

# POST-ELECTION CRISIS IN GEORGIA

## Analysis and implications after the crackdown on the Georgian opposition

2 March 2021

The political impasse in Georgia between the country's ruling Georgian Dream party (GD) and its multi-party opposition has entered a new chapter after prominent opposition leader Nika Melia was placed under pre-trial detention on February 23. Melia's arrest sparked significant concern among Georgia's international partners and has deepened internal political divisions after the disputed results of the country's 2020 Parliamentary elections, posing a severe political challenge for newly-appointed PM Irakli Garibashvili and his Government.

As the political crisis accelerates, we take a more detailed look at the political turmoil surrounding Melia's arrest, the ongoing standoff over the election results and the potential impact on foreign investors of the second Garibashvili Government.

### POST-ELECTION UPDATE

Four months after the contested parliamentary elections in Georgia, the domestic political crisis shows no signs of abating and appeared to reach a breaking point on February 23 when Nika Melia, the head of the United National Movement (UNM - the country's largest opposition party), was arrested during a police raid of the party headquarters. Melia was accused of organizing mass violence during the so-called Gavrilov's Night Protests<sup>1</sup> in the summer of 2019. After the UNM leader refused to pay a US\$ 12,000 bail, a court ruled that he should be detained until trial. The arrest prompted criticism not only from the opposition, but also from Giorgi Gakharia, the country's GD-appointed Prime Minister. In an unexpected development, Gakharia then stepped down as PM, claiming the court ruling was unlawful and could lead to grave political turmoil.

---

<sup>1</sup> In the summer of 2019, the ruling party faced months of public scrutiny after allowing Russian Communist Party MP Sergey Gavrilov to address the Georgian Parliament. Gavrilov's speech (in Russian) triggered large-scale protests in Tbilisi, prompting Russian President Vladimir Putin to temporarily suspend all flights between Russia & Georgia, adding further tension to the two countries' already troubled relationship and ongoing territorial disputes over the regions of Abkhazia and South Ossetia (Tskhinvali). Moscow repeatedly denounced the Tbilisi protests as Russophobic.

Melia's detention is the latest episode in a rolling crisis that has shaped Georgian politics since the disputed parliamentary elections last October. At the time, Georgian Dream secured a stable parliamentary majority, however the multi-party opposition – led by UNM – refused to accept results they claimed were falsified and boycotted the second round of the elections. The rejection was based mainly on local findings and came despite the largely positive assessments of international observers – including those of the US, the EU and the OECD's monitoring mission. Subsequent protests calling for snap elections and Western-led mediation attempts have all failed, culminating in a boycott of Parliament by all opposition parties and leaving Georgian Dream the only party to take up its seats (GD holds 90 of the 150 seats and has since moved to strip the boycotting parties of state funding). *For our earlier memo on the October 2020 elections and its immediate aftermath, click [here](#).*

The police raid against Melia has provoked strong international criticism, particularly from key allies such as the United States and the United Kingdom (the latter is Georgia's leading investor). Both countries expressed concern that the arrest appears politically motivated and risks democratic backsliding. Similarly, the EU has called on both sides to resume negotiations. As well as the now former PM Gakharia, two other prominent former GD figures– former President Giorgi Margvelashvili and former Prime Minister Giorgi Kvirikashvili – also spoke out against the authorities' move to arrest the UNM leader.

### TIMELINE OF EVENTS LEADING TO MELIA'S PRE-TRIAL DETENTION

| Date             | Event   |
|------------------|---|
| 20-21 June 2019  | Opposition protests – led by Melia, among others – erupt in Tbilisi after Russian Communist MP Sergey Gavrilov addresses the Georgian Parliament. Riot police respond aggressively. The Government accuses the opposition of attempting to storm the Parliament building. On 26 June 2019, Melia is charged with organizing mass violence. On 4 July 2019, he is ordered to wear a monitoring bracelet which he illegally removes on 1 November 2020. |
| 30 October 2020  | The first round of the election is organized. The UNM-led opposition claims the vote was rigged by the authorities. International observers give a largely positive assessment but highlight shortcomings. The opposition refuses to take part in the second round of the vote.   |
| 21 November 2020 | The second round of the election is held without the participation of the opposition parties. The Georgian Dream “secures” seats from single-member constituencies, gaining 90 of the 150 seats in the country's legislature.   |
| 11 December 2020 | The new parliamentary cycle begins with a boycott by opposition parties. By January 2021, only four of the 60 opposition MPs take up their mandates.  |
| 24 December 2020 | Giorgi Gakharia is reappointed as Prime Minister.   |
| 28 December 2020 | Nika Melia is elected as the Chairman of the United National Movement after the resignation of Grigol Vasadze.  |
| 11 January 2021  | Bidzina Ivanishvili announces his resignation from the Georgian Dream Chairmanship.   |
| 17 February 2021 | Stripped of his parliamentary immunity, the Tbilisi City Court orders Melia's pre-trial detention related to his 2019 arrest, after he refuses to post a US\$ 12,000 bail by 5 December 2020.   |
| 18 February 2021 | Giorgi Gakharia announces his resignation as PM over the court's decision.  |
| 23 February 2021 | Nika Melia is arrested during a police raid of the UNM headquarters.  |

Following Melia's arrest, the UNM-led opposition reinforced its calls for snap parliamentary elections and organized mass protests in Tbilisi on 23 and 26 February. At present, five more larger-scale protests are expected to take place up until 13 March. The Prosecutor's Office of Georgia, meanwhile, has announced it is ready to appeal the corresponding court decision if Melia agrees to post bail – which seems unlikely as he continues to defy the court's charges.

## THE SECOND GARIBASHVILI GOVERNMENT

In light of the current unrest, the newly appointed Government of Irakli Garibashvili, installed a day before Melia's detention, is already facing multiple challenges in addition to those arising from both the pandemic and ongoing tension with Russia over Abkhazia and South Ossetia (Tskhinvali). Below we outline the key takeaways from Georgia's unexpected government reshuffle.

- › **The new PM enters office with significant government experience.** Garibashvili (39) entered politics in 2011 and briefly served as Interior Minister before becoming Prime Minister in 2013. During his first tenure, he was credited with moving Georgia closer to the EU, culminating in the EU-Georgia Association Agreement in June 2014. In December 2015, he resigned and left Georgian Dream, allegedly due to falling approval ratings towards his Government, partly due to ongoing media criticism of his relatives in high public positions. He returned to the public arena in 2019 as Defense Minister and has served in that position until now. Garibashvili is expected to maintain a tougher course of action against the opposition having argued strongly for Melia's arrest, however he has expressed openness to a dialogue with the opposition
- › The surprise resignation of Gakharia as PM indicates key roles for Bidzina Ivanishvili and his inner circle in the crisis. The fact that Gakharia openly protested the position of his own Government and party suggests overall governmental power remains in the hands of former PM Bidzina Ivanishvili, the billionaire businessman and founder of Georgian Dream. Ivanishvili announced his departure as GD Chairman and his intention to quit politics in January and was replaced by Former Parliament Speaker Irakli Kobakhidze on 16 February, however the new Prime Minister is considered one of his closest allies.
- › **The reshuffle resulted in additional departures and new appointments.** A week after Gakharia's resignation, Kakhaber Kemoklidze, the recently appointed Head of Government Administration, and his deputy Berdia Sichinava also stepped down in a show of support. Regional Development and Infrastructure Minister Maia Tskitishvili also resigned after Garibashvili was sworn in, officially to spend more time with her family. The reshuffle saw two key ministers – Foreign Minister Davit Zalkaliani and Finance Minister Ivane Machavariani – promoted to the position of Deputy Prime Minister, while Juansher Burchuladze took over as Defense Minister. Several key figures remained in position, including Economy Minister Natia Turnava.
- › **Garibashvili has made controversial statements about the country's future economic path.** Discussing his future objectives at a parliamentary hearing while PM-designate, Garibashvili called for greater state involvement in Georgia's economy, arguing that "the idea of small government is a myth impeding the country's development." This largely overlooked remark appears to contradict Georgia's much praised cross-party consensus towards a free-market approach that has transformed it into a regional leader in terms of economic freedom and ease of doing business. So far, however, this rhetoric has not been backed up by significant policy changes. (The new PM also spoke about supporting SMEs, improving infrastructure and the agricultural sector, as well as supporting businesses affected by the pandemic and drawing up a "new, ambitious, 10-year [national] development plan" in the near future, albeit without specifics.)

## LOOKING AHEAD

As the standoff over Melia's detention continues, we forecast increasing political polarization and, from a Western perspective, an increasingly authoritarian approach from the Garibashvili Government. If the opposing sides fail to find a compromise, there could be serious negative repercussions for Georgia's business-friendly image. Below we outline a number of likely scenarios and policy directions for the coming period.

- › **Western mediation efforts between the two sides are underway, but their outcome is uncertain.** In November 2019, a wave of mass protests broke out after Georgian Dream – reneging on earlier promises – failed to renew the country’s electoral system. The deadlock was eventually broken by a Western-brokered agreement in March last year.
- › This time, however, envoys of the EU and the US have so far been less successful in bringing the two sides closer after the UNM-led opposition refused to accept the parliamentary election results last October. As Georgian Dream continues to reject opposition demands for snap parliamentary elections, it remains unclear when and if the current unrest will be resolved and how effective Western involvement will be.
- › Yesterday, on 1 March, European Council President Charles Michel travelled to Tbilisi and held joint talks with the Government and the opposition parties. This resulted in a renewed dialogue between the two sides (the first real talks since December), only for talks to swiftly meet another deadlock. For now the opposition has confirmed that peaceful protests will continue.

**Theoretically, there are different potential paths to a settlement, however multiple issues could impede their outcome.** One way out of the current impasse would be the organization of snap parliamentary elections this year or later during the current parliamentary cycle, which ends in November 2024. On 17 February, the GD-led parliament formed a special committee to investigate alleged election violations and invited boycotting MPs to join the commission. Officially, GD claims it is open to holding snap elections if a fact-finding mission discovers at least 1% of errors in last year’s election, but in practice the party steadfastly opposes a re-run. Although the current Parliament has convened (as more than half of the MPs were present during its first session in December), most of the opposition has so far refused to participate.

The opposition could change course and enter Parliament if the authorities drop the charges against Melia. Prosecutors have appeared willing to appeal the court decision against Melia’s pre-trial detention if he posts bail, while Georgian Dream also practiced restraint when it decided not to support the early termination of the mandates of boycotting MPs. Nonetheless, the current crisis is greater than the Melia case and pivots around the 2020 elections, making it more difficult to resolve the standoff. In addition, any settlement could be further complicated by other issues such as the case of Giorgi Rurua, the founder and shareholder of the opposition-minded Mtavari Arkhi TV, whom the opposition claims to be a political prisoner<sup>2</sup> and considers to be an integral part of the negotiations.

- › Among other key issues, the reform of Georgia’s judicial system and the possibility of holding a plebiscite on whether to rerun the 2020 vote (potentially alongside upcoming local elections) are also on the agenda, while reforming the election system is also being discussed. According to the Georgian Constitution, a transition to a fully proportional election system is due by 2024, with GD expected to announce “fundamental electoral reform” in the coming period.
- › **The crisis is damaging Georgia’s Euro-Atlantic aspirations.** Despite being accused of being pro-Russian by the opposition, Georgian Dream continues to support the country’s Euro-Atlantic path. Georgia joined NATO’s Enhanced Opportunity Partnership (the highest level of cooperation with a non-NATO member) and signed an Association Agreement with the EU (the highest level of cooperation between the EU and a country of the Eastern Partnership) on Garibashvili’s watch in 2014. The current standoff, widely seen as a deterioration of the rule of law and an authoritarian turn away from the West, is negatively impacting Western support for the country just as Georgian Dream aims to submit an application for full EU membership by 2024.

This loss of support, further fuelled by suspicion in the West that Melia’s prosecution is a gesture towards Russia, was most visible among top US foreign policy lawmakers, including Adam Kinzinger

---

<sup>2</sup> In July 2020, the Tbilisi City Court sentenced Giorgi Rurua, who is a brother of the late Nika Rurua (a former UNM member and former Culture Minister under former President Mikheil Saakashvili), to four years in prison for the illegal purchase and carrying of firearms. Prior to the ruling, several Western institutions – including the US Congress and the European Parliament – called on Georgia to release him.

and Gerald Connolly, the Co-Chairs of the US Congressional Georgia Caucus. The two US Congressmen recently reintroduced the Georgia Support Act, with Kinzinger highlighting that the legislation providing for political, military and financial support is “not automatic.”

In addition to lobbying Western countries to support snap elections, some of the opposition also called for international sanctions against Ivanishvili and his business interests. However, the response from the EU and the US has so far been limited to calling on both sides to de-escalate the conflict. Along with decreased trust in the country’s public institutions and a questionable commitment to the rule of law, the introduction of any Western sanctions, unlikely at this point, could negatively impact the country’s growing investment potential.

Nevertheless, Michel’s visit and talks with both sides of the conflict is widely seen as a reiteration of EU support towards Georgia’s European path. The Garibashvili Government seems committed to repairing relations with the European bloc and is currently planning for the EU-Georgia Association Council meeting, preliminarily scheduled for 16 March.

## CONCLUDING THOUGHTS

With tensions between the Georgian Dream and the UNM-led opposition running high, the next few weeks will prove crucial for the mediation efforts of the EU and the US as the crisis unfolds. Nonetheless, any potential end to the deadlock comes down to the decision of the opposing sides, particularly the Georgian Dream which is fiercely against “the radical opposition” (the United National Movement) and the UNM itself. The latter is still heavily influenced by ousted Georgian President Mikheil Saakashvili, who seems to oppose any potential compromise with the ruling party. While Georgia may fall into an even more polarized political environment, with any potential further use of excessive force from the authorities – as seen during the Gavrilov’s Night Protests – adding to existing tensions and seemingly driving both sides further away from potential compromise, the renewed dialogue and the initial success of EU mediation are more reassuring signals.

# # #

*If you would like to schedule a discussion with our team on topics related to this paper, please contact: Executive Partner Chris Dobson at [c.dobson@kesarev.com](mailto:c.dobson@kesarev.com)*

## About Kesarev

Kesarev is the leading independent public affairs and government relations consultancy in Ukraine, Russia, the post-Soviet area, Central & Eastern Europe, Turkey and Israel, covering 25 countries and specializing in government and corporate affairs, risk management and corporate reputation services. Since 2014, Kesarev consultants have been ranked by The Best Lawyers in the areas of Government Relations, Government and Regulatory Practice, including the "Best Lawyer of the Year" award. Kesarev partners were recognized among the Top-20 communications managers by the TOP-COMM rating in 2020 and 2019 and within the Top 1000 Managers of Russia rating in 2017, 2015 and 2014. [www.kesarev.com](http://www.kesarev.com)