

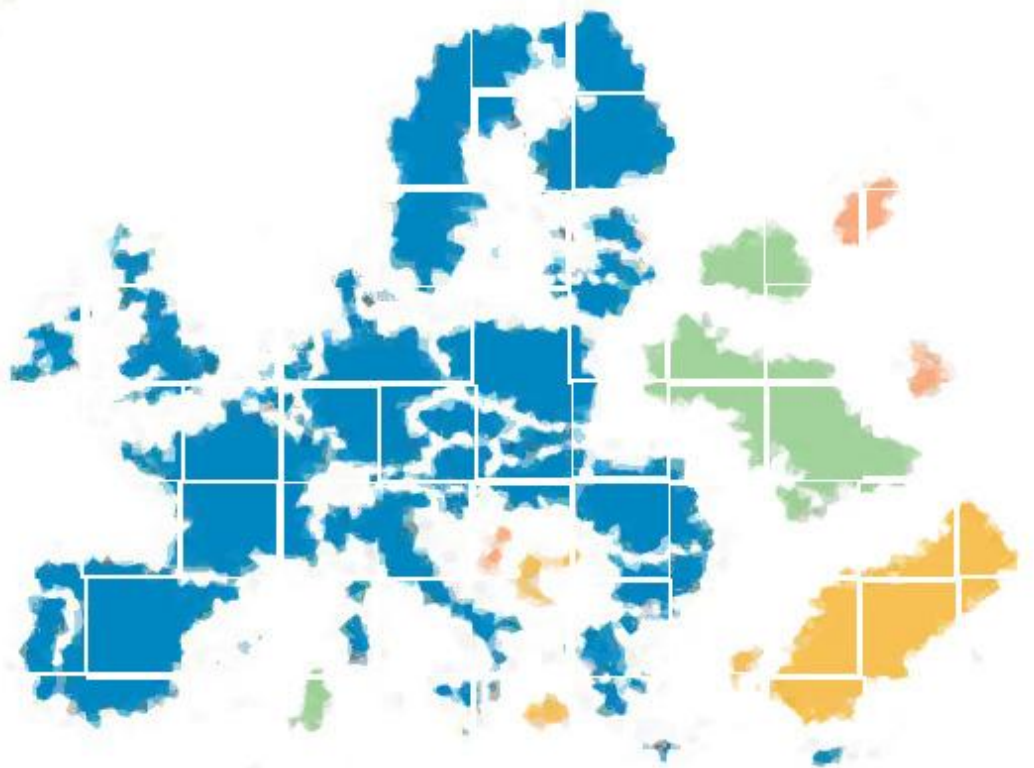
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Policy Paper

Georgia's Foreign Policy Priority

Relations with the European Union before and after the
Change of Government

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Abstract

Saakashvili and his government had a strongly articulated pro-Western foreign policy discourse directed at Georgia's integration into the EU and NATO. However, the actions of the government often did not follow the EU guidelines. This inconsistency was particularly vivid in Georgia's ultra-liberal economic policies and poor level of democratic change. The parliamentary elections in 2012 put a new government in charge of the country's foreign policy. Ivanishvili's government fully shares its predecessor's European aspirations, but also introduced a new dimension in the country's foreign policy agenda: normalization of relations with Russia. While the opposition fears that the Russian dimension will endanger EU-Georgia cooperation, the pragmatic foreign policy approach of the current government leaves much hope for the closer political association and deeper economic integration of Georgia with the EU.

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Introduction

The 2012 parliamentary elections brought a new government into power in Georgia. The previous government of the United National Movement (UNM) led by President Mikheil Saakashvili, had a strongly articulated pro-Western foreign policy course. The essential goal of this policy was integration into the European Union as well as into NATO. The new ruling coalition - Georgian Dream (GD) – is composed of different smaller parties with foreign policy orientations ranging from pro-Russian through neutrality to pro-European. The new Prime Minister and leader of the coalition is billionaire Bidzina Ivanishvili, who amassed his fortune in Russia. This encourages the UNM politicians to claim that the new government will compromise the country's European aspirations for the benefit of better relations with Russia. It is true that the new government tries to restore trade and normalize its relations with Russia, however, numerous statements by the PM and other high ranking government politicians indicate that the European choice remains priority for Georgia under the current government. Therefore, fundamental questions arise: how will the new government manage its relations with the EU? Will the government address those challenging areas of cooperation which were already apparent during the period of the previous government, and thus, will it enhance the chances of closer integration with the EU? Or will the European path be sidelined for the sake of trade with Russia?

To answer these questions, I start with the overview of the EU-Georgia cooperation process before the 2012 elections. In the first part, I identify the main achievements of the cooperation. This is followed by the analysis of the major obstacles that hindered Georgia's closer integration with the EU. Here, I distinguish two major factors: the ultra-liberal economic policies of the UNM government and the poor level of democracy in Georgia. In the second part, I analyze the relevance of these factors in the post-election period to find that the change of government has significantly diminished the importance of these factors. In the third part, I review the newly emerged debates on the foreign policy direction of Georgia. The debates are centered on the question whether the new administration of Georgia remains faithful to the pro-European foreign policy course or prefers to align the country with Russia. Based on the actions and rhetoric of the new government as well as the developments between Tbilisi and Brussels in the post-election period, I infer that closer integration with the EU remains the foreign policy priority

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for the new government. Finally, I discuss the future perspectives of the EU-Georgia cooperation. In the concluding part of the paper, I predict that the new foreign policy set-up, combining both the Russian dimension and a more pragmatic EU policy directed at fulfilling the DCFTA conditions, is going to advance Georgia's position vis-à-vis the EU.

Part I

EU-Georgia Cooperation Before 2012

When Georgia became a member of the Council of Europe in 1999, Zurab Zhvania, then-speaker of the Georgian parliament, made a famous comment: "I am Georgian and therefore I am European". This quote indicated Georgia's pursuit of European integration. Bilateral relations with the EU had started soon after Georgia gained its independence after the fall of the USSR. In the 1990s, Georgia was moving slowly towards the EU. The signing of the Partnership and Cooperation Agreement (PCA) between the two in 1996 was a major event in the process. After the Rose Revolution in 2003, Georgia managed to significantly accelerate the speed of cooperation with the EU. In 2004, the government created a separate ministry for European and Euro-Atlantic Integration and thus, further institutionalized its European aspirations. The same year, Georgia became a member of the European Neighborhood Policy (ENP), and two years later the sides agreed on the European Neighborhood Policy Action Plan (ENP AP). Since then the AP has become the key framework that guides Georgia in the process of approximation with the EU. The reforms that Georgia is expected to implement are directed to strengthen democracy, the rule of law, human rights, justice and security issues as well as to harmonize various sectors of economy and trade in accordance with the EU policies and regulations. The ENP AP states that "the level of ambition of the relationship will depend on the degree of Georgia's commitment to common values as well as its capacity to implement jointly agreed priorities, in compliance with international and European norms and principles"¹. Despite Georgia's strong desire for membership in the EU, this issue is off the table in the ENP framework; it only offers Georgia a rather vague notion of closer economic integration and political cooperation, such as "a stake in the EU's Internal Market", "the opening of economies to each other" and "the possibility of a new enhanced contractual relationship".²

In 2009, after the 2008 war between Georgia and Russia, the EU introduced the Eastern Partnership (EaP) initiative, which brought clarity to the ENP's previously stated goals. The EaP promises three important 'carrots' to the six partner countries targeted by the framework: Association Agreement, which in Georgia's case will replace the PCA; Deep and Comprehensive Free Trade Agreement (DCFTA), which will remove all trade barriers and tariffs for

¹ Delegation of the European Commission to Georgia, *EU – Georgia Action Plan*, p.5.

² *Ibid.*, pp.6-7.

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Georgia and integrate the country into the European single market; and eventual visa-free regime with the EU. To achieve these goals, Georgia needs "regulatory approximation [and] convergence with EU laws and standards".³ This forms the basis for the EU's conditionality strategy in its eastern neighborhood: "the pace of reforms will determine the intensity of the cooperation, and partners most engaged in reforms will benefit more from their relationship with the European Union, including closer political association, deeper gradual economic integration in the EU Internal Market and increased EU support".⁴

Georgia and the EU started Association Agreement negotiations in 2010. The same year, the two sides signed a visa facilitation agreement, which simplified procedures for obtaining Schengen visa for Georgian citizens. In June 2012, the EU also opened the Visa Dialogue with Georgia, which was a step further in the negotiations process on visa liberalization. In February 2012, Georgia and the EU began official negotiations over the DCFTA, which was preceded by a couple years of 'negotiations about negotiations'. During this period of pre-negotiation, Georgia had to comply with EU conditions laid out in the ENP AP in order to start official talks on the DCFTA. These requirements covered areas related to trade, such as technical barriers to trade, food safety, competition policy, labor rights and intellectual property rights. Despite Georgia's officially declared goal of European integration, the country did not show much enthusiasm in meeting these requirements.⁵ As a result, by 2011 Georgia was lagging behind Ukraine and Moldova, who managed to satisfy Brussels' conditions sooner than Georgia, in the process of approximation to EU standards.⁶

Trade-related Obstacles of the EU-Georgia Cooperation

In explaining this reluctance of the Georgian side to comply with EU conditions, most scholars studying this topic point to the mismatch between the visions of a regulation-free economy sought by the Georgian government since 2004 and the European path characterized by regulations. This collision is considered to have significantly prevented Georgia's progress in the approximation process with the EU, particularly, concerning the DCFTA talks.⁷ Stefan Fule, EU Commissioner for Enlargement, highlighted the significance of this argument by expressing his concern that Georgia's ultra-liberal economic policies contradict the priorities of the EU-Georgia partnership.⁸ Thomas de Waal defines this mismatch as 'Europe' vs.

³ Council of the European Union, *Joint Declaration of the Prague Eastern Partnership Summit*, p.7.

⁴ Council of the European Union, *Joint Declaration of the Warsaw Eastern Partnership Summit*, p.2.

⁵ De Waal, *Georgia's Choices*; Khuntsaria, *Prospect of Deep and Comprehensive Free Trade Area*

⁶ International Renaissance Foundation, *European Integration Index*

⁷ De Waal, *Georgia's Choices*; Khuntsaria, *Prospect of Deep and Comprehensive Free Trade Area*; Gogolashvili, *The EU and Georgia*; Goodhart, *Misha's Freedom Laboratory*

⁸ Khuntsaria, *Prospect of Deep and Comprehensive Free Trade Area*

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'Singapore' dichotomy.⁹ While the 'Europe' vision embodies the development path that Georgia has to take in order to accomplish the DCFTA, the 'Singapore' model rests on libertarian ideas. President Saakashvili and other members of his government have referred to Singapore multiple times as role model for Georgia's economic development; thus, the term 'singaporization' entered the vocabulary of Georgian politics in the mid-2000s. Attracting foreign investment is the central theme of the latter vision, which can only be accomplished under the conditions of minimal government and maximum economic deregulation. To a large extent, this was the prevailing logic guiding Georgia's economic reforms since 2004. The most notable milestone of these reforms was Georgia's 12th place in the World Bank's Ease of Doing Business index in 2011 (9th in 2012), largely thanks to the massive abolition and reduction of regulations and regulatory agencies. This was the direct opposite of what the EU expected from Georgia, that is, the adoption of European rules and regulations.

The lack of regulatory mechanisms in the Georgian economy became an overarching object of concern for Brussels. "The government's ultraliberal economic policy, taking "deregulation" as a founding principle, has conflicted with ENP Action Plan commitments".¹⁰ This collision was particularly vivid in a number of policy areas, such as food safety, labor rights and competition policy. For instance, in the early years of the Saakashvili presidency, the government abolished food safety laws and shut down the respective regulatory agency, which step made Georgia the only country in Europe without practically any food safety mechanisms. This was "a matter of pride for [economic minister] Bendukidze, as he proudly told the Financial Times that it was the job of the market to regulate food producers".¹¹ Seeking FDI, the government also adopted a new labor code in 2006, which made hiring and firing procedures very flexible and significantly increased employers' rights at the expense of the rights of the employed. While this move was absolutely in line with the 'Singaporean' vision, it contradicted both EU standards and the conventions of the International Labor Organization (ILO).

In 2005, the government also closed the Anti-Monopoly Service and established the Free Trade and Competition Agency under the Ministry of Economy instead. The Agency did not have power to sanction monopolies and other violations of business. In 2011, this Agency had only 9 employees and an inadequately minimal budget. The European Commission's annual country reports indicate that throughout the years the government made between zero to little progress to implement the EU's recommendations in these policy areas, which significantly hindered progress towards closer integration with the EU. Vladimer Papava, former economic minister of Georgia, argues that by deliberately delaying the implementation of these

⁹ De Waal, *Georgia's Choices*

¹⁰ Gogolashvili, *The EU and Georgia*, p.93.

¹¹ MacFarlane, *Post-Revolutionary Georgia*, p.14.

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conditions and embracing the 'Singaporean' vision of economic development, the government distanced Georgia from the EU.¹²

It is widely believed that an influential libertarian group within the government was responsible for these anti-EU policies.¹³ The most notable representatives of this group are former economic minister Kakha Bendukidze and Prime Ministers Lado Gurgenidze and Nika Gilauri, who were the staunchest supporters of the so-called 'singaporization' process. These high-ranking officials saw the implementation of EU-style regulations as counter-productive to the economic development of Georgia, and did not wish to sacrifice their economic vision for the sake of the successful implementation of EU recommendations. Conceptual disagreement over the DCFTA with above-mentioned Gilauri and Bendukidze was the reason for the dismissal of economic minister Lasha Zhvania in 2009, who was lobbying for full compliance with EU conditions in order to accelerate progress on the DCFTA.¹⁴ This case provides another proof to conclude that this Eurosceptic group within the government and its economic policies represented a major obstacle to deeper cooperation between the EU and Georgia during the years before 2012.

Political Obstacles of the EU-Georgia Cooperation

Core European values such as democratic governance, the rule of law and human rights, along with economic regulatory mechanisms, are traditionally indivisible part of EU conditionality. The EU's external governance is primarily understood as the diffusion of these European norms and values in third countries.¹⁵ Therefore, it is not a coincidence that strengthening these values in Georgia is the number one priority of the EU-Georgia Action Plan. This means that apart from the above-discussed trade-related conditions in the negotiations about the DCFTA, political reforms represent another fundamentally important basis for Georgia's further integration into the EU. This aspect happened to be the other important obstacle to Georgia's further approximation with the EU due to the previous government's failure over the years to democratize the country's polity.

A summary of major international democracy and freedom indices¹⁶ reflect this failure and show that between the Rose Revolution and the 2012 elections the state of democracy in Georgia had not improved, and the country got stuck in the 'grey zone' between authoritarianism and democracy.¹⁷ It is widely believed that the Georgian government's political

¹² Papava, *Georgia's Socio-Economic Development*

¹³ De Waal, *Georgia's Choices*; Khuntsaria, *Prospect of Deep and Comprehensive Free Trade Area*; Gogolashvili, *The EU and Georgia*

¹⁴ Civil Georgia, *PM Sacks Economy Minister*

¹⁵ Lavenex and Schimmelfenning, *EU Rules beyond EU Borders*

¹⁶ These indices are: 'Freedom in the World' and 'Nations in Transit' both by Freedom House and 'Democracy Index' by Economist Intelligence Unit.

¹⁷ Rekhviashvili, *Georgia from the Outside*

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reforms brought modernization (police reform, elimination of petty corruption), but not democratization.¹⁸ Critics identified the following features that contributed to the poor state of democracy in Georgia: super-presidential system and absence of checks and balances, accountability and transparency gaps within the government, elite corruption, violated property rights by the state, politically-biased judiciary and media in favor of the ruling party, human rights abuses particularly in the penitentiary, and abuse of force by the state.¹⁹

The EU's concerns about the shortcomings of democracy in Georgia, reflected in the European Commission's yearly country reports, follow this line of criticism. Media freedom represented a permanent concern of the Commission. Brussels particularly emphasized the lack of transparency in media financing and ownership, which directly undermined the independence of the media.²⁰ Another continuous challenge for Georgian democracy was the lack of independence of the judiciary system, where judges were "exposed to political influence",²¹ prosecutors enjoyed inadequately strong position (evidenced by very high conviction rates of 98%) and citizens were deprived of their right to fair trial.²² Apart from this, the EU reiterated its concerns multiple times over the issues of property rights, corruption among high-ranking officials of the government, decentralization, democratic oversight of law enforcement agencies, ill-treatment of prisoners, degrading conditions in prisons and unequal electoral environment. These were the areas where the EU could not see the Georgian government's enthusiasm to carry out adequate political reforms in order to meet the Action Plan priorities and advance its democratic credentials. So why was the government reluctant to do so?

States tend to comply with EU conditionality when the incentives provided by the EU are high and the domestic cost of rule adoption is low. Otherwise, compliance is less likely.²³ Considering the 'super-presidential' system of the Georgian government with the parliament, judiciary and media subordinated to the executive branch, one can conclude that the EU's push for pluralism and democratization posed threat to the authority. "[The] leadership [was] in danger of losing influence if fully applying to all democratic standards required within the EaP framework".²⁴ For instance, by granting full independence to the media and judiciary through democratic reforms, the government could have risked both the loss of influence over these institutions and the erosion of its overall authority. Democratization happened to represent high political cost for the government. On the other

¹⁸ De Waal, *Georgia's Choices*; MacFarlane, *Post-Revolutionary Georgia*; Fairbanks and Gugushvili, *A New Chance*

¹⁹ De Waal, *Georgia's Choices*; MacFarlane, *Post-Revolutionary Georgia*; Fairbanks and Gugushvili, *A New Chance*; Khidasheli, *Georgia's European Way*; Lanskoj and Areshidze, *Georgia's Year of Turmoil*; Papava, *Democracy*

²⁰ European Commission, *ENP in 2010*

²¹ *Ibid.*, p.4.

²² European Commission, *ENP in 2011*

²³ Schimmelfenning and Sedelmeier, *Governance by Conditionality*

²⁴ Rinnert, *EaP in Georgia*, p.14.

hand, the Association Agreement with the DCFTA and the visa-liberalization promise did not guarantee an eventual full membership in the EU. Therefore, these benefits in sum could only be defined as medium-sized. A simple cost-benefit analysis suggests that the possible risks prevented the government from making a bigger effort to meet the EU's conditions. To conclude, this means that high political costs of democratic reforms required by Brussels further undermined deeper bilateral relations between the EU and Georgia.

Part II

Are These Obstacles Still Relevant Today?

Considering the change of the government in Georgia, are these two major obstacles ('singaporization' and the political cost of democratization) still relevant variables influencing the EU-Georgia cooperation? The recent parliamentary elections represent a major democratic breakthrough for the country; but then again, so did the Rose Revolution nine years ago, which then failed to produce the much-expected consolidation of democracy. A single case of changing the government through elections does not make democratic institutions any stronger, nor does it guarantee steady progress in the process of democratization. However, several current conditions and tendencies point to an enhanced democratic environment in the country. The UNM with about 40% of the parliamentary seats guarantees a quality opposition to the ruling party. This is a necessary condition for democratic governance that was absent in the previous years. Reforms in the Interior Ministry are limiting the excessive power of law-enforcement agencies. "Divergent views from within the governing coalition indicate a greater degree of political pluralism than the UNM-led government allowed".²⁵ The new draft law on the judicial system considers recommendations of the civil sector, limits the judiciary's dependence on the president and increases its transparency by allowing journalists to broadcast court trials. The new draft law on media ensures more transparency in the financing of broadcasting corporations. Other than that, the overall political bias among the TV stations has decreased, "offering a much more diverse diet of news since the elections",²⁶ while access to public records has substantially improved.²⁷

While these developments do not reflect the whole picture of democracy in Georgia, which is fragile and far from the desirable level, they surely indicate that the new government is willing to address those democratic shortcomings that were permanently highlighted by the European Union as areas of concern. Again, the concept of domestic political costs explains the position of the new government in this regard. During the previous years, huge flaws in areas such as media freedom, independence of the judiciary, and human rights caused a sense of injustice among the citizens of Georgia. This, along

²⁵ The Economist, *Bidzina Ivanishvili*

²⁶ De Waal, *Political Tremors*

²⁷ TIG, GYLA, and ISFED, *100 Days in Government*

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with the high level of unemployment and poverty, resulted in the decrease of the popularity of President Saakashvili and his ruling party. The 2012 elections made this popular mood clear for everyone.²⁸ This means that Georgians voted for the Georgian Dream coalition to address these issues and to end the injustice. "If during the Rose Revolution the public was fed up with crime and corruption, now the public wants injustices done to individuals to be redressed".²⁹ Therefore, ensuring democratic progress and promotion of civil rights in the country can only bring additional political points to the GD government in the eyes of the domestic public and in Brussels.

The loss of authority as a possible side effect of democratization, which was a concern for the previous government, is absent in this case. The UNM government enjoyed absolute administrative power, but was deeply unpopular among the public. Therefore, democracy represented a risk-factor for the loss of influence. Contrary to that, the authority of the GD coalition is based on popular support, while it lacks the degree of administrative capacity that existed in the hands of the previous government. For instance, the current ruling party is short of the constitutional majority in the parliament, which was not the case in the previous years. Also, the President, the mayor of Tbilisi and other regional high-ranking officials still represent the opposition. For this reason, the current administration has little to lose, but a lot to gain by introducing democratic changes ordered by the Georgian society and recommended by the EU.

With the change of the government, the libertarian group within the previous administration lost its political influence. The new government rejects the 'Singapore' vision of economic development promoted by its predecessor. According to EU Enlargement Commissioner Stefan Fule, the EU "appreciate[s] that some of [...] very liberal – some other people might even say ultraliberal views – are being reviewed".³⁰ Change in economic policies can be seen concerning the priority areas of the DCFTA talks. For instance, the new government plans to amend the much-criticized labor code in accordance with the ILO and EU standards. New changes in the law will restore the balance of rights and obligations between employers and employees.³¹ Changes are also envisioned both in food safety and competition policies. For the European side, these developments represent "real progress" towards the conclusion of negotiations over the Association Agreement. On the other side of the negotiating table, Georgian Foreign Minister Maia Panjikidze promises that Georgia will "do the homework" and meet the EU conditions in order to conclude the AA negotiations by the Vilnius Summit in November 2013.³²

²⁸ Tsereteli, *A Historic Election in Georgia*

²⁹ Fairbanks and Gugushvili, *A New Chance*, p.125.

³⁰ Civil Georgia, *EU-Georgia Cooperation Council Meeting*

³¹ TIG, GYLA, and ISFED, *100 Days in Government*

³² Civil Georgia, *EU-Georgia Cooperation Council Meeting*

Part III

Current Foreign Policy Debates: European Union vs. Russia

"Despite several achievements in reforms advised by the EU, the new government failed to create a strong image for the idea that the country's foreign policy orientation is irreversible".³³ The major reason for distrust concerning the sincerity of the GD's European aspirations is the renewed bilateral relations with Russia. Russia keeps an important part of the Georgian territory occupied. It views Georgia's pursuit towards the West, and particularly the country's declared goal of integration into the NATO, as a geopolitical threat to the Russian interests. In its 'near abroad', Russia promotes the Eurasian Union as an alternative to the European Union, the membership of which for the moment is limited only to Belarus, Kazakhstan and Russia itself. Considering these conditions, it seems odd for the UNM party that Georgia's new government is seeking rapprochement with Russia along with striving for deeper integration with the West. Criticism about the new government and its new foreign policy direction ranges from accusing Prime Minister Ivanishvili of being a Russian puppet to considering him to be naïve enough to believe that partnership with Russia will not require Georgia to sacrifice its European agenda. In general, critics agree that this new endeavor by the current government will lead to a substantial increase of Russian influence in the country. Therefore, it will damage Georgia's prospects of European integration.

The idea of increasing Russian influence is strengthened by several other conditions: some members of the new ruling coalition are known to be against Georgia's integration into the NATO; new Prime Minister Bidzina Ivanishvili has lived and acquired his mass fortune in Russia; during his visit to Yerevan, he named Armenia - a close Russian ally without a declared goal to become a NATO member - to be a good example for Georgia's foreign policy. Along with these arguments, the new government's attempts to normalize relations with Russia and enhance trade with the neighbor gave the UNM politicians ground to claim that the GD coalition might replace the goal of the Euro-Atlantic integration with membership in the Russia-controlled Eurasian Union.

Contrary to this criticism, the new government explained that rapprochement with Russia is just an additional aspect to, not a replacement of the existing foreign policy. The government firmly rejects the idea that integration in the Eurasian Union can substitute Georgia's European path. The maximum they expect from the enhanced relations with Russia is the restoration of trade in Georgia's key export goods – wine and mineral water – that were blocked by Russia in 2006. Alongside with trade, the GD coalition also looks forward to strengthening cultural and people-to-people links with

³³ Gogolashvili, *Georgia's European Choice*, p.8.

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its northern neighbor. This is especially important considering the hundreds of thousands of Georgians living in Russia, who suffer the most from the enmity between the two neighbors. According to the current Georgian administration, these measures and overall normalization of relations with Russia can be beneficial, first and foremost, for Georgia's economic and political stability.³⁴ It is interesting to note that the new set-up of the Georgian foreign policy very much follows the public opinion. According to the latest surveys, while Russia is most commonly identified by Georgian citizens to be their country's biggest enemy (34%; the USA is distant second with 3%), the share of the population who approve business relations with Russia happens to be much higher (84%). At the same time, the vast majority of Georgians support their country's membership in Western organizations, such as the EU (72%) and NATO (67%).³⁵

Despite the new government's vow to keep the EU vector as the key foreign policy priority of the country unchanged, the UNM further demanded from the government to constitutionalize Georgia's pro-Western foreign policy choice. According to the UNM politicians, this step would strengthen Georgia's pro-European credentials and guarantee the country's non-alignment with Russia. Initially, the ruling party rejected the idea to declare Georgia's Western orientation in the constitution. Instead, the GD coalition proposed a document reflecting the country's European choice. On March 7, 2013, after some modifications, as a result of the cooperation between the UNM and the GD coalition, the parliament adopted the Resolution on Basic Directions of Georgia's Foreign Policy. According to the resolution, European integration is the number one foreign policy priority of Georgia. The document states that "the Georgian authorities will ensure that all those conditions are met which will allow Georgia to successfully complete negotiations with the European Union on the Association Agreement, Deep and Comprehensive Free Trade Agreement and Visa Liberalisation Agreement".³⁶ The document also includes a point according to which Georgia should not become a member of any military, political or customs alliance with a state which recognizes the independence of Abkhazia and South Ossetia or which keeps Georgia's territories occupied. These points clearly indicate that the new government does not intend to reverse the foreign policy direction of its predecessor.

Recent Developments of the EU-Georgia Cooperation

The new government's foreign policy actions and rhetoric, despite being questioned by the political opposition, seem to be in line so far with the foreign policy course that the previous administration followed. The same number of people works on EU integration issues in the government as before

³⁴ Gogolashvili, *Georgia's European Choice*

³⁵ Sichinava, *The 2012 Parliamentary Elections*

³⁶ Tabula, *Parliament Adopts Resolution on Foreign Policy*

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the elections. All the planned meetings and visits in the framework of the EU-Georgia cooperation took place after the elections. Tbilisi already hosted the annual EU-Georgia Cooperation Council in December 2012 and an informal Eastern Partnership ministerial meeting in February 2013. Moreover, Brussels being PM Ivanishvili's first foreign visit destination represents "a clear sign of Georgia's continued engagement with the European Union".³⁷

European counterparts from Brussels are also content with the continuation of Georgia's EU integration process. According to Fule, in some of the negotiated policy areas, faster progress has been achieved by the sides under the new government. This might be a result of the changing social and economic policies in Georgia (concerning DCFTA policy areas, such as labor rights and competition policy), and not the foreign policy orientation.³⁸ As a result of the continued process of bilateral cooperation, EU Commissioner for Home Affairs Cecilia Malmström granted a visa liberalization action plan to Georgia in February 2013. This action plan represents a set of requirements that Georgia has to meet in order to achieve visa-free movement towards the EU.

Part IV

Future Perspectives of the EU-Georgia Cooperation

What do these developments say about the new Georgian government's foreign policy agenda and the role of the EU-Georgia cooperation in it? The European direction still guides the foreign policy of Georgia as it did before. The new addition, however, is the attempt to restore economic ties with Russia. The opposition UNM party considers this to be a huge risk for Georgia's European future. For the UNM, it is a zero-sum game where warming relations with Russia precludes Georgia's European integration and vice versa. They fear that Russia will force Georgia to abandon its European aspirations as a cost for improving relations. Despite the fact that Russia might actually be interested in this scenario, there seems to be little ground to believe that this will be the outcome of this process. Ivanishvili has expressed multiple times that signing the AA at the Vilnius Summit is the major foreign policy priority of the country. The recent parliamentary resolution on foreign policy directions represents a clear proof of that. And strange as it might seem to the UNM, Georgia's attempt to improve relations with its northern neighbor might actually work better for the country's European integration chances. It is not a secret that some of the European states are often reluctant to share Georgia's European and, especially NATO-related desires, in order not to antagonize Russia. Therefore, "[i]rrespective of whether Moscow responds positively to the new prime minister's overtures,

³⁷ Civil Georgia, *In Brussels Ivanishvili Called to Avoid 'Selective Justice'*

³⁸ Liberali, *Lincoln Mitchel*

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the Tbilisi government has little to lose – and a lot of goodwill in the West to gain – from trying to patch up the relationship”.³⁹

The attempt to normalize relations with Russia speaks about one important feature of the current Georgian foreign policy: pragmatism. Despite the fact that Russia has occupied substantial part of Georgia's territory, the government still tries to restore trade relations with the enemy, only because this will bring benefits to the Georgian economy itself. This sort of pragmatism is a new thing in Georgia's foreign affairs. The previous government was much about rhetoric and ideology, trying to associate itself with the West by demonizing Russia. Exhibition of the EU flags in front of every state office building in Tbilisi and other towns of Georgia was part of this rhetoric. However, actual policies largely contradicted EU standards and recommendations, as it was described above. The insistence to celebrate the country's Western foreign policy orientation by including it in the constitution follows this line of rhetoric. Stefan Fule's comment briefly summarizes the issue of rhetoric vs. pragmatism: “I know some countries where in constitutions the goal is clearly defined, but the reality is not necessarily matching those aspirations expressed in the constitutions. I still believe it's more important to deliver the policies”.⁴⁰ This is exactly what the current government seems to be up to. Being free from the ideological constraints of neo-liberal economy, on the one hand, and the Cold War's East vs. West approach to international relations on the other, the new government's pragmatic foreign policy, which is focused more on action than on rhetoric, seems to be closer to what the EU expects from Georgia.

³⁹ Jarabik, *What the Recent Elections Mean for Georgia*

⁴⁰ Civil Georgia, *President, PM Speak of Tbilisi's Expectations*

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