

Ivanishvili's Georgia

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All three South Caucasian states are plagued by “bad” and “subversive” types of informal practices and employ informal governance as the key ingredient of their political systems. Informality means above all networking, i.e. putting allegiances ahead of formal duties, which converts into the ability to maneuver through virtuously institutionalized and written codes of society. From a bottom-up perspective, informality shapes spheres of personal availability and reciprocal favors and seems to humanize “unpleasant and intimidating” experiences involving bureaucratism and rigid laws which citizens have to deal with. However, if informality turns into an ingenious way of managing and using public-popular manners and is incorporated into state-making, it might become more like the type of cohesive “informal governance” that we observe in Ivanishvili's Georgia.

Essential is whether informality as a political and overall social institution can be reformed. As argued, it is not centrally controlled, but emerges spontaneously and is elusive, which hampers its change or reform. [\[i\]](#) The “modernization trap” of informality recognizes informal networks effective enough to fulfill governmental functions but undermining concomitantly the operation of formal institutions. To get rid of these informal networks of governing, one needs “an enlightened leadership, capable of self-restriction and fighting (...) destructive forces while preserving the capacity for innovation.” [\[ii\]](#)

Under a democratic regime, informality pops up as a “by-product” in light of complex law procedures. In an authoritarian framework, it is geared toward the goal of “keeping the incumbent in power, control deviant behavior or opposition in society.” [\[iii\]](#) The *autocratic* type of informal governance is marked by its repressive character, obedient

business climate, and a government prone to use coercion, because the state's rent distribution does not suffice to supply its allies with financial incentives. It features unfettered state power but also strong incompetency, inept at full-fledged reforms due to the fragmented interests. A *co-optative* informal governance means that political space is dominated by oligarchs and the weak government is controllable from behind the scenes.[\[iv\]](#)

Georgia's current political order, though democratically advanced in comparison to other former Soviet countries, entails oligarchy – the rule of few – which thrives on the democratic order, but asserts itself as an alternative rule. This oligarchy, as theory stipulates, pursues the concentration of material wealth and its defence, which causes political inequality due to massive wealth in the hands of the few.[\[v\]](#) Within the norms of democratic political culture, the oligarchy finds detours and areas hidden from the public eye and displaces formal, official state institutions, moving the center of decision-making into exclusive and corporative informal leadership – which is commonly known in Georgia as *the team*. Similarly, as evidenced by voting patterns in prerevolutionary Armenia, the oligarchy is very disruptive when their money and their financed parties buy votes in exchange for social provisions and welfare. Oligarchy as an informal actor emulates the role of state institutions and, for local voters, their images stand above public servants.[\[vi\]](#) Democracy, to be fully implemented, needs the support of mature voters who must resist and break the spell of a benefactor and not be fooled by this generosity.

Bidzina Ivanishvili's Comeback

In a 2015 speech, multi-billionaire Bidzina Ivanishvili hinted that a grave crisis was imminent in order to back up his return to the politics.[\[vii\]](#) This kicked off his political career as the savior of the country who rises from the ashes whenever power is in danger of being usurped. In general, the

Georgian politics has been characterized by less government control via parliament since the ruling Georgian Dream party scored a clear victory and harnessed a constitutional majority in parliament in 2016. The German Institute for International and Security Affairs (SWP) warned of dashed hopes for Georgia, as the country, failed against all odds to develop into a stable two-party system, which resulted in disenchanted voters and a very fragmented party spectrum on the oppositional flank. The European Court of Human Rights has reproved the government for meddling in TV, attempting to muzzle one of the last oppositional voices in the country, namely the channel *Rustavi-2*. If successful, it would shake up the balance of forces enormously in favor of the ruling elite. Notwithstanding the democratic *façade* and electorally unblemished success of the ruling party, the setbacks in democratization are clear, particularly as governmental activity remains generally unaccountable to the parliamentary committees, which do not inquire into the activities of the executive branch.[\[viii\]](#)

Another crucial force on the Georgian political arena, END, the so-called “United Nationals,” slid back in polls, losing more than half of its seats in the 2016 elections. END, since it is split into two parties, is divided between the new party *European Georgia* and remaining part comprised of Saakashvili supporters.[\[ix\]](#) Generally, the opposition has fewer resources for the mobilization of the masses, as the public practically ignores key political issues such as the amendments made to the constitution in 2017.

One of the recent growing tensions in the Georgian political arena is the rise of conservative sentiments promoted by the Georgian Orthodox Church as well as Russian-backed groups and parties.[\[x\]](#) The issue of religious and sexual minorities reverberates through all niches of society. In March 2018, a public appeal of intellectuals expressed doubts that Georgia’s Western path is the correct one. According to them, Georgia became an element of containment policy of the United States.

In their view, this has deteriorated the relationship between Georgia and Russia, which also caused the loss of territories as well as the impoverishment and reduction of the Georgian population. Those who signed the document ask; “Georgia has sacrificed a lot, but what did it get from the partnership with NATO?” Under conditions of declining confidence in political parties and the political class, populist groups and leaders reap the benefits of the political crisis.[\[xi\]](#)

Bidzina’s shadow ruling has been explained as a Georgian phenomenon, when prime ministers get the blame and Ivanishvili calls the shots on the main political matters, with a president who holds only titular status.[\[xii\]](#) Having an official post, Ivanishvili would lose his mythological status as he would not be seen as above the fray, staying out of anything negative happening in the country.

It is known that Ivanishvili handpicks candidates for the prime minister office. The members of the ministerial cabinet have never hidden that they consult him while Ivanishvili’s views on his role as someone to maintain “public oversight” over the government by “remote control” were expounded in his July interview to one of the local TV stations.[\[xiii\]](#) The takeover of the party chair by Ivanishvili was served up as if all members of the party requested it. To head the party once again was supposedly necessitated by broken discipline, innuendos of financial bankruptcy, mismanagement, sinking morale, new challenges in foreign policy, and emergent social needs.

In fact, Ivanishvili has been always abhorred the public eye and he himself spoke of his aversion to sit in the prime minister’s chair. Last year he received medical treatment in Munich and some of his colleagues asked him not to stress himself out too much over politics. In the period when Ivanishvili was absent from the official job, he created an organization called “2030” to issue analyses on how Georgia must develop. He also tried on the role of TV host on his

sons' TV channel. He is more devoted to his hobbies such as collecting rare and historic tree varieties,[\[xiv\]](#) art collection, and philanthropy.

For analysts, current situation is reminiscent of previous eras of one-man-rule in Georgia. Thus, they note personalization of party structures, as the ruling party is assembled around a charismatic leader, which is also indicative of unfair electoral conditions, when the playing ground is limited by the ruling party's enormous access to political and economic resources.[\[xv\]](#) It is thanks to Ivanishvili's philanthropy and the fact that he made most of his fortune outside of Georgia that has protected him from becoming an unpopular oligarch similar to Ukraine or Moldova where oligarchic damage has become systemically destructive.[\[xvi\]](#)

Georgian Dream – an eclectic configuration

Since the 2016 elections, it is clear that the popularity of GD has not been the same as it was on the eve of elections in which only half of the voters came to the polls. The party reached the stage when clan interests and leaders are clearly marked and common interests vanished long time ago. Kakha Kaladze, former FC Milan defender and the current mayor of Tbilisi, is one of the faction leaders in the ruling party. Kaladze arises as winner of internal skirmishes in the party, as he also enjoys the popularity of a directly elected politician. However, he will keep a low profile, as not to enrage another flank, also not to damage the internal balance of powers in the party.

The partition in the ruling party is mainly between the young and the old generations. Many (David Chichinadze, Nukri Kantaria, Shota Shalelashvili and Zaza Papuashvili) question the age, experience, and authority of younger politicians. Members of the old generation justify themselves with their past service, as they consider themselves the founding fathers

of the party, while disagreeing with Ivanishvili on the grounds that he favors young politicians.[\[xvii\]](#) The rift in the party has rambled on since April 2018 as some of the GD deputies bridled at the nomination of Nina Kakabadze to the supervisory council of the public broadcaster. The oppositional European Georgia promoted her candidacy, but GD deputies also supported her, as the quota system required it. Gedevan Popkhadze, a GD PM, betrayed his party-men and announced his exit from the faction. He accused Nina Kakabadze of insulting the Church on social media.[\[xviii\]](#) In the past, Popkhadze was a member of Our Georgia-Free Democrats and entered GD in 2014, after the Free Democrats left the coalition. Other GD parliamentarians voiced their protest against the young parliamentary speaker Irakli Kobakhidze's authoritarian style, stressing that he is not their boss but is elected only to represent the majority in the parliament.

Until the events of June 2018, barely anyone anticipated the alteration of the Kvirikashvili cabinet. Kvirikashvili could be viewed as the top prime minister of Georgian history, he was highly reputed on the international arena yet was scapegoated on the tide of a public uprising over judicial irregularities. Prior to his PM career, he served as CEO at Ivanishvili's Cartu Bank,[\[xix\]](#) his manner was mild, being an effective negotiator devoid of confrontation. This could not be said about his predecessor Garibashvili, who often got into quarrels with the opposition, NGOs, journalists and the former president Margvelashvili. The slackened economic growth owes to the disadvantageous economic situation in the region, unlike the Saakashvili reign, when investments poured into country, and Kvirikashvili could not do more than what is possible. The Economist Democracy 2018 index has put Georgia 11 points lower, singling out Kvirikashvili's resignation that followed the rift with the main patron of Georgia rather than "widespread public discontent with the government."[\[xx\]](#)

Presidential elections and Ivanishvili's candidate

Georgia elected its first woman president, a nominal post, yet one that bears responsibility for the socio-economic development of the country in the eyes of Georgians. The presidency will lose its electoral importance in 2020 and will be reduced to a ceremonial office since a new president will be elected by a special collegium and not directly.[\[xxi\]](#)

It was a test of sustainability for Georgia, as she represented a female with limited chances of winning in a patriarchal society with native language barriers due to her émigré background.[\[xxii\]](#) Concurrently, the choice of an independent parliamentarian as presidential candidate, French born Salomé Zourabichvili, who served as foreign minister of Georgia 2004-2005, was also a personal decision taken by Ivanishvili himself. Her candidacy was opposed by some members of GD, as they supported a candidate from the ranks of the party, but Ivanishvili had two points in view. First, Zourabichvili simulated an independent candidacy. In parliament, she was rarely heard to criticize the government and she represented the mild opposition. For Georgian Dream, it was a PR strategy since, with the slogan “we don’t assume the presidency,” they opened up a space for an oppositional or “independent” candidate, also offering to international audience more “sham democracy” to avoid possible US sanctions against Ivanishvili.[\[xxiii\]](#) Second, her experience as diplomat shifts her into a secondary foreign minister role less influential in domestic affairs, where Ivanishvili wants to hold sway.

Ivanishvili could have afforded a belligerent president, as it was with Margvelashvili or someone in the caliber of David Usupashvili, the leader of the former Republican Party and his previous co-partner in the GD who defected from the party in 2016. Previously, Ivanishvili’s regime has enjoyed the constant rivalry since it created the illusion of competition in Georgian politics. However, after constitutionally emboldened president Armen Sarkisyan suddenly became the intermediary in the political crisis in neighboring Armenia,

Ivanishvili decided to rule with a puppet-like president. In the elections, Ivanishvili's financial power decided whom to elect: Zourabishvili's campaign expenses exceeded her contestants' as Ivanishvili's brother Alexander donated to her from his personal account.[\[xxiv\]](#) At the moment when the runoff vote developed against GD's expectations, GD brought into play its administrative resources, even putting up billboards featuring Ivanishvili's portraits with Zourabichvili posters in the background. [\[xxv\]](#) At the height of the campaign, the write-off of around 600 thousand Georgian citizens' loans was his last interference.

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