

# Georgia elections: Georgian Dream still at the helm

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## Summary

Contrary to expectations that the election results would necessitate a new coalition government, the recent parliamentary elections in Georgia have secured a constitutional majority for the Georgian Dream. This is evidence that Georgia remains steadfast in its Euro-Atlantic course, as well as signalling growing political stability and a sustained commitment to reforms. However, concerns are rising over the new government's super-majority and the recent introduction of constitutional amendments that could threaten the system of checks and balances. Upholding its democratic credentials will also depend on the government's ability to preserve political pluralism, ensure the development of media freedoms, continue work towards a depoliticized judiciary, and move beyond its retributive style of governance. Moreover, enduring economic problems and the unresolved issue of the breakaway territories Abkhazia and South Ossetia, where local governments have been deepening their relations with Moscow, remain key challenges. These will all need to be addressed, at home and among Georgia's Western partners, as the country continues to aspire to EU and NATO membership.

## The elections: winners and losers

The October 2016 parliamentary elections in Georgia have shown that the country's democratic and Euro-Atlantic course remains steadfast. In contrast to its eastern neighbour, Azerbaijan, where a recent constitutional referendum significantly strengthened the president's prospects for ruling indefinitely, the elections in Georgia are again evidence of the country's commitment to competitive electoral processes and real power shifts.

The election results went contrary to earlier expectations that the country was likely to have to form a new coalition government. After four years with the Georgian Dream–Democratic Georgia party (GD) at the centre of a loosely knit and occasionally fragile six-party coalition, in the weeks prior to the elections, polls had indicated that voters remained

largely undecided, favouring neither of the two major parties, the incumbent GD or the main opposition party, United National Movement (UNM), with a clear majority. Pundits therefore speculated that many undecided voters would opt for smaller third parties, reinforcing expectations that a one-party victory would be unlikely. Growing dissatisfaction with the country's political institutions and its governing elite, combined with a widespread sense of general stagnation, found expression in the voter turnout – barely over 51%.

However, the elections secured the GD a super majority, with 115 out of 150 seats. The UNM ended up with 27 seats, while the Alliance of Patriots of Georgia (AOP), a right-wing populist party, got 6 seats.<sup>1</sup> The latter had been the election's major wildcard: a small nationalist party with a distinct Russia-neutral and anti-Turkish line. In contrast to GD and UNM, both of which are clearly pro-EU and pro-NATO, the AOP does not necessarily see Western integration as unquestionably aligned with Georgian interests, and its 'Georgia First' line resonates with populist movements in Europe and the USA. However, with only six seats in the parliament, the AOP is not expected to have much significant bargaining power.

Despite having made a relatively strong showing, none of the remaining third parties managed to cross the 5 % threshold. Neither did the other former coalition parties, including the Free Democrats and the Republicans, among the most pro-Western parties in Georgian politics. The resignation of the former party leader of the Republicans and outgoing Speaker of the Parliament, Davit Usupashvili is considered a big loss. Usupashvili has been widely credited for bringing the parliament back as a vital political institution in Georgian politics. Also Irakli Alasania, now former leader of the Free Democrats, has announced that he will be leaving the political scene. Alas-

<sup>1</sup> The remaining two seats are filled by one representative from Industry Will Save Georgia and one independent candidate.

ania was the former UN ambassador and special representative in talks with breakaway Abkhazia, and has represented a diplomatic and rational voice in Georgian politics. The decision of both these parties to run separately in the elections proved counterproductive, as creating a power bloc would have significantly increased their chances of crossing the threshold.

Surprisingly, the 2016 election campaign was not entirely dominated by the rivalry between multibillionaire and GD founder Bidzina Ivanishvili (GD) and Georgia's former president, newly resigned governor of Odessa in Ukraine, Mikhail Saakashvili (UNM). Instead, it featured a plurality of politicians. In particular, re-elected Prime Minister Giorgi Kvirikashvili (GD) – recognised as a much-needed political bridge-builder who has lessened political tensions in Georgia – seems to enjoy significant popularity at home and abroad (De Waal 2016). Arguably, Kvirikashvili is more independent than his predecessors and more capable of moving the premiership further away from the backstage control of Ivanishvili. In that case, he would be the first prime minister to have achieved this after Ivanishvili himself withdrew from that post in 2013, allegedly only to continue to oversee the premiership from behind the scenes.

### Looking forward

#### Constitutional majority and democracy

In the aftermath of the 8 October elections have come rising concerns over the extent to which the GD will attempt to consolidate its power even further. Prior to the majoritarian run-offs on 31 October, civil society activists expressed fears that a super-majority would constitute a threat to democracy, and encouraged voters to support opposition candidates. These fears are likely to be reinforced, as the GD now holds not only a parliamentary but also a constitutional majority. Moreover, only ten days after the elections, Prime Minister Kvirikashvili announced that he would introduce constitutional amendments that would involve changes mandating the Parliament to appoint the president, instead of appointment through popular elections, as per the current constitution. As argued by Mitchell (2016a), such an arrangement would be problematic, creating a confusion of power responsibilities without any political rationale. Disagreements and power struggles between the president and the prime minister were not uncommon under the previous government, and it is questionable whether having two leaders derived from parliament would benefit Georgian decision-making. Moreover, in recent years President Margvelashvili has played an important role as a check on the government and a critic of the coalition's occasionally chaotic style of governance. Hence, the GD must carefully evaluate whether such constitutional changes would be beneficial to the Georgian political system in executive terms, as well as how the new majority government and its democratic credentials would be evaluated at home and abroad should it choose to pursue these amendments.

Concerns about the party's one-party dominance might be considered unfair, but are not entirely unfounded. Although the October 2016 elections have been recognized as com-

petitive, well-administered and with respect for fundamental freedoms, the summer's campaigning came against the backdrop of a year that posed questions about Georgia's democratic course. Events during the election campaigning, including violent scuffles and leaked video tapes, indicate that there are still elements in society that seek to undermine Georgian democracy. The biggest question, however, concerns the much-criticised lawsuit against the country's most popular TV station and vocal critic of the government. The decision to replace the senior managers of Rustavi 2 temporarily was certainly worrisome for many, given the GD coalition's commitment to media freedom and the rule of law. Concerns arose not only from suspicions of direct government involvement in the court case, but also from the impression that the judiciary has remained politicized along party lines (Welt 2015).

Although important work remains, it must be granted that media pluralism and freedom did improve under the GD coalition's four-year rule, and substantial reforms were implemented to ensure a more transparent and independent judicial system. Moreover, whereas changes in power have previously been synonymous with tearing down or fundamentally reorganizing institutions and governmental structures (see Mitchell 2016b), with the GD still in power Georgia will be expected to continue on the same path of reform and stabilization. For example, when the UNM was elected to power in 2003, Saakashvili was quick to implement a 'hyper state building' project. Many of these efforts were positive – like rooting out corruption in the lower echelons of government, as in the public services and law enforcement. However, the political system also saw the concentration of executive powers in the presidency and increasing curbs on freedom of the media. Since the elections in 2012, the GD coalition was determined to rub out some of the legacy of the UNM government. From the outset, the coalition took important steps to decentralize the country by introducing direct election of district governors. They changed the system of government from presidential to semi-presidential, vested more powers in the parliament, and – in contrast to the neoliberal policies under Saakashvili – increased pensions and brought in the state as the main provider of public services like health care. In addition, the coalition started reforms of the Interior Ministry and the Prosecutor's Office, aimed at ensuring greater transparency.

#### Preserving political pluralism

The further development of Georgia will hinge on the GD's ability to become a more cohesive and capable political force for solving the country's immediate problems. Up until now, consistency and progress have arguably been hampered by the internal preoccupations of the GD coalition. Between 2012 and 2016, there were no less than three changes of prime minister, four changes in foreign ministers, and four changes in defence minister, to mention some. Although primarily a symptom of internal fragmentation within the coalition, such rapid turnover arguably created a sense of instable governance, with possible repercussions for the government's relations with external actors like civil society and investors.

The coalition also busied itself with efforts to prosecute former UNM government members suspected of corruption and abuse of power. From the GD side, this has primarily been a question of legitimizing coalition governance by displaying a firm commitment to accountability – but critics have seen it as selective justice and a sign of a backsliding democracy. Upon warnings, particularly from the USA but also from EU and NATO officials, the GD coalition government did to some extent accommodate Western preferences concerning prosecution processes and political independence of the judiciary, but ignored calls to halt the prosecutions entirely (MacFarlane 2015). Getting beyond this backward-looking way of governing would be a crucial next step, both in order to rebuild some of the confidence that seems lost among some Western officials, and to guarantee Georgia's chances of moving forward in a time of economic decline and widespread disillusionment.

Halting this preoccupation with the past would also be important for Georgia's democratic development. It would signal to the country's many political parties that elections and the potential for a change in majoritarian rule do not represent a threat to an incumbent party's future survival, or to the survival of opposition parties in general. Several analysts have been surprised that the UNM has managed to survive as a party, given the former coalition's efforts to undermine it, but also because of the tendency of Georgian politicians to switch party alliances or quit politics when faced with electoral loss. Today, both the Republican Party and Free Democrats have shown signs of disintegration after their leaders announced that they would temporarily quit politics. Ridding the political competition of this defeatist mentality would arguably foster a more meaningful form of party politics and pluralism, based on consensus building and negotiations rather than the typical accusations of being 'enemies of the state' or stooges of Russia.

### The economy

Looking back, it is difficult to discern any overarching and consistent programme for the economic development of the country, although the coalition government relied heavily on assurances of a prosperous Georgia (once its integration processes with the EU could be completed) as the main vision for the country. The most urgent challenge for the new government will be to get the economy up and running, and the fact of holding a clear majority should certainly improve its chances of moving forward. However, this will depend on the government's ability to implement and communicate policy proposals efficiently. The previous government did make some relevant efforts to address the economic situation, which had been deteriorating under the pressures of high inflation, steep depreciation of the lari, unemployment (official figures indicate 43%), falling exports and reduced remittances from Russia. However, most efforts in the past four years went into doing preparatory work and getting Georgia's production and export systems more in line with those of the EU. While this foundational work was a require-

ment for the Association Agreement to enter into force, it has given few immediate economic returns to most Georgians, so impatience and disillusionment have increased among the public. High expectations are attached to the EU Association Agreement, which entered fully into force in June 2016 and, it is hoped, will cure Georgia of some of its economic illnesses. Still, a key challenge will be to ensure the competitiveness of Georgian products on the European market.

From the government side, Prime Minister Kvirikashvili has introduced a four-point plan to reignite growth by investing in infrastructure, a labour-market-oriented education system, and more transparent governance, as well as a reform of the taxation system intended to increase investment. This plan is mainly aimed at the small and medium-sized enterprises (SMEs), responsible for the bulk of the country's economy. Moreover, against the backdrop of growing Chinese interest and investments in Georgian infrastructure, trade and tourism, a Sino-Georgian free trade agreement will begin operating in 2017. With this, China is expected to displace Russia as the second largest destination for Georgian goods, after Turkey. However, the foreign and security policy implications of this deepening economic relationship will have to be addressed by the new government.

### The missing link(s): Abkhazia and South Ossetia

One notable aspect of the 2016 election campaign was the limited discussion of Abkhazia and South Ossetia. While Georgian politicians again criticized Russia for conducting military exercises in South Ossetia and Abkhazia in August 2016, and for holding elections for the State Duma inside the territories in September, few of parties that participated in the Georgian elections presented serious platforms on the issue. Opinion polls from 2015 found that territorial integrity remained high on the list of Georgia's most pressing issues, but was no longer among the top three: those were jobs, inflation and rising costs, and poverty.<sup>2</sup>

With the deepening of bilateral relations in the economic, security and judicial spheres between Moscow on one hand and Sukhumi and Tskhinvali on the other,<sup>3</sup> Georgia appears to be dealing with a less benign Russian foreign policy than in the past three years (see MacFarlane 2015). Continued Russian borderization (the erection and movement of border fences) of the administrative line between South Ossetia and Georgia add to this impression. Moreover, the prospects for a South Ossetian referendum on accession to Russia, due to be held in 2016 but now postponed till 2017, will complicate matters further. All these factors seem to have caused a sense of paralysis in the Georgian government as regards finding appropriate responses or developing a clear plan for conflict resolution.

2 NDI-Commissioned Public Opinion Survey, 11 May 2015. Available at: <http://www.civil.ge/files/files/2015/NDI-Poll-April2015.pdf>

3 The Russian-Abkhazian 'Agreement on Alliance and Strategic Partnership' was signed in November 2014; The Russian-South Ossetian 'Treaty on Alliance and Integration' was signed in March 2015.

Yet, despite the lack of a vision for resolving the conflicts, the former coalition government worked hard to restore relations with Russia. From 2013 onwards, they managed to reduce hostility, as well as ensuring the resumption of economic ties, so crucial to the Georgian economy. This continues to be a balancing act, ready to be exploited by the opposition if any of the government's moves might be interpreted as giving concessions to Russia.

On the whole, in order to maintain a level of influence in the breakaway territories, the new government is likely to continue to pursue soft incentives, such as offering free healthcare and education in Georgia to the populations there. Moreover, the expected EU agreement on visa-free travel in the Schengen area and other benefits of Georgia's European agenda will be made available to Abkhazians and South Ossetians, as was made clear by Kvirikashvili in his speech to the UN Assembly in September 2016. Measures like these might become even more important as the two breakaway territories are increasingly subjected to Russian efforts aimed at augmenting its presence with more soft-power resources, like closer integration with the Eurasian Economic Union (EEU) in the case of Abkhazia (see Górecki 2015); or as in South Ossetia, where there are high expectations that living standards will improve significantly under the new alliance and integration treaty with Russia (Caucasian Knot 2015). The West may see the EEU as a Russian attempt to provide an alternative to the EU in the post-Soviet space – but with the breakaway territories, it is Georgia and the EU that now find themselves challenged to present an attractive alternative.

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To ensure continued state building, democratic development, and chances of progress on South Ossetia and Abkhazia, Georgia's Western friends will have to begin delivering on

their promises, like the EU visa liberalization agreement. As of this writing, the agreement seems likely to be approved by the end of 2016, and will come as a long-awaited conclusion for Georgia after years of negotiations and reforms.

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