of power. The Kocharyan and Sargsyan [networks](#) and the political movement around the Karapetyan family stand ready to aggregate discontented layers of Armenian society, and Moscow's task lies in finding this constituency its Ivanishvili.

Moscow's Levers and Armenia's Cleanup

Russia's hold on Armenia was never primarily about affection or ideology. It rested on a monopoly: only

Moscow could guarantee Armenian control over Karabakh while the country sat wedged between two hostile states. That monopoly is gone, and Russia destroyed it itself. When Russian peacekeepers stood aside during the 2020 war and again during the 2023 exodus of Karabakh's Armenian population, the strategic core of the alliance collapsed, leaving the machinery of dependence without the rationale that had justified it. The Kremlin drew its own conclusion. Armenia is no longer treated as a guaranteed ally; it is treated as another hybrid battlefield of Russia's [contest](#) with the West.

The machinery of dependence, however, remains formidable, and it is concentrated where Georgia's experience says it matters most: in the economy and in the elite. Armenia is still a member of the CSTO and the Eurasian Economic Union and still hosts Russian military infrastructure. Russia holds long-term [compromises](#) in Armenia's strategic sectors, including railways, nuclear power, natural gas distribution, and wheat supply. Giants such as Gazprom and Russian Railways continue to operate without restrictions. Alongside the economic chokepoints stands the political vehicle: the parliamentary opposition built around former presidents Kocharyan and Sargsyan, and the Our Way movement led by Narek Karapetyan, nephew of the jailed billionaire Samvel Karapetyan. Moscow [relies](#) on these forces to retain its influence. This is exactly the configuration Georgia's story warns about. Russia recaptured Georgia not through the military campaign in 2008, but through a billionaire, a grievance coalition, and institutions that had never been made independent. Russia does not need to garrison a country it can purchase, and it does not need to purchase a country whose resented, deeply polarized elites are ready to take it back on Moscow's behalf.

Yerevan understands the vulnerability and has begun the cleanup. Armenia's rearmament, which began after the 2016 Four-Day War exposed its dependence on Russian supply, has been [redirected](#) wholesale: [contracts](#) with India worth

more than 1.5 billion dollars in 2022 and 2023 and with France totaling at least 250 million dollars, alongside French military instructors and advisers inside the Ministry of Defense, and Indian-led training. The state has also moved against the most exposed asset of Russian-linked capital, nationalizing the power grid formerly owned by Samvel Karapetyan, and has [arrested](#) Karapetyan and two archbishops, Bagrat Galstanyan and Mikael Ajapahyan, on charges of attempting a coup. Moscow's reaction confirms what is at stake: Russian officials, including Sergei Lavrov, have [labeled](#) Armenian reform efforts destabilizing and Western-driven, the standard vocabulary the Kremlin applies to any neighbor attempting an exit.

Moscow's reaction confirms what is at stake: Russian officials, including Sergei Lavrov, have labeled Armenian reform efforts destabilizing and Western-driven, the standard vocabulary the Kremlin applies to any neighbor attempting an exit.

Two factors, however, can determine the limits of the cleanup. First, economic diversification has barely begun. Defense procurement can be redirected with a signature; gas infrastructure, railway concessions, and Eurasian union-related trade flows cannot, as Armenia's economic geography has always run northward towards Russia. Second, the coup cases against Karapetyan and the archbishops remain unproven in court, and a state that fights Russian influence with instruments that look selective risks manufacturing the very martyrs and grievances a revenge coalition needs. Georgia's reformers made that mistake with their own justice system, and it cost them the country.

Russia's leverage over Armenia was always a [function](#) of Armenian insecurity. The peace and normalization with Azerbaijan and Türkiye correlate directly and inversely with Moscow's chances

of restoring control. Every reopened border crossing and every eastward or westward trade route devalues the northern chokepoints. The Kremlin knows this arithmetic as well as anyone, which is why spoiling the normalization process is now the cheapest and most obvious play available to it, whether through its clients in the opposition, through the church conflict, or through engineered instability timed to Armenia's elections. The key question now is whether the West is prepared to underwrite the one thing it has historically refused to touch and Russia can still credibly threaten: Armenia's security.

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Will the West Return?

Western interest in the South Caucasus has a simple geography. The Middle Corridor, the trade route linking Central Asia to Europe across the Caspian while bypassing Russia and Iran, runs through this region. Or it does not run at all, and every disruption of the corridor is a gift to Moscow's northern chokepoints. A stable and reliable South Caucasus is therefore a strategic requirement for the West rather than a philanthropic preference. Reliability, as Georgia's regression [demonstrated](#), is a quality only a partner anchored in Western structures can provide. For most of the past decade, the West's regional position was eroding: Georgia captured, Azerbaijan transactional, Armenia locked in Russia's security architecture. What has changed since 2025 is that Washington, for the first time, has placed material stakes on the ground in Armenia.

The centerpiece of this interest is the Trump Route for International Peace and Prosperity (TRIPP). Following the August 8, 2025 White House summit at which Pashinyan and Aliyev [initialed](#) a peace

agreement and committed to the connectivity deal, the United States and Armenia moved with unusual speed: an implementation framework [published](#) in January 2026 and a framework agreement [initialed](#) in Yerevan in May, alongside a renewed Charter on Comprehensive Strategic Partnership and a critical minerals memorandum. The structure of the deal matters more than its name. The [route](#) crosses 43 kilometers of Armenian territory along the Iranian border, remains under Armenian law and Armenian border control, and is developed by a joint [TRIPP](#) Development Company in which the United States holds a controlling stake for decades. By placing American commercial interests physically on the most sensitive strip of land in the region, the arrangement converts the corridor from a pretext for coercion into an asset the United States has a direct financial reason to protect.

Between January 2025 and early 2026, Armenia assumed control of its border checkpoints from Russia's FSB troops. The transition began at the Karchevan crossing on the Iranian border, continued at Zvartnots Airport and the Margara and Akhurik checkpoints along the Turkish frontier, [ending](#) a border-control arrangement established by the 1992 Armenia–Russia border-guard treaty. The Russian 102nd Military Base in Gyumri and the Meghri border detachment, however, remain unresolved remnants of that system.

For TRIPP, this sequence was a prerequisite, not a coincidence. The proposed route passes through Meghri along the frontier that the FSB guarded for three decades. A corridor operating under Armenian law and involving a controlling American stake could not realistically have been built across a border controlled by Russia. Removing the FSB from Armenia's south was therefore the project's quiet enabling step, while Moscow's remaining military presence in Gyumri now represents its last significant physical lever inside the country.

The technology track follows the same logic. Firebird's AI infrastructure project, born of the semiconductor and artificial intelligence memorandum [signed](#) alongside the August 2025 peace documents, has [grown](#) from a 500 million dollar first phase into a 4 billion dollar second phase [announced](#) during Vice President J.D. Vance's February 2026 visit to Yerevan, with a U.S. export license covering tens of thousands of NVIDIA GPUs. Export licenses for advanced chips are instruments of strategic trust that Washington extends to very few states, and their extension to a CSTO member hosting a Russian base would have been unthinkable three years ago. The European track has thickened in parallel: the EU [established](#) a new civilian mission in April 2026 to strengthen Armenia's resilience, Yerevan hosted the European Political Community summit on May 4 followed by the first EU–Armenia summit on May 5, and the sides launched a 200 million euro partnership with Global Gateway investments projected to reach 2.5 billion euros.

This is a different quality of engagement than anything Georgia ever received since the U.S.-backed and BP-led multi-billion BTC pipeline [project](#) was announced in the mid-90s and the massive GTEP U.S. military capacity-building [program](#) in the early 2000s. The difference goes to the heart of what went wrong in Tbilisi. The West invested two decades of funding, conditionality, and narrative in Georgia while declining to touch the problems that actually [determined](#) the country's fate: the occupied territories, the security vacuum after 2008, and the fear, patiently cultivated by Moscow and later voiced by Georgian Dream, that Western alignment purchases war while accommodation purchases peace. Brussels asked Georgia to perfect its regulatory alignment; nobody underwrote its security. Ivanishvili built his entire repositioning on that gap. The current engagement with Armenia, whatever its motives and however transactional its architecture, addresses the gap directly, because peace with Azerbaijan and Türkiye removes the existential threat that made Russia's protection racket

function, and American assets on the ground raise the cost of the destabilization scenarios Moscow would otherwise reach for first.

Two unaddressed fundamentals remain: first, none of this yet amounts to a security guarantee, and Armenians remember that paper commitments failed them recently. Commercial deterrence works only while the assets matter to Washington. The durability of an engagement branded so personally around the current president is a legitimate question for any Armenian planner. Second, the engagement is conspicuously government-centric. Summits, corridors, and data centers consolidate a state's orientation; they do not by themselves build independent courts, credible elections, and resilient institutions that determine whether that orientation survives a change of government. Georgia had the reverse problem: institutions were engaged, but security was completely ignored. Repeating the error in mirror image, security engaged and institutions ignored, would reproduce the same vulnerability by a different route.

Lessons in Real Time

Georgia's turn toward the West proved reversible because the revolution changed who ran the post-Soviet state, but not how the state itself worked. Courts, prosecutors, and electoral institutions remained subordinate to the executive. They were simply waiting for a new master. At the same time, the reforms created a large and angry constituency that had both the motive and the material interest to support one.

At the 2008 Bucharest summit, NATO promised that Georgia would eventually join the alliance but withheld the Membership Action Plan that might have made that promise credible. The result was the worst of both worlds: Moscow was provoked, and Tbilisi was left unprotected.

The West never quite decided what Georgia was supposed to become. At the 2008 Bucharest summit, NATO promised that Georgia would eventually join the alliance but withheld the Membership Action Plan that might have made that promise credible. The result was the worst of both worlds: Moscow was provoked, and Tbilisi was left unprotected. For the next two decades, Georgia remained in Europe's waiting room—close enough to keep its hopes alive, but far enough away to spare the West any firm obligation.

Western governments funded reforms, monitored progress and issued regular assessments. But they kept postponing the two questions that matter most to a small, vulnerable state: Who will protect us, and will we be abandoned when the danger comes?

Moscow never had to persuade Georgians that Russia offered a better future. Its argument was simpler: the West will not fight for you, while Russia will always be next door.

After the 2008 war, that uncertainty shaped everything. Moscow never had to persuade Georgians that Russia offered a better future. Its argument was simpler: the West will not fight for you, while Russia will always be next door. No association agreement could answer that. Ivanishvili built his system in the space where a convincing answer should have been.

What does this trajectory reveal about where Armenia's real vulnerabilities lie? In the same three places, with one variable inverted. The judiciary [remains](#) the least reformed institution in the country. The resentful constituency is assembling, from displaced officials and prosecuted magnates to an aggrieved church hierarchy, and Moscow's political vehicles stand ready to aggregate it. And the economic chokepoints, from gas distribution to railways, [remain](#) in Russian hands.

The inverted variable is the security equation. Georgia's reformers faced a Russia willing to invade and a West unwilling to engage the consequences; Armenia's reformers face a Russia that has already forfeited its guarantor role and a West that has finally [placed](#) material stakes on the ground. Armenia's window is real. It is also the same window Georgia had between 2004 and 2008, and Georgia's window closed by force, the force Russia can no longer afford after its strategic disaster in Ukraine.

Small states under Russian pressure need real help in real time on the problems that actually threaten them.

What must be done follows from the diagnosis, and the guiding principle is the one Georgia's experience should have taught a decade ago. Small states under Russian pressure need real help in real time on the problems that actually threaten them. Conditionality that withholds engagement until internal transformation is complete gets the sequence backward, because Russia does not wait for the results of judicial vetting. Telling Armenia to become Switzerland before the West will invest in its survival repeats the Georgian error with different vocabulary. The right sequence starts with the largest and most uncomfortable problems, security and economic dependence, and builds institutional demands on that foundation rather than in place of it.

For Washington, this means treating TRIPP and the technology partnership as the opening of a security relationship rather than its substitute. The United States and its partners should expand military assistance, advanced training, and access to dual-use technologies to consolidate Armenia's realignment, and should state plainly that destabilization of Armenia would carry costs for Moscow. Implicit deterrence is deterrence Moscow will test. For Brussels, it means matching the 2.5 billion euro Global

Gateway [ambition](#) with the unglamorous work of breaking Russian economic chokeholds: alternative energy routes, transport links westward and southward, and targeted investment in the sectors where Russian concessions currently give Moscow its quiet veto. For Yerevan, the assignment is the one Georgia's reformers failed: finish the state. An independent judiciary and credible elections are what make a Western orientation irreversible, because they remove the possibility that the next Ivanishvili inherits a captured machine.

The frontline between Russian and Western influence in the South Caucasus runs through the quality of democratic institutions, and no other terrain will decide the contest.

Can Armenia become the new foothold of Western interests in the region? It can, but under a clear requirement: the frontline between Russian and Western influence in the South Caucasus runs through the quality of democratic institutions, and no other terrain will decide the contest. Democracy may be in retreat globally, but in this region the contest for influence is not fought over trade balances or ideology; it is fought over whether states can be captured. Russia's method requires dependent courts, purchasable elites, and societies governed by fear. Every institution that becomes genuinely independent is territory Russia loses permanently. That is why getting Armenia right matters far beyond Armenia. A consolidated, secure, Western-anchored Armenia would demonstrate to Georgians, who remain overwhelmingly pro-European under a regime working to make their preference irrelevant, that the exit from Russia's orbit exists and stays open. Georgia was lost gradually, through hesitation dressed up as pragmatism. Armenia will be kept, or lost, the same way, and the decisions are being made now ■

Resilient Democracy: How Russia's Hybrid War Is Forcing Europe's Frontline States to Reinvent Democratic Self-Defence

Calling political opponents “the three-headed spy party of war” or “the three-headed mafia” is not the language normally associated with most successful democratic transitions. But these unusually combative statements [were made](#) in the aftermath of his electoral victory by Armenia's Prime Minister Nikol Pashinyan and were directed at the leaders of the three principal pro-Russian opposition parties.

Pashinyan's remark encapsulates the dilemma confronting Armenia: having concluded that Russia seeks to reverse his country's westward drift, the PM increasingly treats the pro-Russian opposition as a national security threat rather than a potential democratic alternative. Whether this represents necessary democratic self-defence or an illiberal turn is one of the defining questions facing almost all frontline democracies today.

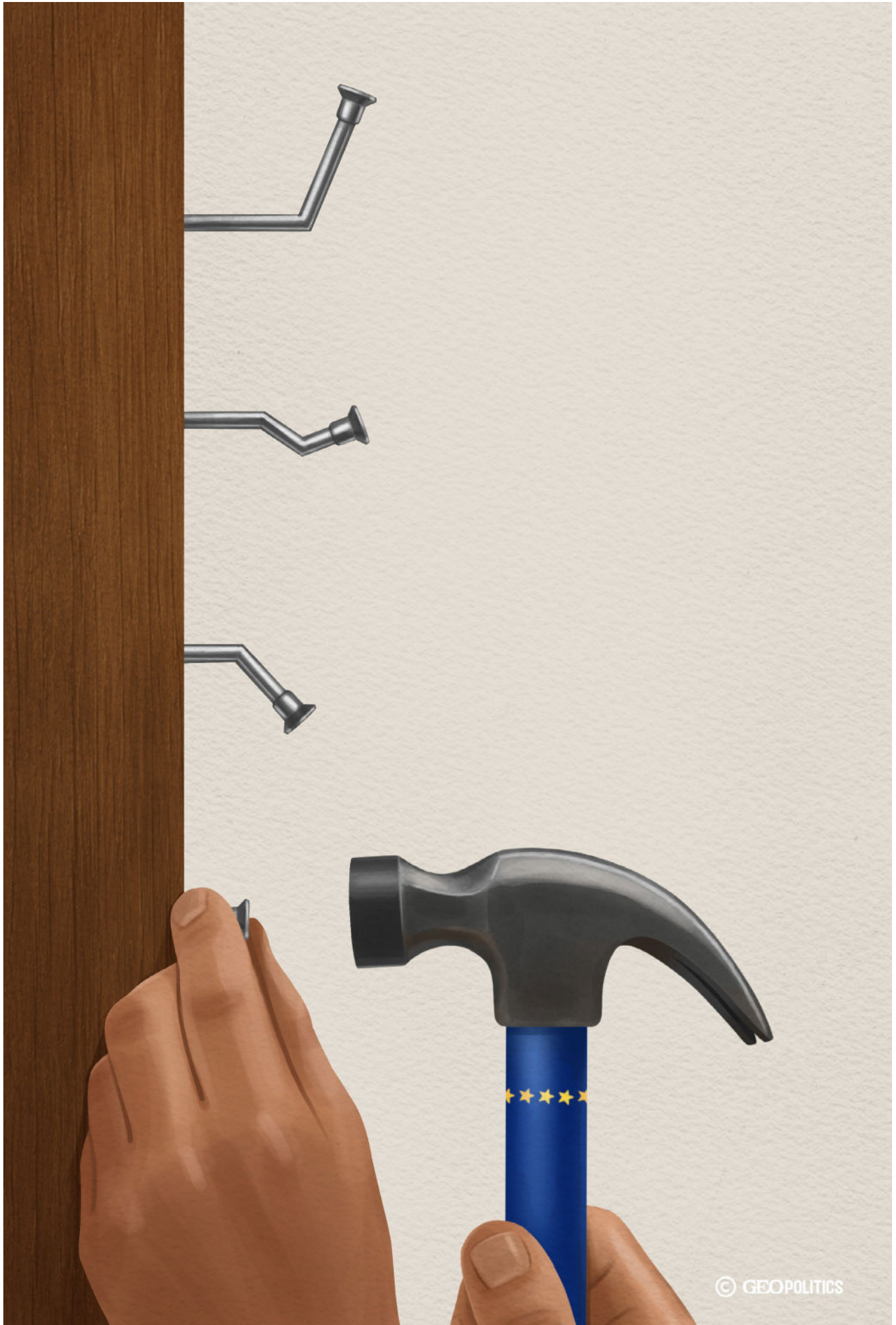
Democracy and New Security Dilemma

Moldova's democratic and pro-European government also went through similar dilemmas: it [suspended](#) the licenses of several TV stations and blocked dozens of websites spreading Russian disinformation or serving sanctioned individuals, [outlawed](#) some political parties (e.g., fugitive oligarch Ilan Shor's party), expanded surveillance and counter-intelligence powers, and followed the policy of strict enforcement of already strong legislation against vote-buying and foreign funding. Moldova's international partners all agree on extensive Russian hybrid activities and consider the Russian interference threat to be genuine. At the same time, organizations focused on democracy and media freedom have expressed concern that some restrictions, particularly media closures and website/platform blocking without robust judicial review, could undermine freedom of expression and create precedents that might be misused in the future.



THORNIKE GORDADZE
Contributor

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In Ukraine, even more far-reaching measures have been adopted. These include [banning](#) several political parties, [consolidating](#) television news into a single nationwide broadcast under the United News platform, expanding surveillance powers to investigate espionage, sabotage, and collaboration, and [restricting](#) certain religious organizations deemed to pose national security risks. Most of these measures have been enabled by martial law, under which international law permits states, during a full-scale armed conflict, to temporarily derogate from certain rights and freedoms.

At the same time, one of the more encouraging features of Ukraine's wartime experience has been the resilience of its democratic institutions and political culture. Despite the concentration of executive power that inevitably accompanies martial law, the government has not been insulated from public scrutiny. On several occasions, decisions taken by the presidential administration that were perceived as overreaching encountered swift and forceful resistance from civil society, independent media, anti-corruption activists and the broader public. The backlash against legislation seen as undermining the independence of Ukraine's anti-corruption institutions, as well as the criticism surrounding the dismissal of a widely respected defense minister, demonstrated that organized civic pressure continues to shape political outcomes even in wartime. In both cases, the authorities were compelled to reconsider or modify their approach.

Ukraine's democracy has survived the strains of war and has continued to function as a system in which executive authority remains subject to meaningful societal constraints. That is no small achievement for a country fighting a war of survival.

These episodes showcase that Ukraine's democracy has survived the strains of war and has continued to

function as a system in which executive authority remains subject to meaningful societal constraints. That is no small achievement for a country fighting a war of survival. If anything, the repeated capacity of Ukrainian society to mobilize in defense of institutional checks and balances suggests that democratic norms have become more deeply embedded since 2014. Measured against the experience of other democracies confronting acute security threats, Ukraine has demonstrated a striking degree of institutional resilience. This does not diminish the serious challenges that remain, but it does provide reason to believe that, once the conditions of war recede, Ukrainian democracy is likely to emerge more mature, more accountable, and ultimately more consolidated.

Coming back to the Armenian case, where the [election result](#) (Pashinyan slightly under 50% of votes) has strengthened Yerevan's confidence in pursuing countries strategic reorientation, it also raised a series of significant domestic challenges: controversies surrounding the government's vision of a "Real Armenia", tensions with the Armenian Apostolic Church, and growing skepticism among segments of both the younger generation and the diaspora have all emerged as sources of political vulnerability.

Increasingly, Pashinyan appears to have concluded that only far-reaching and decisive measures can overcome these perils and secure a comprehensive reform of the state and its institutions in order to anchor it firmly within the Western sphere. To prevent the emergence of a destabilizing domestic front, the Armenian authorities now appear to be stepping up their campaign against Russian influence within the country. In the government's view, that influence is embodied primarily by political parties and media organizations maintaining close ties with Moscow.

The Armenian PM's statements have recently begun to take tangible form. None of the three leading figures of the pro-Russian opposition has reportedly [been allowed](#) to leave the country, and

one of them, billionaire Gagik Tsarukyan, leader of Prosperous Armenia, was already [arrested](#) on fraud and money-laundering charges in a spectacular police operation that put his flashy, luxurious lifestyle on public display.

As in Moldova, the government is also determined to enforce electoral legislation prohibiting vote-buying and other forms of electoral manipulation. Activists and representatives affiliated with the three opposition parties [were detained](#) before and during polling day. The Anti-Corruption Committee, which is conducting the investigation, is expected to determine whether these actions were isolated initiatives undertaken by individual activists or part of a coordinated and centralized effort to interfere with the electoral process. Mr. Pashinyan has already warned that any political party found guilty of electoral fraud could face prohibition.

Such prospects have inevitably raised concerns among observers who view Armenian democracy as still fragile and only partially consolidated. Critics caution against an overly heavy-handed approach towards political opponents, even when those opponents are widely perceived as aligned with Russian interests.

The Failure of Gradualism

What makes the evolution in Armenia, Moldova and Ukraine particularly noteworthy is the contrast with these countries' earlier approach to reform. Pashinyan, who came to power in 2018 on the back of the Velvet Revolution, and previous pro-European Moldovan governments were initially distinguished by their caution and gradualism. In neighboring Georgia, Mikheil Saakashvili had pursued rapid and sweeping transformations several years earlier. Pashinyan repeatedly stressed that he sought to learn not only from the successes of the Georgian experience but also from its shortcomings. His objective was to avoid disrupting Armenian society and its post-Soviet elites too abruptly, thereby minimizing resistance to change.

Pashinyan repeatedly stressed that he sought to learn not only from the successes of the Georgian experience but also from its shortcomings.

Over the past two to three years, however, a discernible shift has taken place in both Armenia and Moldova. The countries' leaderships appear to have accelerated the pace of reform and embraced a more radical course than the one they once advocated. Indeed, Pashinyan now seems, in some respects, more radical than Mr. Saakashvili. The Georgian leader launched ambitious reforms at the outset of his tenure, then gradually slowed their pace as his political capital diminished. The Armenian prime minister appears to be following the opposite trajectory.

The apparent lesson he has drawn is that gradualism ultimately undermines reform.

The apparent lesson he has drawn is that gradualism ultimately undermines reform. Slow-moving change, in this view, creates space for entrenched interests to regroup, strengthens counter-revolutionary forces and jeopardizes the broader transformation of the state. Radical reform, therefore, becomes not merely an option but a necessity.

Pashinyan, Sandu, and Zelenskyy are also likely counting on stronger Western backing than Saakashvili ever enjoyed to sustain this strategy. They will hope to find understanding, and perhaps tacit backing among European capitals should more forceful measures become necessary in their campaign to dismantle Russian influence and secure their countries' westward alignment. For the time being, all three have this unwavering support.

If the West, and Europe in particular, is engaged in a hybrid war against Russian revisionism, which seeks to undermine, and ultimately dismantle, our

political model by exploiting the very instruments of democracy, including elections and freedom of expression, then what should be the appropriate response of democracies?

Romania's 2024 presidential election appears to have been a watershed, jolting European governments into recognizing the scale of foreign interference and information warfare targeting their democracies.

There are signs that Europe is beginning to respond. Romania's 2024 [presidential election](#) appears to have been a watershed, jolting European governments into recognizing the scale of foreign interference and information warfare targeting their democracies. Since then, the debate has shifted, with policymakers increasingly treating these threats as matters of national security rather than merely electoral integrity. Yet two fundamental questions remain. Will these measures prove sufficient to counter increasingly sophisticated forms of external subversion allied with local corrupt and predatory oligarchs? And, in seeking to defend democracy, could the governments de facto erode the very liberal principles they are trying to protect, setting their societies on a path toward democratic backsliding and authoritarianism?

The Forgotten Story of How the West Defended Itself During the Cold War

Given the scale of the challenge, should democracies not go further? The gravity of the threat may warrant a re-examination of the lessons of the early Cold War years, when Western states developed robust mechanisms to protect their political systems against a systemic adversary.

The crucial difference with the period of 1945–50, however, is the absence of the actor that once led

that effort. The United States no longer regards (let's hope, temporarily) the defense of liberal democracy as the central organizing principle of its foreign policy. At times, Washington appears to move in precisely the opposite direction, prioritizing other strategic or transactional considerations.

If a geopolitical Europe and a genuine European defense capability are finally to come of age, the responsibility can no longer be outsourced. Europe itself must assume it.

In these circumstances, if a geopolitical Europe and a genuine European defense capability are finally to come of age, the responsibility can no longer be outsourced. Europe itself must assume it. Safeguarding the continent's democratic institutions, protecting the integrity of its information space and defending its political sovereignty must become core strategic priorities for the European project in the years ahead.

During the Cold War, the United States and its allies used a very wide spectrum of methods, some democratic, some covert, and some even controversial, to prevent communist parties from gaining power in Western Europe. The fear was not only a Soviet military invasion. It was that communist parties could come to power through elections, especially in countries where they were strong after World War II, such as Italy, France, or Greece.

After 1945, communist parties enjoyed enormous prestige because many communists had played major roles in resistance movements against Nazi occupation. This was particularly true since Nazi Germany invaded the Soviet Union and the 1939 Nazi-Communist pact to fight together against liberal democracy was disrupted. In several countries, communist parties became mass political forces: in Italy, the Communist Party was the largest in Western Europe. In France, communists were a major political force and participated in government

immediately after the war, and in Greece, communist-led forces nearly won a civil war (1946–49).

American policymakers increasingly viewed these developments through the lens of containment: preventing further expansion of Soviet influence. Everyone remembers the economic stabilization role played by the [Marshall Plan](#), one of the most important, and arguably most legitimate, tools of this containment. The logic of pouring billions of dollars into destroyed Europe was to prevent economic collapse, which breeds political extremism. At the same time, prosperity would have reduced support for revolutionary movements. It was believed that stable democracies would be less likely to align with Moscow. This approach worked. Western European economies genuinely recovered rapidly, helping undermine the appeal of revolutionary politics.

The “Gray Zone” of Democratic Defense

However, it would be naive to assume that economic assistance alone was sufficient. History offers numerous examples where substantial financial aid failed to consolidate democracy, allowing anti-Western political forces to prevail. Iran between 1958 and 1979, Egypt since Anwar El-Sadat, Venezuela, Afghanistan, and even Russia, which received approximately USD 40 billion in Western financial assistance during the 1990s, illustrate the limits of economic support as a tool of political transformation.

One could argue that many of these cases involve countries outside Europe with limited democratic traditions. Yet even in Western Europe, the consolidation of democratic institutions proved far from straightforward.

Take the case of Italy and its 1948 elections. The U.S. government feared victory by the coalition that included the powerful Italian Communist Party. American actions reportedly included

large-scale financial support to anti-communist parties, propaganda campaigns, and encouraging Italian-Americans to write letters to relatives in Italy. Leonardo Sciascia, in his novel *La Zia d'America* and his even more famous *Todo Modo*, describes how the Christian Democrats won the highly disputed 1948 elections, with U.S./CIA [involvement](#), and how 25 years later the system created to prevent Italy falling under communists produced or at least reinforced other political pathologies, such as corruption, clientelism and morally decaying political elites.

Many historians regard political events in postwar Italy as one of the first major CIA political operations. The anti-communist coalition won decisively; this was a success, but critics argue it represented foreign interference in a sovereign democratic election.

The Western governments, particularly Washington, also supported non-communist trade unions to prevent communist domination of workers' movements. The latter, supported by Moscow, were influential in labor movements across Europe. The U.S. therefore funded and encouraged rival labor organizations. Declassified archives showed that in France, for example, anti-communist unions received support from across the Atlantic. The CIA involved American trade unions to limit the influence of the powerful CGT (Confédération Générale du Travail), heavily influenced by the communists. A new splinter workers' trade union, FO (Force Ouvrière), was created; its support for democratic socialism, European integration, and participation in Western institutions (versus CGT's revolutionary rhetoric) broke the quasi-monopoly of the CGT on workers' organizations. In the same manner, a Catholic workers' trade union – CFTC (Confédération Française des Travailleurs Chrétiens) was created.

In the immediate aftermath of WW2, the communist and pro-Soviet attitudes were even more dominant among European intellectuals, philosophers,

writers, artists, academics, cinema and theatre personalities in France, Italy, Germany, the UK, etc. CIA secretly financed numerous organizations involved in journalism, publishing, academic exchanges, student groups, and cultural programs. One famous example was the Congress for Cultural Freedom, founded in West Berlin in 1950, whose objective was to win the “battle of ideas” against the Soviet Union. Personalities such as Arthur Koestler, Raymond Aron, Hannah Arendt, or Isaiah Berlin were involved, even if most of them ignored CIA connections until it was publicly exposed in the late 1960’s. It sponsored magazines, conferences, and intellectual exchanges throughout Europe.

The case of Greece was much more violent. During the Greek Civil War, communist-led insurgents fought the Greek government. The U.S. intervened heavily with military and economic aid, advisors, and intelligence support. This became a foundational example of the Truman Doctrine. The communist insurgency was defeated. However, Greece’s political development afterward remained troubled, and anti-communism often justified restrictions on civil liberties.

In West Germany, the U.S., Britain, and France promoted democratic institutions, economic recovery, integration into Western alliances, and anti-communist political forces. The Communist Party remained marginal in West Germany, largely through institutional and economic means rather than the kinds of election interventions seen in Italy.

The Western intelligence services, in connection with NATO, went further in creating “Stay-behind” networks across several European countries (Italy, France, Benelux, West Germany) intended to resist a possible Soviet invasion and organize underground resistance if Western Europe were to be occupied. These organizations could have been involved in some cover-up actions and political manipulation, as several researchers and investigations alleged, particularly in Italy (Operation Gladio). The extent of those connections still remains debated among

historians, but some claims are well documented, as Giulio Andreotti himself (several times the President of the Council, aka Prime Minister of Italy) [revealed](#) in the Italian Parliament in 1990. Others remain controversial or insufficiently proven.

The story becomes even less flattering to the West when the U.S., in the name of resistance to Soviet expansionism, supported governments, security services, or political actors whose democratic credentials were questionable if they were seen as bulwarks against communism. This happened in Greece under the Colonels (1967-74). Even if the U.S. did not organize the coup, many critics argue Washington tolerated or accommodated the regime because it was strongly anti-communist and strategically important within NATO.

Western intelligence services cooperated extensively against communist organizations. This included surveillance, infiltration, and counterintelligence operations. Communist parties in countries such as France and Italy were closely monitored for Soviet influence and funding. Some operations were legal; others occupied gray areas of legality and democratic accountability.

Most historians today would say that the West’s anti-communist strategy in Europe contained both democratic and undemocratic elements.

Most historians today would say that the West’s anti-communist strategy in Europe contained both democratic and undemocratic elements. On one hand, economic reconstruction, support for democratic institutions, free elections, and political competition helped create stable democratic states. On the other hand, covert election interference, secret funding operations, propaganda campaigns, support for some authoritarian actors, and intelligence activities with limited oversight often conflicted with the democratic values the West claimed to defend.

This tension, defending democracy while sometimes using undemocratic methods, became one of the defining contradictions of the Cold War in Western Europe.

Hybrid War Changes the Rules

For nearly three decades after the end of the Cold War, Europe lived under a comfortable illusion: that every consolidated democracy could afford to become ever more open politically. More pluralism, greater freedom of expression, freer movement of capital, deeper digital connectivity, greater transparency – each new layer of openness seemed to strengthen democracy almost automatically. That era is over.

Vladimir Putin's Russia, alongside other authoritarian powers, has fundamentally altered the nature of geopolitical competition. Rather than exporting a universal ideology comparable to Soviet communism, it exports something arguably more effective: a method. Its strategy is to exploit the vulnerabilities of open societies. Elections become targets of influence operations, media become vehicles for information warfare, social media platforms become psychological weapons, political parties become channels for foreign influence, and civil liberties themselves become the infrastructure through which democratic systems are destabilized.

In other words, democracy is attacked not despite its principles, but through them.

This transformation challenges one of the deepest assumptions of post-Cold War liberal thought: that democratic institutions are naturally capable of protecting themselves. They are not.

This transformation challenges one of the deepest assumptions of post-Cold War liberal thought: that democratic institutions are naturally capable of protecting themselves. They are not.

Karl Popper anticipated part of the problem in his famous “paradox of tolerance”: unlimited tolerance ultimately allows the intolerant to destroy a tolerant society. The twenty-first century, however, requires us to reformulate that paradox. Today's threat does not primarily come from actors openly declaring their intention to abolish democracy. It comes from foreign states that use democratic institutions to produce profoundly anti-democratic outcomes.

Democracy therefore faces an unprecedented challenge: its own institutional architecture has become a theatre of geopolitical conflict. The frontline democracies of Eastern Europe – Ukraine, Moldova and Armenia, but also states in the Western Balkans and even those inside the EU (Bulgaria, Romania, Hungary) already live in this reality.

Georgia demonstrates why this debate is anything but theoretical. When Bidzina Ivanishvili and his Georgian Dream party won the 2012 parliamentary elections, the peaceful transfer of power was widely celebrated as evidence of Georgia's democratic maturity. Mikheil Saakashvili's earlier efforts to prevent what he regarded as the takeover of the state by a Russian-backed oligarch, at times stretching the boundaries of the rule of law, were widely criticized as inconsistent with democratic principles both by the Georgian civil society and Georgia's Western friends.

Thirteen years later, that interpretation appears ridiculous. Today Georgia is an authoritarian state in the process of consolidation, with dozens of political prisoners, suffocating media, decimated civil society, and aggressive anti-Europeanism as the regime's official ideology.

The country's democratic decline did not begin with a revolution. It began with an election. Democracy was not overthrown; it was repurposed for state capture and alignment with Moscow's geopolitical agenda.

Under certain circumstances, losing one election may eventually mean losing the possibility of genuinely competitive elections altogether. This explains why governments in Kyiv, Erevan and Chişinău have adopted measures that some local and European observers regard with discomfort.

That distinction is crucial. It means that, under certain circumstances, losing one election may eventually mean losing the possibility of genuinely competitive elections altogether. This explains why governments in Kyiv, Erevan and Chişinău have adopted measures that some local and European observers regard with discomfort.

None of the measures described at the beginning of this paper is politically or legally trivial. Each carries a genuine risk of abuse. Yet condemning them in the abstract, through the lens of an idealized liberalism detached from geopolitical reality, risks misunderstanding the nature of the threat itself. In the past, immediately after the end of the WW2, Western European democracies confronted a strategic dilemma remarkably similar in structure, a revealing precedent that Europe has largely forgotten.

The response extended far beyond the Marshall Plan. It included covert financial support for political parties, intelligence operations, information campaigns and discreet interventions intended to prevent democratic systems from being captured by a totalitarian rival. Many of those operations remain controversial today; some undoubtedly violated democratic principles.

Yet they remind us of an uncomfortable historical truth: liberal democracies themselves have, at moments of existential danger, concluded that their survival required extraordinary instruments. The real question, therefore, is not whether democracies

have the right to defend themselves. Every constitutional democracy already accepts that principle. The more difficult question is this: how can a democracy defend itself without beginning to abandon the very values it seeks to preserve?

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From Militant to Resilient Democracy

This is where a constitutional concept developed in post-war Germany deserves renewed attention: wehrhafte Demokratie, the idea of a democracy capable of defending itself. The founders of the Federal Republic drew an essential lesson from the collapse of the Weimar Republic. A democracy cannot remain entirely neutral toward those determined to destroy it.

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It must possess legal instruments enabling it to ban openly anti-constitutional organizations and protect the constitutional order against actors seeking to exploit democratic freedoms in order to eliminate them.

That insight remains profoundly relevant, yet today it is no longer sufficient. The contemporary threat does not come only from domestic anti-democratic movements, but also comes from foreign states capable of using perfectly legal organizations as instruments of hybrid warfare.

Militant democracy must therefore evolve, and it must become resilient democracy. A democracy willing to adopt exceptional defensive measures while simultaneously subjecting those measures to exceptional safeguards.

That is where the true constitutional red line lies: not in whether restrictions exist, but in whether those restrictions themselves remain subject to democratic control. Any limitation of democratic freedoms should satisfy several essential conditions: a) it must be based on demonstrable evidence of foreign interference; b) it must be authorized through independent judicial procedures; c) it must remain strictly proportionate; d) it must be temporary; e) it must remain reviewable by both national courts and European judicial institutions. In other words, a democracy may occasionally restrict certain rights. It may never suspend the mechanisms through which those restrictions themselves are scrutinized. This is likely to become one of the defining constitutional debates of the coming decade.

Yet Armenia, Ukraine, and Moldova will not be able to navigate this transition alone. They will require sustained support, primarily from Europe. This is also why European Union enlargement should be understood as something far more significant than a neighborhood policy. Accession should serve as a form of constitutional discipline, and not just a reward.

Europe therefore does more than protect these democracies; it also helps prevent them from becoming what they are fighting against. Closing the door to EU membership would have the opposite effect.

The Copenhagen criteria, the European Commission's oversight, the jurisprudence of the Court of Justice of the European Union, and the broader

European legal order create institutional guardrails that substantially reduce the risk of emergency powers evolving into permanent authoritarianism. Europe therefore does more than protect these democracies; it also helps prevent them from becoming what they are fighting against. Closing the door to EU membership would have the opposite effect. Without a credible European horizon, governments under constant security pressure would have fewer incentives to preserve liberal constraints. At the same time, societies could conclude that the sacrifices made in the name of Europe lead nowhere, allowing disillusionment to become one of Moscow's most effective strategic assets.

Europe therefore faces a historic choice. It can continue to apply identical democratic standards as though Stockholm, Lisbon, Chişinău, and Kyiv operated in identical strategic environments. Alternatively, it can acknowledge that a new category of states has emerged on Europe's eastern frontier: democracies engaged in permanent hybrid conflict and requiring a distinct doctrine of democratic self-defense.

A responsible approach means establishing clear red lines, supporting independent institutions, and promoting civic education. It also calls for substantial economic and financial engagement aimed at strengthening these countries' political and institutional stability while enhancing the resilience of their economies against potential Russian coercion. Diversifying energy supplies and developing alternative trade routes should form integral parts of this strategy.

The success of this transformation will also require a sustained effort to preserve national cohesion. The governments of frontline democracies must seek to reduce internal divisions and maintain an inclusive political framework. Even those who oppose their country's pro-Western orientation cannot be permanently excluded from public debate.

The Cold War compelled Europe to create the institutions of liberal democracy as we know them today. Russia's hybrid challenge may compel it to shape its next evolution: not merely liberal democracy, but

resilient democracy. That may ultimately become the most important constitutional contribution that Europe's frontline democracies make to the future of the European project ■

That Neighbor We Once Knew Living with Different Iran?

The hostilities between the United States and Iran have resumed. As of July 8, U.S. President Donald Trump indicated that he was “no longer interested” in a deal. Yet, the short-lived memorandum of understanding [signed](#) between the two countries on June 17 provided a glimpse of one potential future for Georgia’s immediate neighborhood, the one Tbilisi may not be ready for.

Several observers of the region have [pointed out](#) that, contrary to the commonly held assumptions about the overwhelming military and security superiority of the combined U.S. and Israeli forces, their onslaught has failed to trigger regime collapse or disintegration of Tehran’s security apparatus. Instead, the same researchers argue, all involved sides are now seeking – and so far, failing – to find

an exit from the resulting strategic quagmire. Others, like Ali Vaez, who heads the Iran project at the International Crisis Group, a think tank, [argue](#) that precisely this condition will keep pushing the sides towards the deal.

It is likely then that any new equilibrium would have to take the June 17 MoU at least as a starting point for negotiations. Some of its key elements are particularly relevant for Georgia. If implemented, the MoU would have seen Iran mostly free from sanctions, free to use and sell its ample energy resources, and with significant resources to reconstruct the damages done to its economy and infrastructure. All of that without a significant liberalization of the regime. But perhaps, with an important transformation.



JABA DEVDARIANI
Contributor

Jaba Devdariani, a seasoned analyst of Georgian and European affairs, has over two decades of experience as an international civil servant and advisor to both international organizations and national governments. His significant roles include leading the political office of OSCE in Belgrade from 2009 to 2011 and serving as the Director for International Organizations (UN, CoE, OSCE) at the Georgian Ministry of Foreign Affairs in 2011-2012. Currently, as a volunteer co-editor for Europe Herald, a Civil.ge project (FB/@EuropeHerald), Devdariani dedicates his expertise to elucidating European current affairs for a broader audience.



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Tornike Zurabashvili is a Tbilisi-based researcher and practitioner with a focus on political, social, and security affairs in Georgia and the broader Black Sea region. Over the years, he has contributed his research to leading think tanks and media outlets, both in Georgia and internationally. Tornike Zurabashvili also brings extensive experience in designing, managing, and implementing multi-component development programs across Georgia, Ukraine, and Moldova. He holds a bachelor's degree in International Affairs from Tbilisi State University, as well as master's degrees in Public Administration from Ilia State University and in Political Science from Trinity College Dublin. In 2023, he earned a Ph.D. in Political Science from Tbilisi State University.



Towards Nationalist Iran?

In their recent article, Narges Bajoghli and Vali Nasr of Johns Hopkins University have [said](#) the U.S.-Israeli “decapitation strike” has opened the way for the new generation of leaders, less beholden to the dogmas of the Islamic Revolution, but more motivated by more traditional nationalism. That streak, they argue, could simultaneously lead to softening of some of the more visible signs of the Islamic Republic’s interference into private life (for example, relaxing of the attitudes towards obligatory headscarf), bring about a considerably more decentralized decision-making structure, and capitalize on rallying of the larger swaths of the population to the flag. These new leaders, born after the Islamic revolution, “had separated revolution from statecraft” and are unlikely to create alliances out of revolutionary fervor, nor hide Iran’s weaknesses and problems. Instead, they will rely on a mix of nationalism and hard-nosed pragmatism to advance their own interests.

It does not mean that the Iranian state would become less repressive overall. But it is likely to look at the surrounding world through a different lens than its predecessor.

If this analysis is accurate, it does not mean that the Iranian state would become less repressive overall. But it is likely to look at the surrounding world through a different lens than its predecessor. If bolstered by the windfall profits from hydrocarbons and the relaunch of international trade, this new Iran may look differently and speak differently to its Northern neighbors, including Georgia, too. How could it look, and what should Tbilisi look out for?

Good Fences, Good Neighbors

Relations between independent Georgia and Iran have lacked warmth but have been largely positive

and pragmatic. Iran was among the first countries to recognize Georgia’s independence in 1992. During most of the 1990s, Georgia’s domestic upheavals hindered deeper engagement, but Iran stayed away from any intervention harmful to Tbilisi’s interests. President Eduard Shevardnadze visited Tehran in 1993, and President Ali Akbar Hashemi Rafsanjani reciprocated in 1995.

After Georgia’s slow recovery in the late 1990s, Tbilisi has gradually embraced a more decisively pro-Western foreign policy, moved to a partnership with Türkiye, and seen its confrontation with Russia deepen. As Tehran also looked more towards the south, the prospects for developing closer ties faded.

For Tbilisi, its relations with Tehran proved increasingly difficult to reconcile with its efforts to nurture strong ties with the West.

Throughout the 2000s and 2010s, bilateral relationships fluctuated. President Mikheil Saakashvili visited Iran early after taking office, in 2004, but no reciprocal visit was made from the Iranian side. During Georgia’s 2006 energy crisis, Iran [provided](#) vital assistance by supplying natural gas to Georgia (via Azerbaijan), a gesture that was positively received in Tbilisi and contributed to the overall détente. Following the 2008 Russo-Georgian War, Iran disregarded the Kremlin’s calls to recognize Abkhazia and the Tskhinvali Region/South Ossetia as independent states. In 2011, Georgia and Iran lifted visa requirements, boosting tourism, trade, and business relations. Still, the broader geopolitical context – Georgia’s close ties with the U.S., and Iran’s strategic partnership with Russia – overshadowed bilateral relations. For Tbilisi, its relations with Tehran proved increasingly difficult to reconcile with its efforts to nurture strong ties with the West.

Sour Grapes

The relations briefly soured under the Georgian Dream (GD) government, which, in July 2013, unilaterally [terminated](#) the visa-free regime for Iranian citizens and froze the bank accounts of some businesses. The measures were heavily [criticized](#) in Tehran, but no reciprocal action was taken. At the same time, the authorities in Tbilisi [became more vocal](#) about their opposition to Iran's nuclear plans. In 2016, following the conclusion of the nuclear deal with Iran, the visa-free regime was [reinstated](#), but economic ties never fully recovered to their 2011-2013 levels. [Concerns](#) regarding the alleged inadequate treatment of Iranian nationals by Georgian border officials surfaced repeatedly in subsequent years, to the point that in December 2018, it prompted the Iranian Ministry of Foreign Affairs to issue a recommendation [advising](#) its citizens against traveling to Georgia. [Similar concerns](#), alongside alleged restrictions on financial transactions, [were raised](#) in 2020 and 2021, including during Iranian Foreign Minister Mohammad Javad Zarif's [visit](#) to Tbilisi in January 2021.

Tbilisi also repeatedly took positions against Tehran in regional developments. In 2020, Georgia refrained from condemning the killing of Qasem Soleimani, a high-ranking official of the Islamic Revolutionary Guard Corps (IRGC). Instead, then Foreign Minister Davit Zalkaliani [condemned](#) the attack on the U.S. embassy in Baghdad that preceded the strike, stating that the U.S. had “the legitimate right to defend its citizens.” In the aftermath of the October 2023 Hamas attacks on Israel, the Israeli ambassador was invited to brief a committee of the Georgian Parliament. A [request](#) by Iran's ambassador to Georgia, Mahmoud Adib, to do the same went unanswered.

Aligned Interests?

The situation began to change in 2024, when the Georgian Dream prime minister, Irakli Kobakhidze, made two official visits to Iran on symbolic occasions: [in May](#), to attend the funeral of Iranian

President Ebrahim Raisi, and [in July](#), for the inauguration of President Masoud Pezeshkian, which was marked by a strongly anti-America [fervor](#). A year later, following the military escalation between Israel and Iran, Georgia's deputy foreign minister [attended](#) a memorial event organized by the Iranian Embassy in Georgia and dedicated “to the memory of martyrs who died during armed aggression against the Islamic Republic of Iran.”

The trend continued into 2026: in February, Deputy Foreign Minister Lasha Darsalia [attended](#) an event in Tbilisi marking the 47th anniversary of the Islamic Revolution, a particularly symbolic event. The invitation by the Embassy included a reference to the “410th anniversary of the arrival of Georgians in Iran.” This particular interpretation of history, alluding to the forced deportation of tens of thousands of Georgians in 1616, was seen as a tacit willingness on the part of Georgian officials to set aside painful historical memory in order to court the Iranian authorities.

After the U.S. struck Iran on February 28, the MFA [issued](#) a brief neutral statement, emphasizing Tbilisi's interest in de-escalation and stability in the region. On March 2, Kobakhidze singled out Iran in condolences, also offered to Israel and the Gulf states. On March 11, Kobakhidze [congratulated](#) Ayatollah Mojtaba Khamenei on his appointment as Supreme Leader of Iran.

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Notably, the authorities in Tbilisi [summoned](#) experts and opposition figures criticizing Tbilisi's perceived alignment with Tehran, reinforcing the perception that Georgian Dream was shifting toward a more Iran-friendly posture in its ongoing conflict with the U.S. and Israel.

Another twist followed on March 31, a day after the call between U.S. Secretary of State Marco Rubio and Kobakhidze. The Iranian ambassador to Georgia, Ali Moujani, [issued](#) a statement in response to the conversation, [warning](#) that “countries that allow their space and territory” would “sooner or later pay the price inside the country.” The GD chose not to respond, and some of its representatives [downplayed](#). Ambassador Moujani, whose forward-leaning and extensive social media activity has differentiated him notably from predecessors, was also [present](#) at the funeral procession of Patriarch Ilia II. Amb. Moujani has also been notably particular in highlighting shared cultural heritage, affinity to traditions, and opposition to the West as common traits with Georgian people.

Economies of (Smallish) Scale

Georgian-Iranian economic relations largely followed the political trends. Economic exchange remained limited throughout the 1990s and 2000s. But the introduction of a visa-free regime in 2011 boosted commerce. Many Iranians relocated to Georgia, attracted by the country’s relatively liberal residency rules. Iranian businesses were also drawn to Georgia’s favorable business climate and the opportunities created by its growing integration with Western markets. As Georgia’s road infrastructure improved, Iran began to transport its goods more actively via Georgia. These ties persisted even after the [reintroduction](#) of visa requirements in 2013 and the subsequent tightening of entry procedures.

According to official data from the Georgian Statistics Office, trade turnover between Georgia and Iran increased from USD 10 million in 2003 to USD 177 million in 2013. In 2021, it stood at USD 171 million, before rising to USD 261 million in 2022, in the year the Russian Federation launched a full-scale invasion of Ukraine. In 2024, bilateral trade increased further, reaching USD 322 million, the highest annual figure since Georgia’s independence. In 2025, it decreased to USD 291 million, but this still represented the

second-highest trade turnover on record, exceeded only by the 2024 peak. In 2026, bilateral trade reached USD 101 million in the first four months alone.

The share of both exports to and imports from Iran has never exceeded 2% of Georgia’s overall foreign trade.

Moreover, foreign direct investment flows indicate that Iran [remains](#) only a marginal investor in Georgia. According to official data, annual FDI has never exceeded USD 8 million. In 2025, it stood at 0.4 million.

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Yet, trade and investment data do not fully capture the extent of Iranian business activity in Georgia. Many Iranian businesses have operated through Georgian-registered legal entities, blurring the true scale of their presence. Since 2011, the number of Iran-affiliated companies has [grown](#) from 84 in 2010 to 1,489 by 2012. The practice intensified under the GD government, with the number of companies estimated to reach approximately 13,000 by 2025 (According to the National Statistics Office of Georgia, in 2024, 382 Iranian companies [were registered](#) in Georgia). Many are also [reported](#) to operate through [opaque schemes](#), using Georgian citizens as a cover and Georgia as a hub for accessing Western markets. Media reports have also [pointed to](#) the use of fictitious addresses, including cases in which around 700 companies were registered at a single address in Tbilisi and a combined 1,600 companies were registered across two remote villages.

The opacity of these activities has periodically come under Western scrutiny. In 2013, allegations [emerged](#) concerning the involvement of Iran’s Islamic

Revolutionary Guard Corps (IRGC) in business networks in Georgia, with [reports](#) claiming that it had links to around 150 affiliated companies. The same year [saw heightened concern](#) over Georgia being used as a platform for sanctions evasion, leading to a broader crackdown on Iranian-linked activities. In 2019 and 2021, several Georgian companies [were affected](#) by sanctions regimes related to Iran, reflecting Georgia's exposure to Iranian networks.

Iranians have also been active as tourists. In 2024, the number of visitors [reached](#) 146,000, nearly twice that of 2012. The highest number of visitors from Iran was recorded in 2018, at 291,000. Beyond commerce, Iran and Georgia have also discussed energy cooperation, including both electricity and natural gas.

Some initiatives were discussed, but never materialized. In 2016, talks were held on a [possible supply](#) of Iranian natural gas to Georgia via Armenia, but no such agreement was reached. In December 2025, there were reports of a possible opening of a transit route through Abkhazia for Iran-Russia trade, including an alleged test run from Iran, but no concrete follow-up has been recorded to date.

Islamic Radicalism?

In recent months, [researchers](#) and [politicians](#) have argued that the current government has been gradually moving towards alignment with the Moscow-Tehran axis, and warned about the threat of such geopolitical positioning and the potential influence of the pro-Iranian actors – mostly Islamic organizations and communities – inside Georgia.

Iranian influence in Georgia's Muslim community has been pronounced in a specific, relatively narrow group of Shia Muslims. They are predominantly Azerbaijani-speaking and primarily concentrated in the southern region of Kvemo Kartli. Georgian statistics do not distinguish between Sunnis and Shias in census data, so no official figures exist regarding the sectarian composition of the country's

Muslim population. According to most estimates (in [2012](#) and in [2016](#)), Shia Muslims represent 60–75% of the ethnic Azerbaijani population of slightly over 233 thousand people. Although the 2022 [study](#) says 52% of surveyed ethnic Azerbaijani respondents in Kvemo Kartli identified simply as Muslims, without further specification, and only 13% said they were Sunni.

So the community on which Iranian clerical authorities may exert their influence is relatively small but geographically concentrated. There has been a continuous presence of Iranian and locally born but Iranian-educated Sunni clerics in Kvemo Kartli.

So the community on which Iranian clerical authorities may exert their influence is relatively small but geographically concentrated. There has been a continuous presence of Iranian and locally born but Iranian-educated Sunni clerics in Kvemo Kartli. One of them has been the Sheikh of the Shia community since 2023. Apart from the official entities, there are several factions around religious foundations, affiliated with Iran, Iraq, and Azerbaijan. One of these, Ahl al Bayt, was [founded](#) in 2001 by Qom-educated clerics and is known to [maintain](#) links with the Iranian embassy in Tbilisi. The Imam Ali Charity Foundation of Georgia, established in 2004, has been particularly [vociferous](#) against the U.S. and Israel, leading also annual [Tasua march](#) in Marneuli. Leaders of these organizations have [referred](#) to Ayatollah Khamenei as a “martyr”, [railed](#) against the U.S. and Israel as “the alliance of evil.”

Still, overall, the religiosity among ethnic Azerbaijanis has remained moderate – in 2024, according to the Caucasus Barometer survey, the percentage of ethnic Azerbaijanis reporting regular attendance at religious services [stood at](#) 19%, while among Georgians this figure was 30%. The identity of Georgia's ethnic Azerbaijanis is based primarily

on ethnic affinity with their kin state and general loyalty to the Georgian state.

That said, the more fundamentalist interpretations of Islam, particularly Salafism, have grown in influence in Georgia, even though the numbers remain relatively small. Also, the Georgian state has been considerably more permissive, [according](#) to some observers, towards religious leaders from Iran than, for example, Azerbaijan, which cracked down on them especially since 2012.

Looking in the Wrong Direction?

Even though the data is relatively scarce, studies conducted in the [mid-2010s](#) and in [2020–2021](#) (albeit on relatively small samples) confirm that Georgia's ethnic Azerbaijani Muslim communities are not generally swayed by the Iran-friendly actors. The majority agree Georgia would benefit from joining the EU and NATO (even though Shia were more skeptical). Only 1.5% named Iran as a friendly country to Georgia in 2021 – the chart was led by Azerbaijan and Türkiye. In the 2024 Caucasus Barometer, both Shia and Sunni communities [show](#) the strongest affinity to Azerbaijan as Georgia's friend and are not particularly enthusiastic about Iran.

It is, therefore, possible that Georgians are looking in the wrong direction when fretting about Islamic influence from Iran. For one, inside that country, the Islamic Republic may be mutating into a nationalistic regime with a wider base of popular support. But most importantly, Georgian citizens' internal resilience to that kind of threat may be higher than what some analysts imagine.

Yet, if a more nationalistic, more open, and richer Iran is to emerge in Georgia's neighborhood, this may cause new kinds of challenges. So far, the South Caucasus has been home to rivalry between two regional powers – Russia and Türkiye, while Iran has remained largely lukewarm to the region. A renewed Tehran may seek to restore the histori-

cally more traditional trilateral balance of regional power. The 3+3 format, promoted by Türkiye and strongly [backed](#) by Russia, may provide Tehran with an opportunity to secure its northern flank from Western influences.

Russia's relative weakening creates a power vacuum in the South Caucasus that both Ankara and Tehran may find profitable to exploit – in terms of military-security cooperation, as well as trade and economic relations. As Armenia tries to bolster its economic and hard security, Iran, freed from sanctions, could become an attractive partner.

In addition, Russia's relative weakening creates a power vacuum in the South Caucasus that both Ankara and Tehran may find profitable to exploit – in terms of military-security cooperation, as well as trade and economic relations. As Armenia tries to bolster its economic and hard security, Iran, freed from sanctions, could become an attractive partner.

For Georgia, there are multiple economic opportunities that were either shelved or have been in the grey economy while Iran remained under sanctions. Should this constraint be lifted, some of these shelved plans may be revived. It is also expected that bilateral trade and tourist visits will increase.

The Georgian leadership's innuendos with the Islamic Republic have attracted condemnation and ridicule at home so far, but cooperation with Iran that insists less on its religious identity and more on its nationalistic credentials may look more natural. Especially if the current Iranian Ambassador's reference to the current cultural heritage and history becomes state policy. Iran also has a natural interest (alongside Armenia) in cultivating overland transportation links with Russia through Georgia – something it may want to invest in.

Of course, while the cannons continue to speak, all these remain purely speculative. Yet, there is a persuasive argument that the belligerents have a vested interest in de-escalation and that Iran's

government is likely to emerge relatively stable after the dust settles. Once that happens, Georgia has several years to figure out its place in the South Caucasus with one more regional actor ■

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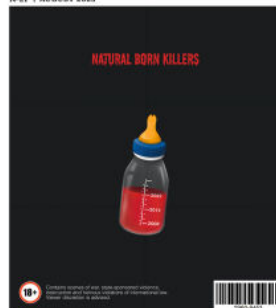
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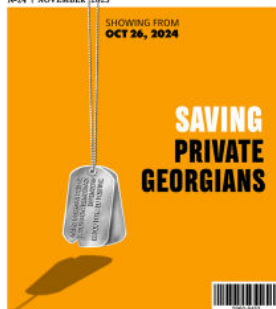
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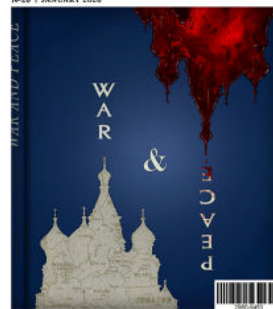
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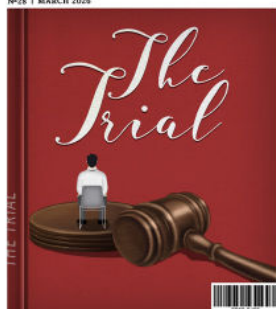
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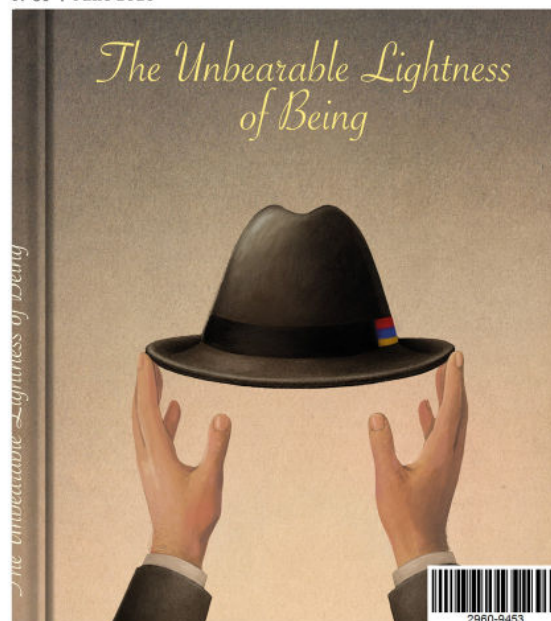
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