The Georgia Governance Index 2023
About

The Georgian Institute of Politics (GIP) is a Tbilisi-based non-profit, non-partisan, research and analysis organization. GIP works to strengthen the organizational backbone of democratic institutions and promote good governance and development through policy research and advocacy in Georgia. It also encourages public participation in civil society-building and developing democratic processes. The organization aims to become a major center for scholarship and policy innovation for the country of Georgia and the wider Black Sea region. To that end, GIP is working to distinguish itself through relevant, incisive research, extensive public outreach, and a bold spirit of innovation in policy discourse, and political conversation.

© Georgian Institute of Politics, 2024. Aleksandr Pushkin St 13, 0107 Tbilisi, Georgia; Tel: +995 599 99 02 12; Email: info@gip.ge. For more information, please visit www.gip.ge
# Table of Contents

**About** .................................................................................................................................................... 2  
**Table of contents** .................................................................................................................................. 3  
**List of figures** ....................................................................................................................................... 5  
**Abbreviations** ...................................................................................................................................... 7  
**Executive summary** ............................................................................................................................. 8  
**Key findings** .......................................................................................................................................... 9  
  Democratic governance ............................................................................................................................ 9  
  Effective governance ............................................................................................................................... 9  
  Social and economic governance ......................................................................................................... 10  
  External governance ............................................................................................................................. 11  
**Introduction** ......................................................................................................................................... 12  
**Methodology** ....................................................................................................................................... 17  
  Conceptualization ................................................................................................................................ 17  
  Index structure ..................................................................................................................................... 18  
  Research methods ................................................................................................................................ 18  
    *Expert survey* ................................................................................................................................. 19  
    *Narrative analysis* ........................................................................................................................... 19  
  Limitations ............................................................................................................................................ 20  
**Democratic governance** ......................................................................................................................... 21  
  Key findings and main challenges ........................................................................................................ 23  
  Civil and political rights ....................................................................................................................... 24  
  Electoral system .................................................................................................................................... 26  
  Horizontal accountability ...................................................................................................................... 27  
  Civil society .......................................................................................................................................... 29  
  Summary .............................................................................................................................................. 31
List of figures

Figure 1: How would you assess Georgia’s performance in the governance areas in 2023 (standardized on a scale of 0-100 (best))......................12

Figure 2: Tops and Flops: Georgia’s performance in all subcategories in 2023 (standardized on a scale of 0-100 (best)).................................13

Figure 3: Performance in democratic governance without inclusion of civil society and presidential office.........................................................14

Figure 4: In your opinion, what were the largest challenges in 2023 in Georgia? (all mentions).................................................................14

Figure 5: In your opinion, what were the three biggest positive developments in 2023 in Georgia?...............................................................15

Figure 6: In your opinion, what are the three most important reforms or ideas for Georgia for 2024?..............................................................16

Figure 7: How would you assess Georgia’s performance on the following related to democratic governance in 2023? (Aggregated and standardized on a scale of 0-100 (best)).............................................24

Figure 8: How would you assess Georgia’s performance on the following issues related to effective governance in 2023 on a 100-point scale, where 100 means very effective and 0 means very ineffective?...............36

Figure 9: How would you assess Georgia’s performance on the following areas related to socio-economic governance in 2023? (Standardized on a scale of 0-100 where 100 means “very effective” and 0 means “very ineffective”)..................................................49
Figure 10: How would you assess Georgia’s performance on the following issues related to foreign policy and security in 2023 on a 100-point scale, where 100 means very effective and 0 means very ineffective?...........60
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEC</td>
<td>Central Election Commission of Georgia</td>
</tr>
<tr>
<td>DRG</td>
<td>Diagnosis-Related Group</td>
</tr>
<tr>
<td>ECHR</td>
<td>European Court of Human Rights</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GGI</td>
<td>The Georgia Governance Index</td>
</tr>
<tr>
<td>GIP</td>
<td>Georgian Institute of Politics</td>
</tr>
<tr>
<td>GRECO</td>
<td>Group of States Against Corruption</td>
</tr>
<tr>
<td>GYLA</td>
<td>Georgian Young Lawyers’ Association</td>
</tr>
<tr>
<td>ICC</td>
<td>International Criminal Court</td>
</tr>
<tr>
<td>IDFI</td>
<td>Institute for Development for Freedom of Information</td>
</tr>
<tr>
<td>IDP</td>
<td>Internally Displaced Person</td>
</tr>
<tr>
<td>ISFED</td>
<td>International Society for Fair Elections and Democracy</td>
</tr>
<tr>
<td>MOH</td>
<td>Ministry of the Occupied Territories, Labour, Health and Social Affairs of Georgia</td>
</tr>
<tr>
<td>MRDI</td>
<td>Ministry of Regional Development and Infrastructure of Georgia</td>
</tr>
<tr>
<td>NBG</td>
<td>National Bank of Georgia</td>
</tr>
<tr>
<td>NDI</td>
<td>National Democratic Institute</td>
</tr>
<tr>
<td>NSC</td>
<td>National Security Council of Georgia</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>OECD/ACN</td>
<td>Organisation for Economic Co-operation and Development Anti-Corruption Network for Eastern Europe and Central Asia</td>
</tr>
<tr>
<td>OGP</td>
<td>Open Government Partnership</td>
</tr>
<tr>
<td>PAR</td>
<td>Public Administration Reform</td>
</tr>
<tr>
<td>SIGMA</td>
<td>Support for Improvement in Governance and Management</td>
</tr>
<tr>
<td>SSA</td>
<td>Social Service Agency of Georgia</td>
</tr>
<tr>
<td>SSG</td>
<td>State Security Service of Georgia</td>
</tr>
<tr>
<td>TI</td>
<td>Transparency International</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
</tbody>
</table>
Executive Summary

The Georgia Governance Index (GGI) evaluates Georgia’s governance in four principal domains: democracy and human rights (democratic governance), the efficiency of state institutions (effective governance), socio-economic policies (socio-economic governance), and foreign and security policy (external governance). While primarily concentrating on Georgian state institutions, the GGI also examines the roles of other entities, such as political parties and civil society organizations.

Despite the availability of numerous global and regional indices that feature Georgia, a detailed, country-specific annual review of Georgia’s governance performance remains absent. To date, no country-specific organization has undertaken such an analysis. The GGI not only complements international indices with its methodology and empirical data but also offers a distinctive perspective from within the country, alongside innovative methodological approaches. The index aims to inform the Georgian public and various stakeholders about the country’s democratic and economic developments, responding to the growing demand for an all-encompassing report on these issues.

Methodologically, the GGI integrates both qualitative and quantitative research methods and epistemologies. Its scoring system derives from the GGI Expert Survey, conducted with 47 experts from various fields in Georgia, and is enhanced by qualitative research performed by the GIP team.

The current report is the third iteration of the GGI. In terms of results, similar to the previous reports, the 2023 report depicts a less than rosy picture. Georgia’s performance was suboptimal in all four areas of governance. The country’s record was uneven in the areas of effective governance and also declined further in external governance. Somewhat unexpectedly, the sector of democratic governance witnessed the most substantial improvement. This, however, can be attributed primarily to the democratic resilience exhibited by civil society, the increasing independence of the presidential office, and, to a lesser extent, noteworthy progress in the democratic functioning of key state institutions.
Key findings

Democratic Governance

- **Democratic governance** - In 2023, democratic governance is far from optimal, receiving 41.65 out of 100 points in the GGI expert survey. The main issues included: political crisis, persistent polarization, stalled judicial reform, proposed laws against freedom of expression, hostility towards media and civil society, and attempts to weaken horizontal accountability. Nevertheless, democratic governance made the biggest jump in the 2023 GGI survey, going from 27.33 in 2022 to 41.65 in 2023 – a surprising change which probably reflects high scores given to the civil society component.

- **Attacks on critical institutions** were named as constituting a key setback in 2023 in the expert survey. This relates to political polarization and radicalization and, more specifically in 2023, demonizing rhetoric towards civil society and the president, the attempted adoption of the foreign agent law (law on “transparency of foreign influence”), and the attempted impeachment of the president. On the other hand, the resistance and mobilization of civil society and the increasing independence of the president were named as steps forward.

- **Lack of success in judicial reform** remains the key weakness for Georgian democracy. In comparison to last year, the score for judicial independence further declined in the 2023 GGI expert survey. Lack of judicial independence and competence is one of the key challenges named in the survey.

- **Other old and new challenges** to democratic governance include a high level of polarization, single-party dominance, flaws in checks and balances, a lack of protection of LGBTQI+ rights, and new controversial amendments to the law on Assembly and Manifestations and the electoral code on the election of the CEC members.

- **Positive developments in 2023** include Georgia being granted candidate status by the European Union; legislative amendments on gender equality and the electoral vote counting system. Additional positive changes include the law on taking into account European Court of Human Rights judgements; and the election of the public defender by consensus between the ruling party and parts of the opposition. These are considered to constitute a partial fulfillment of EU recommendations.

Effective Governance

- **Effective governance continues to pose significant challenges to Georgia**, persisting as a problematic category even as of 2023. This field has received the second low-
Just like in 2022, the leading problems in 2023 were informal governance, political corruption, monopolization of power, and the lack of independent judiciary. It was also - and again - observed that the state uses its legitimate power sparingly against violent groups, while consistently restricts the constitutionally guaranteed rights of political opponents and minorities.

Moreover, there is a recurring observation that while the state displays restraint in utilizing its legitimate power against violent groups, it consistently curtails the constitutionally guaranteed rights of political opponents and minority groups.

Throughout 2023, the illegal borderization and the abduction of Georgian citizens by the Russian occupation regime persisted unabated. The absence of legitimate state authority in the occupied territories has led to specific tragedies, exemplified by the killing of two Georgian citizens by the Russian occupation regime towards the end of 2023.

The challenges posed by informal governance and the presence of alternative sources of legitimacy remained in 2023, exacerbated by the monopolization of power by the ruling political party, the fragility of political institutions, and the ineffectiveness of an independent judiciary. Addressing political corruption continues to be a pressing concern within this context.

The formulation of a new public administration strategy, accompanied by a corresponding action plan, represents a step towards improvement. Additionally, the gradual digitization of public services signifies a progressive stride in enhancing governance mechanisms.

Social and Economic Governance

The overall score in socio-economic governance in 2023 stood at 38.22. The GGI survey score in social and economic governance was the second highest of the governance areas. This relatively positive score is attributed to sustained economic growth, a slowdown in inflationary pressures and some positive steps taken in social policy, mainly towards persons with disabilities.

As was the case in 2022, the lowest score was attained in the economic framework and labor market policy. Even though the unemployment rate saw a further drop in 2023, poverty and other economic hurdles remain amongst the major public concerns. Low salaries and a dearth of job opportunities remain major reasons for labor emigration from Georgia.
• The highest score in this category was given to tax and budget policy. This could be explained by overall economic growth in the country which contributed to increased fiscal revenues, and an improvement in the current account balance. A strong Georgian Lari has further contributed to the reduction of public debt.

• Even though the percentage of the population below the poverty line decreased from 17% to 15.6%, the number of people receiving social benefits is still 17.9%. A decrease in the poverty rate may be related to the employment of socially vulnerable persons receiving subsistence allowance in public works.

• The implementation of the DRG system and the regulation of medicines prices have increased citizens’ access to health care, but have created risks of deterioration in the quality of services and medicines.

**External Governance**

• **The overall GGI score given to the area of external governance by experts fell from 32.77 to 26.42 points out of a possible 100.** This dynamic was caused by a combination of positive and negative factors taking place in Georgia’s foreign policy governance. As the assessment shows, the areas in which regression or stasis was observable outnumbered those in which important achievements were achieved in 2023.

• **2023 has been a historical year in terms of advancing EU integration:** The European Council granted EU candidate status to Georgia in December. On the other hand, political relations between Brussels and Tbilisi have become increasingly unpredictable. Tbilisi’s decreasing degree of alignment with the EU Common Foreign and Security Policy (CFSP) has caused concern in Brussels according to Commission reports issued in 2023.

• While continuing cooperation with NATO in terms of military exercises and training, and also maintaining high level communication between Tbilisi and NATO, the 2023 NATO Summit demonstrated that **Georgia has not advanced significantly towards membership of the Alliance.**

• **Georgia’s closer ties with illiberal regimes** in Europe, as well as the signing of a strategic partnership with China raise concerns regarding the country’s foreign policy vector, geopolitical positioning and democratic development. The government policy of pragmatism and “strategic patience” with Russia raises concerns over increasing hybrid threats coming from Moscow.
Introduction

2023 unfolded as yet another turbulent year for Georgia, influenced by ongoing geopolitical turmoil in the region, which also permeated Georgia’s domestic landscape over the course of the year. The primary domestic challenges persisted, including polarization, radicalization, informal governance, and a range of socio-economic issues, further hindering the country’s development in 2023. The two most important developments of the year were the March protests against the so-called “foreign agents law” and the decision of the European Council to grant Georgia EU candidate status in December 2023.

The 2023 GGI Expert Survey also showed interesting trends. Overall, similar to previous years, none of the governance areas received a positive assessment, and all failed to pass the important 50/100 threshold (Figure 1). However, there were significant differences in the assessments of individual governance areas. Somewhat surprisingly, the area of democratic governance made the biggest leap forward and ended up at the top of the governance index (Figure 1). This was mostly due to high scores given to the three subcategories: civil society, the president, and election day administration. The key role played by the youth and grassroots in the pivotal moment of the March 2023 protests was probably key to civil society ending up as top scorer among all 35 subcategories by a wide margin (Figure 2). If we remove civil society and the presidential office from the calculation, progress in the democratic governance area is much less significant; however, it still remains the area that experienced the most improvement in 2023 (Figure 3).

Figure 1: How would you assess Georgia’s performance in the governance areas in 2023 (standardized on a scale of 0-100 (best)?)
External governance continued its negative downwards trend from previous years. This year is the first time it has ended up as the bottom scoring category by a wide margin (Figure 1). “Advancing relations with the EU” and “...with the US” ended up near the bottom of the survey (Figure 2). The two remaining areas: effective governance, and social and economic governance did not experience significant changes in the 2023 GGI Survey.

*Figure 2: Tops and Flops: Georgia’s performance in all subcategories in 2023 (standardized on a scale of 0-100 (best))*. 

[Diagram showing performance of various subcategories in Georgia's governance]
The GGI Survey results also indicate that domestic and foreign policy are as intertwined as ever before. The fact that external governance scored worst among all governance areas shows the increasing salience of external issues and their impact on domestic political dynamics. The unusually high rating of the president of Georgia (second place after civil society) can also mostly be associated with her diplomatic initiatives and her work promoting Georgia’s European perspective.

*Figure 3: Performance in democratic governance without inclusion of civil society and presidential office*

Another important goal of the GGI was to identify the main gaps in each of the four governance areas. Figure 4 shows the aggregated results of all responses received in the GGI Expert Survey (with three or more mentions). Similarly to the previous year, the deterioration of relations with strategic partners was identified as the top issue (figure 4). Two new newcomers in the top spots this year were the undermining of reputable institutions (such as the National Bank of Georgia, the Presidential Office, and the Public Defender’s Office) in second place and the politicization of public services in third place. The weakness of the political opposition also appeared for the first time in the survey (figure 4).

*Figure 4: In your opinion, what were the largest challenges in 2023 in Georgia? (all mentions)*

---

14
On the other hand, among major achievements and positive developments in 2023, receiving EU candidate status unsurprisingly occupied the top spot (Figure 5). Georgia’s involvement in regional projects, as well as major domestic infrastructure projects, such as the Rikoti Highway, were also mentioned as significant achievements (Figure 5).

*Figure 5: In your opinion, what were the three biggest positive developments in 2023 in Georgia?*

Finally, the GGI also mapped and analyzed the most important reform ideas for improving Georgia’s governance performance in 2023. In this regard, it was the first time when judicial reform had to cede the top spot. Perhaps due to the importance of the 2024 parliamentary elections, electoral reform and its individual aspects, such as lowering the 5% electoral barrier, were hailed as the top priority for Georgia in 2024. Depolarization and military modernization/reforms were newcomers on the list of recommendations for this year.
Figure 6: In your opinion, what are the three most important reforms or ideas for Georgia for 2024?

- Electoral Reform
- Judiciary Reform
- Depolarization
- Reforms in Social Care and Healthcare
- Education Reform
- Regulatory Harmonization with the EU
- Military Modernization
- Deoligarization
- Depolitization
- Anti-corruption Reforms
Methodology

The goal of the Georgia Governance Index (GGI) is to study Georgia’s performance in four governance areas: democratic, effective, social and economic, and external. In doing so, the report aims to identify the main challenges and gaps but also the main positive developments in different governance areas of Georgia and to provide policy-relevant recommendations on how to mitigate the risks and improve governance quality.

This index is aimed at a wide audience including politicians and political parties, civil society representatives, think-tanks, NGOs, political foundations, international organizations, international and domestic observers, as well as at the wider public with an interest in Georgian governance affairs. The index was presented in Tbilisi with the aim of better informing the Georgian public and international community about the challenges inherent to Georgia’s governance and democratization processes. It also sought to place Georgia’s reforms in an international context and advocate for Georgia’s Euro-Atlantic integration. The index will help strengthen the accountability of government and political actors to their constituents and promote more transparent governance. Additionally, it will help the Georgian government receive constructive feedback from Georgian think tanks, civil society and expert community, on their policies and planned reforms. For civil society, this index will provide a platform to voice their concerns and provide constructive policy suggestions.

Conceptualization

In terms of the conceptual framework, the GGI utilizes the concept of embedded democracy, which was developed by German political scientist Wolfgang Merkel. Embedded democracy consists of five partial regimes: civil rights, political rights, electoral regime, horizontal accountability, and effective power to govern (Merkel 2004). The five regimes are embedded within each other internally, and further connected to other contextual conditions externally, such as civil society, stateness and socio-economic requisites (Merkel 2004). Merkel’s conceptual framework is used as in the majority of the indices and rankings that measure different aspects of democracy. Some rankings have even been specifically modelled on the concept (e.g. Democracy Barometer). Embedded democracy as a concept consists of several partial regimes which cover aspects of democratic and effective governance and includes economic and stateness-related contextual conditions while still maintaining a focus on democratic credentials. In the GGI, we account for all partial regimes and context requisites to measure the state of good governance in Georgia. However, we added one additional dimension not envisaged within Merkel’s concept of embedded democracy: external governance with a focus on Euro-Atlantic integration and peaceful management of security risks. While foreign and security policy is not usually included as a metric in democracy or good governance indices, its incorporation here does add an important methodological and empirical missing link. Georgia, as an EU neighbor country, significantly depends on the EU and the USA for institutional and political support in its process of democratization. The literature on democratization often mentions practices such as lesson-drawing, emula-
tion, conditionality, diffusion, and adoption of democratic norms to underline the external dimension of democratization. Based on this, it is assumed that Georgia’s Euro-Atlantic integration and democratization are positively correlated, and a degree of Euro-Atlantic approximation as well as peaceful management and adaptation to security risks can be considered as one of the criteria or prerequisites of further democratic consolidation.

Index Structure

Based on the conceptual framework of embedded democracy, the Georgia Governance Index (GGI) examines the performance of Georgia in four key areas of good governance. Each of the key areas are further divided into sub-categories, which are then individually analyzed by the authors of the index and scores are assigned by the respondents to the survey.

- Democratic governance (Democracy and human rights)
  - Civil and political rights
  - Electoral regime
  - Horizontal accountability
  - Civil society and non-state actors

- Effective governance (stateness and state institutions)
  - The monopoly on the use of legitimate force
  - Informal governance and alternative forms of legitimacy
  - Prevention of corruption
  - Effectiveness of the public administration

- Socio-economic governance (social and economic policies)
  - Public services and competition
  - Tax and budget policy
  - Social Policy
  - Social care and healthcare

- External governance
  - European Integration
  - Advancing Relations with NATO and the USA
  - Responsiveness to external regional and global changes
  - Security Governance

Research Methods

The index utilizes both qualitative and quantitative methods. The survey of policy experts was used as the main quantitative research tool to measure Georgia’s performance in individual categories and sub-categories. The survey data is further supplemented by qualita-
tive content analysis of Georgia's performance in each category. The integration of qualitative and quantitative methods as well as the triangulation of these research results were further supported by a robust review process which involved both local and international experts of surveys and indices.

**Expert Survey**

Respondents to the index's survey included scholars and academics, policy experts, representatives of civil society, and the members of the think-tank community. In each area about 10 respondents were selected, based on the criteria of political impartiality and academic or policy-relevant subject area expertise. Respondents from academia were selected based on the following criteria:

- At least one publication on Georgia in a peer-reviewed journal excluding predatory-publishing journals and financed articles;
- No affiliation with a political party or movement.

Respondents from civil society and the policy community are selected based on the following criteria:

- co-authorship of reports & analysis about relevant topics related to Georgia and/or frequent public appearances in Georgian/international media;
- No affiliation with a political party or movement.

The expert survey was conducted using Google Forms and was fully anonymized. The experts were asked to grade Georgia's performance in respective issue areas in different categories as well as to provide their views on major challenges, steps forward and needed reforms.

**Narrative Analysis**

These expert surveys are supplemented by qualitative content analysis carried out by the GIP team, which consists of resident and affiliated junior and senior analysts. The qualitative analysis draws on content analysis of primary and secondary sources (governmental documents, reports, interviews, speeches, meeting protocols and newspaper articles). To supplement desk research-based data analysis, several semi-structured qualitative interviews were conducted with area experts. Each part of the narrative analysis underwent a multistep review process by local and international experts. The narrative analysis part of this study does not influence the grading scores for the respective issue areas but are utilized to augment the findings with additional expert assessments.
Limitations

There are a few important methodological limitations to be acknowledged. Firstly, this is only the third issue of the index and therefore comparable only to two reports from 2021 and 2022. Hence, we cannot yet conduct a multiyear comparative analysis. Secondly, this is a single country case study which also lacks an external point of reference or comparison to other countries. The study does analyze, however, different governance categories and sub-categories which allows a multi-sectoral comparison of the country’s progress (or regression). In terms of data collection, the authors of the study struggled to find up-to-date data on recent developments. Finally, since the report is mostly qualitative with a small-N semi-quantitative survey, we cannot exclude that some information may contain academically biased perspectives.
Democratic Governance
Key Findings and Main Challenges

- Shortcomings in the judiciary and court cases against several media figures persisted as key challenges in 2023 as well. Similarly to the previous year, political polarization and single-party dominance have posed issues in the effectiveness of the checks and balances. This year the attempt to impeach the president and weaken the independence of National Bank further entrenched these negative trends.

- Among this year’s setbacks were the passing of the law on Assembly and Manifestations imposing restrictions on freedom of expression rights; amendments to the Law on Broadcasting to increase state regulation; limits on the LGBTQI+ community’s rights to freedom of assembly; and an attempt to pass the so-called foreign agent law. The latter, despite having been reversed, has further damaged CSO-government relations resulting in deepening mistrust in civil society and the media towards government.

- Positive developments included electoral amendments on gender equality; changes to the election code on improving the vote counting system and electoral administration; the holding of parliamentary by-elections and mayoral elections in a peaceful manner; an amendment to the law on implementing ECHR decisions in the practice of national courts in Georgia; and the pardoning pro-opposition Mtavari TV founder Nika Gvaramia. There were also amendments to the law on the election of the public defender that were adopted on the basis of cross-party consensus with part of the opposition.

In 2023, Georgia received EU candidate status due to some progress in the field of gender equality, fighting violence against women and organized crime as well as the implementation of ECHR judgments. However no substantial progress has been noted in any of the key pressing issues, including political polarization, one-party rule, judicial independence and radical rhetoric and harassment against civil society and the media (European Commission 2023). 2023, similar to the previous year, was one full of challenges and additional setbacks.

Democratic governance received 41.6 out of 100 points in the 2023 GGI expert survey. In comparison to last year, the scores have declined in the areas of electoral legislation, pre-election environment and independence of the judiciary. However, there are some improvements in the scores of election day administration, freedom of speech and media, possibly due to the protest movements against proposed laws on civil society and anti-discrimination legislation. Civil society also received higher scores due to its mobilization and resistance to governmental pressure; similar developments have taken place in terms of strengthening horizontal accountability due to the split of the president from the ruling party.
At the same time, the experts named rhetoric and harassment against civil society and the president, extreme polarization and one-party rule, and a persistent lack of judicial independence as key challenges and setbacks in 2023.

Figure 7: How would you assess Georgia’s performance on the following related to democratic governance in 2023? (Aggregated and standardized on a scale of 0-100 (best)

**Civil and Political Rights**

In 2023, Georgia made only limited progress in terms of improving the protection of civil and political rights. In March 2023, in accordance with EU recommendations, Georgia adopted a national strategy for human rights protection and submitted an action plan to civil society for consultation. However, despite some positive elements on economic and social rights, key problems remain, not only with the legislation but in terms of safeguarding fundamental rights (European Commission 2023).

On freedom of expression, Georgia showed limited progress in 2023. One of the setbacks included the October 2 draft law on Assembly and Manifestations, proposed by the ruling party for accelerated parliamentary adoption (Parliament of Georgia 2023). With the justification of increasing the safety of assembly, the draft law introduced several restrictions, including stricter regulations around the use of temporary structures during protests as well as police rights to dismantle these (ibid). Civil society has criticized the proposed amendments as an extreme restriction on the exercise of freedom of assembly and expression and a step backward in terms of human rights protection (Transparency International 2023).

The media environment remains pluralistic but highly polarized and hostile. In 2023, Georgia’s press freedom ranking has improved, according to Reporters without Borders, moving up from 89th place in 2022 to 77th in 2023. However, according to the report, “official interference undermines efforts undertaken to improve press freedom” (Reporters without Borders 2023). Free expression is allowed but the government is often hostile towards crit-
The intersection of political and business interests continues to hamper media independence (European Commission 2023). Media freedom is protected in the Georgian constitution, however, both the legislation and actual protection of media freedom requires substantial work.

At the end of 2022, the parliament, with the support of the ruling party, passed amendments to the “Law on Broadcasting” that allow the state regulatory body to fine outlets containing hate speech and incitement to terrorism (OC Media 2023). The bill was later amended to move part of the response to hate speech from the regulatory commission back to the self-regulatory bodies of the broadcasters (Civil.ge 2023). But in October 2023, another amendment was initiated that further widens the rights of the regulatory body, especially in terms of dealing with hate speech. In response, watchdog groups expressed their concern over the potential abuse of the law by the state to silence critical media. Media Advocacy Coalition has issued a statement on an alternative co-regulation mechanism, developed with the broadcasters and supported by EU Commission experts, but this proposal was not considered by the ruling party (Qartia.ge 2023).

A positive development in 2023 was the pardoning of Nika Gvaramia, the founder of pro-opposition Mtavari TV company by the president. Gvaramia’s charges, according to the former public defender, Nino Lomjaria, should not have been subject to criminal liability and might only have been subject to corporate legal liability in exceptional cases (GIP 2022). Pending court cases against leading figures of the pro-opposition media outlets, including the founders of TV Pirveli and Formula, remains a challenge to media freedom in Georgia (Ria sazogadoebis fondi 2023).

The Georgian constitution protects the right to expression and the freedom of assembly, however, some minority groups including the LGBTQI+ community have been in practice restricted in exercising this right. Similar to previous years, the state failed to guarantee their right of assembly in 2023 and failed to provide security for those groups. Despite the announced Tbilisi Pride Fest 2023 on July 8, the community was unable to hold the event due to counter-protesters who invaded the festival territory. The Ministry of Internal Affairs was criticized by civil society organizations for not preventing the disturbance despite being well-informed about the violent intentions of the counter demonstrators. Despite police units being present at the site, they failed to resist the violent groups and did not prevent their entrance into the site (Transparency International 2023). On the other hand, while it was noted as a positive development that the government and the parliament adopted the “2022-2030 National Strategy of Georgia on Defending Human Rights”, the strategy does not contain any clause on LGBTQI+ rights and generally protection of their rights has disappeared from the political discourse of the government (Ria sazogadoebis fondi 2023).

On a positive note, the EU Commission recommendation on gender equality and violence towards women has been mostly implemented. The undertaken action includes legislative changes according to which, an evaluation of the gender impact of legislation has become
mandatory; the state must now aim for equality in practice instead of merely legal or formal equality; victims of violence will now be provided with compensation; and the requirement for “victim status” in order to receive state services has been abolished. Parliament also adopted a State Concept on Gender Equality and a Concept on Strengthening Women Economically; and extended the electoral quota system to 2032 for the legislative and local self-government elections (European Commission 2023). However, Georgia still has a long way to go towards achieving an equal society. Deep-rooted stereotypes hinder progress, despite some positive shifts in public opinion over the last few years. Despite electoral quotas, women’s political participation remains low with just 19% of MPs being women and just 24% in local administration. About 60% of women in Georgia are not part of the formal labor market and the gender pay gap stands at 35% (UNDP Georgia 2023).

Electoral System

In accordance with the OSCE/ODIHR and the Venice Commission as well as one of the 12 recommendations from the European Commission, Georgia is to undertake the reform of its electoral legislation (European Commission 2023). In 2023, some of the key issues from the EU 12 Recommendations included decreasing the electoral threshold from 5% to 2%; reforming the composition of the Central Election Commission (CEC) and reverting to the system that required 2/3 of MPs to elect a CEC chair as well as a number of changes to the electoral code aimed at reducing the risk of electoral fraud and carousel voting (Ria sazogadoebis fondi 2023). The ruling Georgian Dream party, despite its previous promise to do so, has decided not to decrease the electoral threshold for the 2024 elections, citing the threat of marginal parties entering parliament (Netgazeti.ge 2023). For supporters of a lower threshold, this is a way to reduce polarization and encourage pluralism in the legislative body (Kandelaki 2023). Since blocs of multiple parties are no longer allowed to compete, the 5% barrier will pose difficulties for opposition parties in the 2024 election.

Positive changes, on the other hand, include the introduction of electronic vote counting machines that will be deployed in 90% of polling stations to reduce the risk of the carousel voting method of electoral fraud. Other positive changes to the electoral code adopted in accordance with the Venice Commission recommendations include reforms to the rules governing party financing, use of administrative resources, electoral administration, complaints, vote counting, and election observation (European Commission). At the same time, there are multiple important issues identified by the Venice Commission that have not been dealt with, according to a recent ODIHR/Venice Commission joint assessment. These include abuse of official positions during campaigning, the high maximum threshold for financial donations to parties, the need for stronger protection against voter intimidation, and further reform to regulation governing media campaigning, vote counting and the process of annulling votes (Venice Commission/ODIHR 2023).

Issues with the process of electing CEC members and the chairperson remain. According to amendments to the electoral code initiated by the ruling party in September 2023, it will
still be the chair of parliament, rather than the president, who will select the candidates and the parliament can elect them with a simple majority, rather than the 2/3 majority recommended by the OSCE and the Venice Commission. These are deemed to be weakening CEC’s independence and increasing the ruling party’s influence over it (ISFED 2023).

Georgia held mayoral and parliamentary by-elections on 29 April and 1 October 2023 during which citizens cast their votes for mayoral candidates in three municipalities, for city councils in 5 municipalities and for majoritarian (single-mandate constituency) MPs in 5 municipalities (Civil.ge 2023). According to the election observers, the elections were held in an uncompetitive but peaceful environment without significant violations of electoral regulations, during which the voters cast their votes electronically for the first time. The use of digital technologies has simplified and sped up the voting and the counting process (ISFED 2023). However, the level of competition was low, as the opposition boycotted many of the votes, leaving just the ruling Georgian Dream party candidate running for the position with only nominal opposition (Ibid).

**Horizontal accountability**

In 2023, polarization remains a key issue for Georgian democracy and depolarization also stands as a key EU recommendation. However, 2023 saw no progress on this and cross-party tensions between the ruling party and the opposition were further exacerbated by the limited inclusion of the opposition in drawing up the legislation (European Commission 2023), also negatively affecting parliamentary oversight and further cementing one-party rule.

One mechanism that the Georgian parliament can use to oversee government institutions is the so-called Minister’s Hour, during which specific ministers visit the legislature and answer MPs’ questions. Between January and October 2023, parliament used this mechanism nine times (Parliament of Georgia 2023). During the same period, MPs used the power of interpellation – the power to formally ask questions to members of the executive – six times, all from the opposition MPs (Parliament of Georgia 2023). However, it should be noted that state institutions frequently either violate the time limit or do not answer questions received from opposition MPs. Between March and May 2023, 20% of overall questions were never answered, which demonstrates that the use of oversight mechanisms depends on the majority’s consent, rendering these of limited use to the opposition (Ria sazogadoebis fondi 2023).

Similarly to 2022, the ruling party took further steps against the president, further weakening the presidential institution and thus horizontal accountability. The Georgian Dream party has initiated impeachment procedures against President Salome Zurabishvili, who started as the candidate backed by the ruling party in the 2018 presidential election but since then has diverged from the party, accusing the latter of being insufficiently committed to EU and NATO membership (Reuters 2023). Georgian Dream has accused Zurabi-
vili of violating the constitution by visiting Berlin, Brussels and Paris without government permission, which according to Zurabishvili served to garner support for Georgia`s EU candidate status. A number of European leaders expressed solidarity with Zurabishvili, including the EU foreign policy chief Josep Borrell (EU External Action 2023). Georgian civil society similarly voiced its opposition to the impeachment procedure as a potential source of damage to Georgia`s European integration process (Transparency International 2023). After the Constitutional Court of Georgia ruled that the president had indeed violated the constitution, the ruling party took the matter to a parliamentary vote on 18 October. However, they failed to impeach the president as they could not muster the 2/3 majority required without opposition support (Civil.ge 2023). However, the point over the ruling party`s “suspension” of the president has been made which has further increased polarization between the president and Georgian Dream.

Problems in the justice system further persisted in 2023. According to the Venice Commission’s 9 October report, the justice system reforms that have been implemented are not sufficient to ensure an independent and transparent judiciary and mainly address technical problems (Venice Commission 2023). Most of the pressing issues outlined in the recommendations from the EU Commission and the Venice Commission on justice reform have not been fulfilled (Coalition 2023). In addition, parliament did not ensure wider involvement in the process of drafting a strategy and action plan for reform. For instance, the election of 3 non-judge members of the High Council of Justice without consensus further undermined trust in the justice system (Ibid). According to the Coalition for an Independent and Transparent Judiciary, the latter contributes to “clan-based governance” (Transparency International 2023). In addition, in April 2023, the US put sanctions on four current and former judges in Georgia for “significant corruption”. The authorities have been criticized for failing to respond to the sanctions and instead defending the judges (Transparency International 2023).

A positive development that took place in 2023 was the fulfillment of one of the 12 recommendations according to which Georgian courts proactively consider ECHR decisions. The Georgian parliament adopted a law to support the implementation of ECHR decisions in the practice of national courts in Georgia. Civil society and opposition parties were also involved in the preparation of the law (European Commission 2023).

On the positive note, the EU recommendation on an independent public defender has been mostly fulfilled (European Commission 2023). Despite a failed attempt in autumn 2022 to elect the public defender by consensus, the parliament managed to elect an MP from the “Citizens” opposition party, Levan Ioseliani, as public defender during the spring session of 2023. His candidacy was also supported by opposition parties. However, civil society was not involved in the selection process and Ioseliani is a politician rather than a representative of civil society (Civil.ge 2023).

On the other hand, the election of Shota Kadagidze by the High Council of Justice as independent inspector in 2023 can be considered a step back. According to Transparency Inter-
national Georgia, the election was carried out in a non-transparent manner. Shota Kadagidze served as a non-judge member of the High Council between 2017-2021 and was highly loyal to the influential members of the Council. Therefore, his independence was put under question (ISFED 2023) and his appointment was seen by some as a threat to trust towards the institution. The Inspector generally decides whether to initiate disciplinary proceedings against judges and gathers relevant information (ibid).

Another change that Georgia saw in 2023 concerned changes to the organic law on the National Bank of Georgia that were considered as a threat to the independence of the Bank. According to the changes, the law introduced the position of a first vice-president alongside the existing three vice presidents, who is to perform the duties of the president after the latter`s term expires. This change was approved a month before the incumbent president`s term was over. President Zurabishvili vetoed the draft law, suspecting that the government was not satisfied with the existing candidates and wanted to introduce its favored candidate (Civil.ge 2023). However, the ruling party overruled the veto and adopted the changes resulting in the criticism from experts and the suspension of the IMF’s program for Georgia (Intellinews.com 2023). The changes affected the National Bank`s stance on the US sanctions against former prosecutor General Otar Partskhaladze who has business interests in Russia. The National Bank reneged on its initial observation of US sanctions after former Minister of Economy Natia Turnava was elected first vice president and acting president in summer 2023. Following this U-turn three vice presidents of the National Bank have resigned (OC Media 2023).

Civil society

Civil society in Georgia is vibrant and CSOs are actively involved in reforms and government monitoring (Freedom House 2023), including monitoring the 12 EU recommendations and participating in parliamentary working groups. Georgian law also provides guarantees for their participation in decision-making, including such mechanisms as petitioning, initiating and commenting on proposed laws, participating in parliamentary committee work and access to parliamentary sessions. However, the implementation of the legislative framework and ensuring participation remains a challenge, especially on such sensitive topics as reforming the courts and the electoral system (CSO Meter 2022). However, public trust towards the nongovernmental sector has remained low. A survey suggested that just over 20% of Georgian population trust NGOs and about the same number express distrust in them (CRRC 2021). This can be largely explained by the gap between the NGOs and the public due to their lacking grassroot character (EWMI 2019).

2023 marked a major blow to the relationship between the CSO sector and the government over the proposed bill on “transparency of foreign funding”. The bill was originally initiated by People`s Power, a splinter group that broke away from the ruling Georgian Dream party but is largely considered to be a satellite force that remains loyal to the government. People’s Power called for a strict legal framework for the foreign funding of CSOs, alleging
that such funding constituted a “threat to Georgian sovereignty” (CSO Meter 2022). Proponents claimed that the bill was modeled after the US Foreign Agent Registration Act (FARA), which was enacted in 1938 to counter the propaganda of Nazi Germany (ibid). On February 20, 2023 the Parliament of Georgia registered a bill which introduced a category of “agent of foreign influence”. Accordingly, any private agency receiving more than 20% of its budget from foreign sources were to be registered as a “foreign agent” and were obliged to submit financial reports to the justice ministry. The international community saw the draft law as an attempt to weaken civil society and undermine public trust towards NGOs (USAID 2023). The ruling party vowed to support the bill (Civil.ge 2023), which was introduced in the midst of already existing negative discourse from the ruling party towards the civil society sector. Over 350 organizations in Georgia condemned the bill as a potential instrument of control over the CSOs, accusing the government of imitating Russian legislation from 2012 for the same purpose and undermining Georgia’s European aspirations (Transparency International 2023). The position, also voiced during the committee meetings in the parliament, was largely ignored by the ruling party and was passed in its first reading (Ria sazogadoebis fondi 2023). Similarly, the EU condemned the bill as damaging for Georgia’s reputation and its relations with the EU (Euractiv 2023). The proposal sparked two-day street protests by tens of thousands outside the parliament who clashed with police. As a result, the ruling party dropped the bill to reduce “confrontation” in society (Euractiv 2023). The event was a showcase of successful youth mobilization in Georgia. The protests were started by students and spread across the country in a short period of time (Lossi 36 2023).

The incident highly damaged CSO-government relations and increased distrust. Cooperation formats between the government and the CSOs ceased (although some were restored later) and several organizations, including TI Georgia and IDFI withdrew from the Parliamentary consulting group (Transparency International 2023). Despite dropping the bill, ruling party representatives have increased negative rhetoric against the civil society sector, blaming the latter for sabotaging EU integration, and questioning their loyalty towards the country (Ria sazogadoebis fondi 2023).

On the positive side, there has been some cooperation between civil society and the government, especially between environmental organizations and the Ministry of Agriculture and Environmental Protection. To a lesser extent, some CSO recommendations were taken into account on improving the electoral environment, the fight against crime, the work of the anti-corruption bureau and gender/vulnerable groups (Ria sazogadoebis fondi 2023). However, as an ongoing trend, the government remains rather hostile to critical watchdogs, while remaining more open to cooperate on less politically sensitive topics (CSO Meter 2022). For example, the International Society for Fair Elections and Society (ISFED), the key electoral watchdog organization has been excluded from the parliamentary working group on electoral issues (Civil.ge 2023).

The media is an influential civil society actor in Georgia. As noted above, in 2023 Georgia’s press freedom ranking has improved by 12 places in comparison to 2022 (from 89th po-
sition to 77th in 2023). A persistent issue with the media environment, despite its diverse nature, is its extreme polarization due to its close intersection with political and business interests (European Commission 2023). Perceptions of media outlets as partisan and not objective also result in a lack of public trust towards the media. According to a CRRC survey only about one in seven Georgians trusts the media and there has been a downward trend in these trust indicators throughout the past few years (CRRC 2021).

In 2023, similarly to the previous year, illiberal, far-right groups remained active and visible in the political arena with nativist, homophobic but also anti-Western and pro-Russian rhetoric (Civil.ge 2023). There was also an attack on the LGBTQ pride fest (Civil.ge 2023). The ruling Georgian Dream party itself has increased its conservative rhetoric, using “traditional values” and the sanctity of the church to attack its opponents (Civil.ge 2023). The Georgian Orthodox Church, one of the most trusted institutions in Georgia (IRI 2023), is similarly on the anti-liberal side and while the institution officially supports EU integration (Agenda.ge 2023), some of its members openly convey anti-Western rhetoric (Radio Liberty 2023). The Church also supported the so-called foreign agent law proposed at the beginning of the year (ibid).

Summary

The main challenges facing Georgia within the area of democratic governance, similar to 2022, were the lack of independence in the judiciary and attacks on civil society by political actors as well as political polarization and one-party rule. The lowest score, similar to previous year, was again in judicial independence and efficiency. In addition, 2023 saw an additional challenge to the system of checks and balances with the ruling party’s attempt to weaken the presidential institution and the National Bank.

On the positive side, Georgia received EU candidate status, one of the major achievements also named in the GGI expert survey. However, at the same time, negative rhetoric towards the EU was also named by the experts as a challenge while 9 of the 12 EU recommendations – namely those on depolarization, electoral and institutional reform, independent judiciary, anti-corruption measures, de-oligarchisation, the fight against organized crime, independent media, protection of vulnerable groups and the involvement of civil society – remain largely unfulfilled. On the other hand, 2023 saw some positive developments in terms of anti-discrimination legislation, particularly, in terms of gender equality; and changes to the election code. Civic mobilization against the foreign agent law was another positive development, according to the surveyed experts, also resulting in an increased score for civil society. In addition, the increasing independence of the president was mentioned as another step forward, positively contributing to the horizontal accountability score.

The list of the most needed reforms in the GGI expert survey was headed by reforms to the judiciary and electoral sectors, similar to 2022. Depolarization also remains a key goal especially for the upcoming 2024 election year. In addition, strengthening civil society and
generally, increasing civic awareness were named as other necessary changes in Georgian society.
Effective Governance
In 2023, a key challenge to effective governance persisted in the limited deployment of the state monopoly on the use of legitimate force in occupied regions and surrounding territories. At the end of 2023, the Russian occupation regime brutally killed two citizens of Georgia. Despite this fact, in 2023, the Georgian government did not use the mechanism at its disposal, “Otkhozoria - Tatunashvili’s list,” to take practical steps against the illegal actions of the representatives of the Russian Federation with the involvement of the international community. In 2023, the US imposed sanctions on Otar Partskhaladze, the former Prosecutor General of Georgia, over alleged cooperation with Russian special services, which raised concerns about the resilience of governance structures in the face of external risks.

Informal governance and alternative forms of legitimacy are among the main problems of the country’s effective governance in 2023. Although Georgia was granted the status of a candidate country for European Union (EU) membership in December 2023, the Enlargement Report of the European Commission once again emphasized the need to take practical steps in the direction of deoligarchization to bring the country closer to the European Union by strengthening the judiciary and state institutions. In this regard, the return of Bidzina Ivanishvili to party politics at the end of the year can be seen as a positive step.

Political corruption remains a significant challenge. In 2023, an unprecedented case occurred regarding foreign response to political corruption in the country: the US imposed sanctions on three current and one former judge of Georgia “due to their involvement in significant corruption”.

Compared to other components, public administration stands out as the most successful direction for effective governance. The adoption of the Public Administration Reform Strategy 2023-2026 marks a significant step forward after two years of unsuccessful attempts. This document is essential, and monitoring its Action Plans will provide a better assessment of the reform. Despite the gradual digitalization of public services, gaps in service delivery and design at the strategic planning stage still need to be addressed. The main challenge in the direction of policy planning and coordination is initiating and implementing monitoring systems in the ministries and the central government. The threat of political instrumentalization of public services and hiring of employees based on political preferences also remains a challenge.

According to the GGI Expert Survey, the effective governance component scored 33.26 points, making it the second most problematic component in the 2023 Georgian Governance Index after external governance. Evaluating the sub-components of effective governance, the sub-category of legitimate power received the lowest score (19.79). Special criticism on this issue may be attributed to the murder of two Georgian citizens by Russian
occupation forces. After legitimate power, the lowest score (30.21) was given to the category of informal governance, which seems logical since the European Commission (EC) identified this situation as a problem and placed it on the political agenda. In the category of the fight against corruption, efforts against bureaucratic corruption were rated much more positively by experts than the steps taken against political corruption. In the realm of public administration, the provision of public services received a positive evaluation with a score of 56 points.

Figure 8: How would you assess Georgia’s performance on the following issues related to effective governance in 2023 on a 100-point scale, where 100 means very effective and 0 means very ineffective?

The monopoly on the use of legitimate force

The occupied territories remained as the main challenge in the state's monopoly on legitimate power in 2023. The absence of effective control over the occupied territories by the Georgian government was also noted by the EC in the annual enlargement report of the EU, which assesses countries’ progress (European Commission 2023). As in previous years, in 2023 the Russian occupation regime, acting as the “effective control force” in the occupied territories, continued to detain or abduct Georgian citizens from the so-called border area (Ssg.gov.ge 2023a). As in previous years, the release of Georgian citizens from the illegal imprisonment imposed by the Russian occupation forces in 2023, was linked to the mediation of international partners through existing cooperation mechanisms (Ssg.gov.ge 2023b, Ssg.gov.ge 2023c, Ssg.gov.ge 2023d, Ssg.gov.ge 2023e, Ssg.gov.ge 2023f). The transfer of Georgian soldiers killed during the Abkhazia war to the territory of Georgia
was also related to the involvement of international parties (Ssg.gov.ge 2023). In 2023, the Russian occupation forces persisted in making arbitrary changes to the border line on the territory of Georgia through the illegal practice known as “borderization”. In this context, it is worth noting the locking of the St George of Lomisi Church and the complete barring by the Russian occupation regime of entry by Georgian citizens wanting to pray in the church (Publika.ge 2023). One of the most tragic facts of 2023, in terms of the state’s monopoly on legitimate power, related to the killing of citizen Tamaz Gintur by Russian Federal Security Service (FSB) border guards in the village of Kirbali, the sovereign territory of Georgia (Civil.ge 2023a). However, the incident was not the only tragedy in 2023. In December 2023, Vitali (Temur) Karbaia was severely beaten by members of the so-called “Abkhaz militia” near the occupied Gali market. Tragically, Vitaly Karbaia succumbed to his injuries the next day at Sukhumi hospital (Amerikiskhma.com 2023a).

Despite the fact that the government of Georgia cannot exercise effective control over the occupied territories due to objective reasons, in 2023 the government was criticized by the opposition for its insufficient response to the killing of Georgian citizens (radio Tavisufleba 2023a, radio Tavisufleba 2023b). In response to Ginturi’s murder, the European Parliament issued a resolution that emphasized that those responsible for Ginturi’s death and the kidnapping of his companion should be held accountable and brought to justice ((radio Tavisufleba 2023a). The parliamentary opposition of Georgia initiated a resolution urging the government to include the killers of Tamaz Ginturi in the “Otkhozoria-Tatunashvili list” (which was adopted in 2018) and to actively implement it. However, the government left the opposition’s request unanswered (radio Tavisufleba 2023a). According to the then chairman of Georgian Dream (GD), Irakli Kobakhidze, the ruling party would not support the initiatives of the opposition regarding foreign policy and occupation (1tv.ge 2023a). According to the assessment of the opposition parties and independent experts, the government’s policy with regard to Russia is a variant of an appeasement policy (Amerikiskhma.com 2023a).

In terms of the state’s monopoly on the use of legitimate force in 2023, where the state exercises effective control, several trends emerged: foreign intervention, fighting crime and anti-terrorist operations, and crisis management. In 2023, the US imposed sanctions on the former Prosecutor General of Georgia, Otar Partskhaladze, for his cooperation with Russia’s FSB (pirveli arxi 2023). According to the assessment of the opposition parties in Georgia, this fact emphasizes the attempt by a foreign country to interfere in Georgia’s legitimate power (pirveli arxi 2023).

In terms of the fight against organized crime and anti-terrorist operations, the government of Georgia carried out several operations in 2023, during which, according to the State Security Service, representatives of the Islamic State were arrested and the activities of the Islamic State in the territory of various foreign countries and the sale of radioactive substances were prevented (Ssg.gov.ge 2023a, Ssg.gov.ge 2023b). In the annual enlargement report of the EU, Georgia’s practical efforts, as well as the government’s action plan to combat organized crime and terrorism, receive mostly positive assessments. Nevertheless,
the expansion report highlights the necessity for additional efforts to enhance the coordination and effectiveness of law enforcement agencies in addressing money laundering and financial crime. This pertains to the sixth priority of the EC, and the fulfillment of this priority is a requirement for Georgia to start the accession procedures (European Commission 2023).

In 2023, the Georgian State Security Service issued a statement indicating that a specific group of individuals, operating within and beyond the territory of Georgia, had planned destabilization and civil disturbances in the country in the period of October-December of the same year and aimed to change the government through violence (Ssg.gov.ge 2023k). As the date of the so-called destructive processes coincided with the publication of the EC’s interim report and the EU’s conclusions, civil society legitimately assumed that under the pretext of maintaining public order, the government was preparing to create negative public opinion towards the demonstrations that would probably follow any adverse conclusion from the EC on granting Georgia EU candidate status (Civil.ge 2023b).

The Georgian authorities openly accused the East-West Management Institute of the USAID program of encouraging revolutionary processes and violent protests in Georgia. This act was assessed as a statement directed against Western partners and civil society under the pretext of protecting the interests of state security and the peaceful coexistence of citizens (Ssg.gov.ge 2023l, Netgazeti.ge 2023a, Netgazeti.ge 2023b).

Simultaneously, violence by so-called far-right groups against the LGBT community, its supporters, and political opponents of the government continued to pose a challenge in 2023. Despite Tbilisi Pride holding the “Pride Festival” in an area far from the center of Tbilisi, a so-called far-right group attacked the assembled public and caused damage to the event’s infrastructure (radio Tavisufleba 2023d). (See the chapter on the Democratic Governance). Also, a so-called ultra-right group attacked Zura Japaridze, the leader of Girchi - More Freedom, and the Girchi - More Freedom youth camp, causing material harm (radio Tavisufleba 2023e). In both cases, according to witnesses and representatives of civil organizations, the police response was deemed insufficient and ineffective (radio Tavisufleba 2023e).

In terms of crisis management, the government of Georgia encountered a significant challenge in 2023. In August 2023, a landslide occurred in the Shove resort, in Racha, resulting in the tragic death of 33 people (b Mormoluri 2023b). Eyewitnesses reported significant delays in the arrival of rescue helicopters at the scene (b Mormoluri 2023b). Despite the initial initiative from the parliamentary opposition, the parliament did not establish a commission of inquiry to investigate the Shovi tragedy and identify those responsible (Bm.ge 2023a).
Informal Governance and Alternative Forms of Legitimation

Regarding government effectiveness, the main challenges for Georgia in 2023 remained informal governance and the presence of alternative forms of legitimation. In this regard, no fundamental changes occurred in the country compared to 2022. In 2023, informal governance was still linked to the founder of the ruling party, Bidzina Ivanishvili, whose trusted individuals continue to influence the country. Accordingly, in 2023, the political discourse on the elimination of informal governance and alternative forms of legitimation represented a de facto continuation of the discussion that was initiated by the recommendations published by the EC on June 17, 2022. In these publications, as part of the country’s rapprochement with the EU, the EC called for de-oligarchization from the government and effective measures to eliminate vested influences in the economic, political, and social life of the country (European Commission 2022).

The rhetoric of the ruling party in 2023 was geared towards defending Bidzina Ivanishvili. According to their statements, Mr. Ivanishvili had no connection with the Georgian government (1tv.ge. 2023b), and the financial dispute between him and Credit Suisse was portrayed as the West sanctioning Ivanishvili (Bm.ge 2023b). On the other hand, according to a significant portion of the opposition, the initiation of deoligarchization could only occur with a change in the government (Kavkasiatv.ge 2023, 1tv.ge 2023g, Cnews.ge 2023).

At the legislative level, the decisions made by the government of Georgia aligned with the rhetoric of the ruling party, focusing on the protection of Ivanishvili’s positions. In 2022, the ruling party initiated the Georgian counterpart of Ukraine’s “deoligarchization” law. This law defined the political opponents as “oligarchs”, while leaving Bidzina Ivanishvili outside its purview, precisely because he did not officially hold any state office (GIP 2022). On March 13, the Venice Commission published an initial conclusion on the draft law on “deoligarchization” submitted by the government of Georgia. The Commission noted that the law, in its current form, relied on a “personalized approach” and required special institutional and legal guarantees due to potential risks of unequal enforcement and possible use against political opponents. The Commission expressed its support for a “systemic” approach and called on the Georgian authorities to carry out systemic reforms in various areas (Venice Commission 2023a). The Commission also evaluated negatively the revised draft law in its final opinion published on June 12, 2023. In this assessment, the Commission reiterated its preference for a systematic approach to addressing de-oligarchization (Venice Commission 2023b). Despite the negative opinion published by the Venice Commission on June 12, the Parliament of Georgia adopted the bill “On De-oligarchization” in the second reading on June 13 (Interpresnews.ge 2023). The European Union Delegation also published a statement saying that it agrees with the recommendations of the Venice Commission [...] and is ready to support the Georgian authorities in finding a better solution through a systemic approach (EU in Georgia 2023). On September 9, at the plenary session of the Parliament of Georgia, the deputies rejected the draft law “On Deoligarchization”. According to the Chairman of the Parliamentary Committee on Legal Affairs, Anri Okhanashvili, the ruling party had agreed with its partners that this issue may not be regulated.
by law, and an action plan would be approved through the government in the near future which would also be approved as a result of consultation. Therefore, it was only a formal presentation so that the draft law could be voted on (Tabula ge 2023, Civil ge 2023).

Later, the government approved an action plan on deoligarchization (Civil ge 2023). However, the Venice Commission did not consider it, as it was not a legal document (1tv.ge 2023). On December 8, in the Report on the EU Enlargement of the European Commission, with the fifth priority, Georgia was instructed to further complete the deoligarchisation action plan, which repeats the conclusions of the Venice Commission and requires the introduction of a systemic approach through the strengthening of institutions (European Commission 2023).

On December 30, 2023, Bidzina Ivanishvili was elected as the honorary chairman of the party at the 7th congress of the Georgian Dream (Civil.ge 2023). According to Ivanishvili, he plans to undertake a “mission of center of gravity” to protect the team from temptations, including corruption temptations (GD ge 2023).

During the congress, Ivanishvili acknowledged that even after stepping away from active politics, he continued to “give advice” to the ruling elite on key issues (GD ge 2023). This assertion was also confirmed by the Prime Minister of Georgia (1tv.ge 2023).

The control of corruption

In terms of the control of corruption, according to local non-governmental and international organizations, the primary issue in the country in 2023 is high-level political corruption (TI.ge 2023, European Commission 2023). Transparency International – Georgia reported that bureaucratic corruption has been largely eradicated in the country, however, the investigation of alleged high-level corruption remains problematic due to the absence of independent institutions (TI.ge 2023)

In May 2023, Georgia complied with recommendations from the EU’s The Group of States against Corruption (GRECO) (the Council of Europe anti-corruption body) by expanding the list of individuals obligated to submit property declarations (European Commission 2023). However, according to data from Transparency International - Georgia, the common practice of concealing actual income in declarations by high-ranking officials and of abusing state purchases continued in 2023 (TI.ge 2023).

The year 2023 became memorable due to several significant events related to high-level corruption. In April 2023, the US imposed sanctions on three current and one former judge of Georgia: Mikheil Chinchaladze, Levan Murusidze, Irakli Shengelia and Valerian Tsertsvadze (USEmbassy.gov 2023). According to US Secretary of State, Anthony Blinken, their valid visas were revoked due to “involvement in significant corruption” (USEmbassy.gov 2023). This marked the first instance in recent history where a partner state sanctioned
high-ranking Georgian officials. The then Prime Minister of Georgia, Irakli Gharibashvili, expressed his support for the appointed judges and called them “highly qualified, professional judges”, and the Georgian judicial system “exemplary” and “free from corruption” (Civil.ge 2023). At the same time, the Prime Minister characterized the decision of the US State Department as “interference in the sovereign court of a sovereign country” (Civil.ge 2023).

In 2023, an alleged case of high-level corruption was related to the serving Prime Minister of Georgia, Irakli Gharibashvili. A journalistic investigation published materials stating that the Prime Minister had used a government plane for a personal visit. The Prime Minister confirmed this, but stated that the expenses were covered by his family (1tv.ge 2023). Despite requests from non-governmental organizations, no investigation into the alleged misuse of state budget funds was initiated (TI.ge 2023).

In December 2023, the Venice Commission published recommendations on the Law on the Anti-Corruption Bureau of Georgia, in which it was noted that the existing institutional structure could not ensure a sufficient degree of independence for the Anti-Corruption Bureau. In this context, the authority vested in the Prime Minister to appoint and dismiss the head of the anti-corruption agency was deemed particularly problematic. In the Commission’s opinion, the unification of various preventive anti-corruption functions in the Bureau did not correspond to the stated goal of fighting corruption at a high level. Also, the creation of legal and institutional mechanisms for the independence of the agency was mentioned (Venice Commission 2023).

The fourth priority for Georgia named by the EC, which was included in the Enlargement report, was in line with the recommendations of the Venice Commission. The report noted that to combat corruption, especially high-level corruption, the law on the country’s Anti-corruption Bureau should comply with the recommendations of the Venice Commission and ensure its independence (European Commission 2023). At the same time, the EC asked Georgia to return to the cooperation format of the OECD Anti-Corruption Network (OECD/CAN) for Eastern Europe and Central Asia and to fulfill the network’s previous round of recommendations (European Commission 2023). The EC also urged the Georgian government to develop an anti-corruption strategy and action plan, which had not been updated since 2020 (European Commission 2023).

**Effectiveness of the public administration**

In 2023, some progress was made in the direction of public administration reform, particularly in the development of strategic documents. After discussing the results and challenges of the implementation of the first Public Administration Reform (PAR) strategy, the Public Administration Reform Strategy for 2023-2026 (Government of Georgia 2023) and its first Action Plan 2023-2024 were developed, and were approved by the Government of Georgia in 2023 (Matsne 2023). The reform of public administration in Georgia covers five
main directions, therefore the report reviews the progress in each of them.

The first issue of the PAR strategy involves policy planning and coordination. This in turn implies the establishment of result-oriented reporting, monitoring and evaluation systems to promote more effective management and evidence-based decision-making (2023-26). The EU report criticizes the situation in the ministries and the central government, highlighting the need for improvements in terms of launching a monitoring system and strengthening its implementation (European Commission 2023). In order to respond to the needs of citizens in policy documents, holding public consultations in the policy planning process has become mandatory (UNDP 2023). The requirement for mandatory public consultations in the policy planning process, to address the needs of citizens, can be assessed as a positive development (UNDP 2023).

The second direction of the Strategy is public services and human resources management. This direction seeks to establish an efficient and streamlined public service system on merit-based principles. Currently, the challenge lies in the risk of political instrumentalization of public service, given that decisions related to human resources are made by the Minister, and there is no position, known as a ‘senior civil servant’, who would combine these functions. The 2023 research conducted by the PMC research center in the field of human resources management and evaluation revealed the necessity to enhance the evaluation system of officials in public service and ensure its practical oversight. The purpose of this is to meet the emerging needs for new competencies within the public service (Khishtovani, Berianidze 2023).

It should be noted that in 2023, the assessment of the gender impact of the law of Georgia On Public Service was completed (Babichi, Keshelava 2023). Research shows that only 9% of women are employed in managerial positions in public institutions. At the same time, the document reveals that one of the main obstacles to democratic governance and inclusive development is the low representation of women in decision-making positions (Babich, Keshelava 2023). In order to solve the problem, the Public Service Bureau recommended that specific civil servants undergo training on conducting gender-sensitive interviews in the recruitment process.

The third important direction of public administration reform is accountability, which includes transparency of public service and provision of access to information. The Institute for Development of Freedom of Information (IDFI) report from June 2023 indicates that the situation in this regard has, on the contrary, deteriorated. To illustrate the problem, we can cite IDFI, as it sent 1,255 requests for public information to ministries and agencies subordinate to it in five months of 2023, and received answers to only 94 applications (IDFI 2023). Additionally, there has been a slow response to the recommendations of the State Audit Service, with 30% of these recommendations addressing deficiencies related to organizational and personnel management (SAO 2023).

The fourth aspect of PAR concerns the provision of public services, in which positive chang-
es have been observed, especially in terms of the digitalization of services. In particular, an innovative service delivery mechanism, the Mobile House of Justice, was created in order to simplify the delivery of public services. (Public Service Hall, 2021). The usage of this service is also gradually expanding, with 470 services currently available. As of September 2023, more than 42,000 residents of 60 villages benefited from this service (UNDP 2023). However, there are some gaps in the strategic documents in terms of service design and direct delivery (European Commission 2023).

Another, but not final, integral part of the reform is the management of public finances. In this direction, Public Finance Management Reform Strategy (PFMRS) 2023-26 and the 2023 Action Plan were created (MOF 2023). The purpose of the strategy is to create an appropriate management environment for the implementation of fiscal policy. The new strategy focuses on public asset management, monitoring revenue arrears, introducing international accounting standards for the public sector, as well as implementing gender budgeting. In addition, the 2023-2026 State Debt Management Strategy was adopted in February 2023 (MOF 2023).

Overall, the assessment of effective governance by various international and local organizations, government reports and experts’ assessments are more or less consistent with each other, if we take into account that in the results of GGI’s 2023 expert survey, compared to various areas of effective governance, public administration was given the highest score of 49 points. However, it should be noted here that the success of the reform is currently mostly of a normative nature, and its direct assessment through strategic documents will be more feasible in the coming years.

**Summary**

In summary, it should be noted that effective governance remains a problematic area. Territorial control, informal governance, and the fight against political corruption remain important challenges.

In comparison to other components in the direction of effective governance, the high rate assigned by experts to public administration reform is attributed to the digitalization of public services and the successful implementation of the strategy in this direction. Furthermore, it can be stated that many mechanisms for evaluating public administration reform did not exist before the creation of the updated strategy. Now, with the indicators outlined in the 2023-26 strategy and corresponding action plans, it becomes easier to assess the progress of the reform. At this stage, the main challenge is the political instrumentalization of public service and, in this regard, the weak monitoring mechanism of public institutions.

Accordingly, the experts interviewed identified informal governance, political corruption, and an independent judiciary as the most problematic areas from the perspective of effective governance.
At the same time, experts had identified priority directions for strengthening effective governance in Georgia during 2024. Among these priorities, judicial reform/reform of the justice system, deoligarchization, and the fight against corruption were also highlighted then.
Socio-economic Governance
Key findings and challenges:

- The overall score in socio-economic governance in 2023 stood at 38.22. Compared to the other governance areas, the GGI survey score in social and economic governance was the second highest. The relatively positive score is attributed to sustained economic growth, the slowing down of inflationary pressures and some positive steps taken towards social policy, mainly towards persons with disabilities.

- As in 2022, the lowest score came on the economic framework and labor market policies. Even though the unemployment rate saw a further drop in 2023, poverty and economic hurdles remained amongst the major concerns across the public. Low salaries and a dearth of job opportunities continued to be the major reasons for labour emigration from Georgia.

- The highest score was assigned to tax and budget policy. This could be explained by the overall economic growth in the country, which contributed to fiscal revenues and improvement in the current account balance. Strengthening of the Georgian lari further contributed to the reduction of the public debt.

- Along with the fall in the percentage of the population living below the poverty line, the percentage of recipients of social assistance increased. Reduction in the poverty level may be attributed to the community work opportunities artificially created by the State for socially deprived individuals.

- As for the reforms implemented in terms of healthcare, it is noteworthy that the enactment of the diagnosis-related group funding model (the DRG system) and the reference pricing on drugs increased concessions on medications and the accessibility of medical services for the population. However, at the same time, the risks associated with the quality of medicines, the lack of subsidised medications, a decline in the quality of service, and the threat of closure of clinics have also all increased.

Building on the double-digit growth (10.4%) recorded in 2022, the Georgian economy continued to grow in 2023 and the real GDP growth rate amounted to 7.5% in the first half of the year (Geostat, 2023). This real growth was mainly fueled by the construction and services sectors, including information and communication services, trade, transportation and financial and insurance services. Other sectors, such as manufacturing and real estate, saw declines in 2023. Compared to 2022, which recorded a boom in aggregate demand due to the high influx of international arrivals and money transfers from Russia, in 2023 the Georgian economy saw a more rebalanced aggregate demand and it slowed down, nearer to its forecast potential growth rate (which is put at 5% (IMF, 2023)).

Growth continues to be fuelled by aggregate demand. Sustained economic growth contributed to fiscal revenues and an improvement in the current account balance. Strengthening of the Georgian lari further contributed to the reduction in the public debt. Trade saw
major shifts towards countries from the Common wealth of Independent states (CIS) including Russia, and centred mainly around imports and exports of used cars. The headline inflation rate decreased significantly, and was well below the 3% inflation target set out by the National Bank of Georgia (NBG). However, core inflation remained high. The Consumer Price Index (CPI) recorded a 1.5% rise compared to the previous year (Geostat, 2023). Foreign Direct Investment (FDI) inflows continued to recover however, and a drop was registered in reinvestments (Geostat, 2023). Money transfers continued to grow in the first half of 2023, improving Georgia’s external position. The unemployment rate continued to decline, however poverty and economic hurdles remained of widespread concern among the public. Low salaries and a dearth of job opportunities remained as the major reasons for labour emigration abroad. According to a recent public opinion poll (NDI, 2023) every second Georgian found that poverty and crime had worsened, one-fourth of the individuals surveyed being able to afford food and nothing else, and every tenth individuals could not even afford food. The statistics are further aggravated amongst ethnic minorities and people living in regions and remote areas. Overall, the Georgian economy remained a consumption-based economy, funding its growing expenditure through money transfers and remittances rather than through an expansion in production capacity.

In 2023, social and economic governance was the second best performing indicator in the GGI Expert Survey, surpassing the other three governance areas. However, the overall score still remained well below 50 points on a 100 point scale, indicating many shortcomings in social and economic policy in Georgia.

Looking at various policy areas within social and economic governance, the highest individual score comes on tax and budgetary policy, which could be explained by sustained economic growth’s contributions to fiscal revenues and improvements in the current account balance. Similarly to the previous year, the lowest score came on labour market policy, and social inclusion policy also remained a drag on Georgia’s overall performance (figure 7).

The differential between the scores of individual policy areas within social and economic governance is quite significant (a 21.15 point gap between the highest and lowest scores) which suggests that the various socio-economic policies are not streamlined and do not yield similar results.

Within socio-economic governance, social policy alone scored 43.27; social protection and healthcare showed very similar results, scoring an average of 32.69. The scores for social protection and healthcare adequately reflect the reality, considering that in terms of reform and social assistance as such, the public does benefit from the concessions with respect to specific social services, employment, and healthcare. However, on the other hand, monitoring the implementation of those reforms and the initiatives for quality assurance would be problematic.
Economic Framework and Labor Market

GDP growth

The real GDP growth rate amounted to 7.5% in the first half of the year (Geostat, 2023). This is a slowdown compared to the double-digit growth recorded in 2022, but it still exceeds the forecast growth rates of the Georgian economy (around 5%). According to World Bank forecasts, the economy is expected to have grown by 5.9% by the end of the year (World Bank, 2023). The Asian Development Bank (ADB) projects a similar growth rate – of 6% – by the end of 2023 (ADB, 2023).

Real growth was fueled mainly by the construction and services sectors, including information and communication services, trade, transportation, and financial and insurance services. Other sectors, such as manufacturing and real estate, saw declines in 2023 (Geostat, 2023). The growth of the services sector was sourced mainly from tourism activities.

In the first part of 2023, one fifth of international arrivals (20%) came from Russia (578,000 visitors), which was two times larger than the number of Russian visitors in the first half of 2022. The growth in remittances was sustained, along with the growth of tourism, as in 2022.
Tourism sourced from Russia, together with remittances and revenues received on exports to Russia, amounted to around 2 billion USD. This is 1.6 times more than the income received from Russia in the same period in 2022 (TI, 2023).

**Inflation**

The annual inflation rate decreased significantly. According to the World Bank’s assessment, the headline inflation rate fell to -0.1% (y-o-y) in August 2023, well below the 3% inflation target set by the National Bank of Georgia (NBG). In response to the declining inflation rate, the NBG reduced the monetary policy rate to 10% (by 25 bps). This was also reflected in the producer price index (PPI,) which saw a 6% drop (y-o-y).

However, core inflation remained high. The Consumer Price Index (CPI) recorded a 1.5% rise compared to the previous year. As in past years, inflation was mainly driven by price increases in food, non-alcoholic as well as alcoholic beverages, and utilities (Geostat, 2022). Other sectors pushing prices higher were the tourism related sectors, such as hospitality services. The growth of the CPI in 2023 also came from a rise in the price of education compared to the previous year (Geostat, 2023).

**Trade and FDIs**

In 2023, Georgia’s foreign trade increased by 14.7% compared to 2022. The growth of imports (16.1%) exceeded the growth of exports (11.1%), and as a result the trade deficit expanded further, exceeding 8 billion GEL, the highest since 2020 (Geostat, 2023).

The EU’s share of Georgia’s exports amounted to only 12%, while that of the Commonwealth of Independent States (CIS) grew by 65.5%. In Georgia’s imports the share of the EU (24.3%) slightly exceeded the share of CIS (21.3%) (Geostat, 2023). The largest increase compared to 2022 was recorded in exports to Kazakhstan (223.9%) and Kyrgyzstan (767.4%), making the two countries the top export destinations after Azerbaijan, Armenia and Russia. Georgia’s imports were sourced mainly from Turkey, the US, Russia and China. The largest increase in imports was registered with Japan (118.2%) and US (99.4%). Both imports and exports were driven largely by trade in passenger cars, mainly used ones (Geostat, 2023).

Georgia has signed a Comprehensive Economic Partnership Agreement (CEPA) with the United Arab Emirates (UAE). The agreement liberalizes trade in both goods and services and allows around 97.5% of Georgian goods to enter the UAE duty-free.

FDI inflows continue to recover in the third quarter of the year, but overall FDIs decreased in the year by 61.5%, caused by the reduction in reinvestments. The main FDI partners were the Netherlands, the UK and the US. In terms of distribution, FDIs came mainly for financial and insurance services, and the manufacturing and energy sectors.

Money transfers continued to grow, rising by 32.5% (y-o-y) in the first half of 2023, which
improved Georgia’s external position (World Bank, 2023).

**Labour market**

Unemployment in Georgia in the third quarter of 2023 stood at 15.6%, down from 18% in the first quarter and the 17.3% annual rate registered in 2022. The third-quarter 2023 rate was, in fact, the lowest rate recorded for the past decade. In the third quarter of 2023, there was 16.3% growth recorded in the average nominal salary (worth 260.4 lari), taking it to 1855.4 lari. The highest salaries were registered in the information and communications sector, construction, financial and insurance services, and in scientific and technical activities (GeoStat, 2023).

However, the unemployment rate is still high in Georgia. Around one third of the labour force remains self-employed. As in the previous year, the labour participation rate is higher amongst men than women, but the unemployment rate remains higher amongst men than women (Geostat, 2023).

According to the National Democratic Institute (NDI) polls, low salaries and a dearth of job opportunities are identified as the major reasons for emigration abroad as people leave in search of better employment opportunities. According to the latest polls, 16% of those surveyed were considering emigrating (NDI, 2023).

**Fiscal policy**

Sustained growth in tourism, remittances and transit trades since Russia’s full-scale invasion of Ukraine, have largely contributed to the increase in fiscal revenues, improvement of current account balance and the strengthening of the Georgian lari. In the first half of 2023 the primary budget surplus reached 0.7% of GDP, owing to strong revenue performances. Due to sustained economic growth and a continued appreciation of the Georgian currency Lari (GEL), the public debt-to-GDP ratio continued to drop in the first half of 2023 (World Bank, 2023). The International Monetary Fund (IMF) deemed that Georgia was complying with the terms of its standby loan and 40 million USD was allocated to the country. The IMF made recommendations that Georgia should keep to modest fiscal adjustments and create room for priority spending, decrease the fiscal risks in renewable energy and state-owned enterprises and apply a proactive approach to financial regulations and supervision (IMF, 2023).

**Social Policy**

Poverty remains the major challenge for Georgia. Even though the percentage of the population below the absolute poverty line has decreased to approximately 15.6% compared to 2022, people receiving social benefits have increased to 17.9%. According to the data
of 2023, the number amounted to 668,555, which is an historical maximum for Georgia (Social Justice Center 2023). According to the data for 2023, more than a million people are registered in the database of socially vulnerable people, and about half of them receive assistance from the state. In addition, statistics show that every fourth child in Georgia, which is 27% of the country’s children, depend on social benefits (SSA 2023).

The official statistics are supported by the results of public opinion polls. According to a recent public opinion poll (NDI, 2023) poverty and economic hurdles remain amongst the major concerns across the public. In particular, every second Georgian believes that poverty and crime have worsened. One-fourth of the individuals surveyed can only afford food and nothing else, and every tenth individuals can not even afford food. The statistics are further aggravated amongst ethnic minorities and people living in regions and remote areas. As in 2021, the Gini coefficient, (which measures income inequality), has remained steadily around 34% since the end of 2022. The index indicates that income and wealth is distributed, but the distribution could be improved and could be more equal.

As inflation started to slow down, compared to 2022 when prices increased sharply, the official subsistence minimum remained within the same range of around 250 GEL for working age male and around 220 GEL for the average consumer (Geostat, 2023).

As of July 2023, the government launched a monthly financial support system amounting to 200 GEL for socially vulnerable children living in poverty, which included children up to 16-years-old who were under social protection (MOH 2023).

Georgia continues with the Targeted Social Assistance Program (TSA), a cash transfer program aimed at providing financial support to the poorest segment of the population. However, the programme covers less than 10% of the population living below the poverty line. Many eligible households remain uninformed about the program, owing to inadequate government outreach and limited access to information in the regions and remote areas (Japaridze, 2023).

These figures give grounds for thinking that the decrease in the number of the population beyond the absolute poverty line occurred because of the increase in social allowances, which does not create any possibility of overcoming poverty in the long term. Over the years, the practice of increasing the population’s dependence on social benefits has failed to improve socio-economic well-being and has only contributed to maintenance of the status quo. In addition, despite the steps taken in the direction of social assistance in Georgia, the effectiveness of the mechanism for identifying recipients of social assistance remains a challenge, as does the access for socially vulnerable people to information and social assistance. It is significant that, while the subsistence allowance should reach the poorest among the population, legislation does not enable homeless people living on the street, for example, to receive it (Janiashvili 2023). In addition, the formula for calculating the points to qualify for grants of the living allowance is artificial. For example, there is no systematic mechanism to qualitatively analyze the physical capacities of elderly persons, his/her abil-
ity to work, regardless the property this person possesses. Therefore, the most vulnerable groups stay outside the social allowance.

Social Care and Health Care

Employment Program

In terms of social protection, two main issues can be identified in 2023, in particular, steps taken on employment and the provision of housing, and related challenges. The Government launched a program aimed at improving the socio-economic situation of socially vulnerable individuals who are fit to work, and reducing their dependence on social assistance. The program centred around employing socially vulnerable individuals in community jobs. Attention should be drawn to the fact that the State provided a guarantee that the socially vulnerable individuals engaged in the program would simultaneously continue to receive social assistance and that their social conditions would not be reassessed within the next four years. However, the social scores of those who turned down such employment, would be reviewed within a year. According to the 2023 data, more than 30 000 individuals agreed to engage in community work, including persons with disabilities (Business Insider Georgia 2023). On the one hand, the initiative can be assessed as a positive step. On the other hand, critics of the program accuse the Government of buying off the population during a pre-election period.

The creation of an additional tool to assess the efficiency and feasibility of the employment program with the participation of labour inspection and civil society organizations is also important, as it is problematic to monitor where specifically these people are employed, and there are also risks that they might be employed fictitiously or in non-existent jobs. In addition, some economists consider that such programs render inactive those socially vulnerable persons who are fit to work, and that their resources are in fact inefficiently used (ISETChannel 2023), given that this kind of employment program includes graveyard maintenance, carwashing, and animal care, which may overlap with the functions of municipal services and the citizens’ individual responsibilities.

Provision of Housing

As in previous years, State programs the provision of housing were mainly targeted at the IDPs and ecomigrants. This included accommodating them in apartment buildings and providing housing in the framework of the so-called “village house project framework”. Currently, apartment buildings for the IDPs are being constructed in five Georgia cities (MOH 2023). This ongoing program aims to accommodate 60,000 families in total by 2025 (Azarashvili, 2023).

At the Municipal level, Tbilisi City Hall purchased up to 80 immovable properties within the program to provide housing for homeless families in general (1TV 2023). In addition, the
population actively benefits from the possibility of having rent for temporary accommodation cofinanced by the municipalities. However, the situation in social housing throughout Georgia is grave, with especially harsh and unbearable living conditions in the Gori and Orkhevi social housing facilities (Social Justice Center 2023). Existing housing programs are either scarce or fail to provide dignified living conditions – and this was not adequately addressed in 2023. However, it is noteworthy that in November 2023, the Prime Minister announced that the State would provide housing for up to 1000 homeless families with multiple children by 2024-2025 and that 50 million lari would be apportioned for that purpose (Business Media 2023).

Progress of Primary Healthcare Reform

Most important among the modifications carried out in the sphere of healthcare during 2023 was the enactment of primary healthcare reform and switching to a new model of financing of the services by Diagnostic-Related Groups (DRG). Within this model, the medical service fees are reviewed, the State transfers money, services are categorised, and unified fees are generated (Verulava 2022). While before, in the framework of the universal healthcare program, the services were financed according to prearranged medical service fees, under the DRG system they are financed according to diagnosis where similar fees are pre-determined. In the framework of the reform, co-payment for the services in the clinics may vary between 0 and 30%, depending on social status. In case of breach of these rules, the clinic will receive a first warning, which, in some cases, may mean a 1000 lari fine, and in case of the second warning the clinic will be excluded from the universal healthcare program (GGI 2022).

A year since the launch of this the reform, co-payments by the patients for medical services have been significantly reduced – by about a third, from 27% to 10% (MOH 2023). In addition, from the date of the launch of the DRG reform until today, the State has financed more than 550 000 medical incidents for more than 395 000 citizens, spending approximately 840 million lari (1TV 2023). The head of the Georgian Office of the World Health Organization - Silviu Domente - positively evaluated the first year of the new GRG system. However, he noted that the system required continuous monitoring, control, regulation and improvement (MOH 2023).

Monitoring is also important to ensure that the equalisation of fees does not lead to a drop in service quality in the clinics because of the loss of motivation among doctors due to a cut in bonuses and because the clinics are saving money to purchase equipment. By October 2023, six clinics were excluded from the universal healthcare system and the rights to provide certain medical services were restricted for tens of medical facilities (IPN 2023). In this respect, the situation after the extension of the DRG system to maternity hospitals had deteriorated by the end of 2023. The State finances for the maternity hospitals only amount to 1221 lari and 92 tetri per patient, which does not cover the doctors’ remuneration.
According to the healthcare expert Vato Surguladze, as a result of the introduction of this system in its current form, the number of complications and lethal incidents will increase in maternity hospitals, the quality of Obstetrician services will decrease, and the outflow of highly qualified specialists from the country and closure of the maternity hospitals will rise (Surguladze 2023). Hence, the Dvarashvili and Lidermedi clinics voluntarily left the program (Healthcare Portal 2024).

The head of Gagua Clinic, Davit Gagua, argued to the contrary. According to his statement, “equalisation of fees for natural childbirth and cesarian birth services under the DRG model is very good. This will positively affect both development of the clinics and of medicines and the safety of the patients” (Gagua 2023). Additionally, it has to be noted that by the end of 2023, 3500 childbirths were financed under the DRG system. As the Ministry representatives explained, one of the aims of the enactment of this system was the reduction of purposeless cesarian births, which, according to Minister Azarashvili, had been happening (1TV 2023).

The changes carried out in the pharmaceutical market are no less significant. Reference pricing on medications and the establishment of an upper price limit commenced in January 2023. According to the December data, reference pricing extended to 3045 medicines and is planned to cover 2103 more (MOH 2023). However, some healthcare experts consider that establishing an upper price limit for all medications may increase the risks of medicine shortages (1TV 2023).

Throughout 2023, as a result of the reference pricing and opening of the Turkish pharmaceutical market, about 350 million lari has been saved on medications. In the case of oncological medications, the State entered into direct negotiations with manufacturing companies and provided the next year’s reserve for oncological patients (Azarashvili 2023). Against this background, the Minister has accused individual pharmaceutical companies of increasing their prices and intentionally creating a deficit, and this, according to him, is being studied by the Ministry. It has to be noted that the Association of Pharmaceutical Companies blames the delay in receipt of the medications on manufacturers and highlights the increase of prices on the Turkish market, delayed delivery of medication orders and deficient operation of the online accounting program, in which any person carrying out pharmaceutical activities is obliged to participate (IPN 2023). Reference pricing on medications has evidently provided relief for citizens. However, at the same time, there is a risk of creating shortages of certain medication. No less important is the proactive quality control of medications with high price limits, where challenges still remain.

**Summary**

In 2023, socio-economic governance was more positively assessed by the experts’ survey than other areas, scoring the second highest figure in the index. However, according to these experts, many serious challenges remain in place. Top challenges include: damage
to the reputation and accountability of the National Bank of Georgia; political polarization and reduction in political dialogues amongst local and international political partners, which negatively affects the country’s business environment and its reputation for local and international investors; inefficiency of government programmes tackling poverty, high unemployment, labour force emigration and the “brain-drain” from the country.

Sustaining overall economic growth was mentioned by the experts as the main positive development in 2023. Another positive development referred to was the increase in the financial support package for persons with disabilities and the signing of new trade agreements.

State social policy is oriented toward quantity rather than quality. Due to shortcomings in legislation and the inefficient mechanism for calculating the status of socially vulnerable persons, the inclusion of the most socially vulnerable groups in social programs is not ensured. On the one hand, the employment programs are positive, considering that social assistance will not now cease for socially vulnerable persons for four years after being employed. On the other hand however, this may act as a kind of political tool to gain the votes of the electorate. In addition, non-inclusiveness is one of the shortcomings in the healthcare reform. In particular, there is the problem of conducting large-scale consultations with healthcare experts and the representatives of the local pharmaceutical companies.

Key recommendations made by experts for action in 2024 include restoration of the reputation of the National Bank of Georgia, decreasing political polarization, decreasing economic dependence on Russia, diversifying trade, improving infrastructure, including easing and smoothing cargo transfer, implementing infrastructure projects across the regions, tackling unemployment more systemically and efficiently, and revising social policy beyond one-off payments by having a structural and systemic approach to improving equality and reducing poverty. As for the healthcare system, in order to solve the problems that have occurred after starting the implementation of the new healthcare reform, the key recommendation of experts is to explore the roots of the gaps in coverage through consultation with healthcare experts and owners of private clinics and pharmacies.
External Governance
Key findings and challenges

- 2023 was an historic year in terms of advancing EU integration: the European Council granted candidate status to Georgia in December. Despite important progress in terms of EU integration, regression in political and democratic reforms has continued and the state of political relations between Brussels and Tbilisi is unpredictable. Georgia’s alignment to the EU Common Foreign and Security Policy (CFSP) was at an historic low in 2023, falling to 43% (according to November 2023).
- As in the previous year, challenges faced in 2023 included confrontations with Georgia’s key strategic partners – the EU and the US. There was also a lack of important advancement in the reforms needed for successful democratization, endangering eventual European and Euro-Atlantic integration.
- The Georgian governments’ close ties with illiberal regimes in Europe, as well as the conclusion of a strategic partnership with China, raised concerns regarding the country’s foreign policy vector, geopolitical positioning and democratic development.
- The Georgian Government’s welcoming of rapprochement with Russia, and its poor reaction to the 2023 security threats coming from Moscow, were seen as key downsides in the effectiveness of External Security Governance compared to the year of 2022.
- Georgia is continuing cooperation with NATO in terms of increasing compatibility, and is also maintaining a high level of communication between Tbilisi and Brussels. However, the 2023 NATO Summit demonstrated that Georgia has not made important advances towards membership of the Alliance.

From the perspective of external governance and security, Georgia’s state policy is assessed through four indicators: (1) European Integration, (2) Advancing Relations with NATO and the US, (3) Responsiveness to External Regional and Global Changes, and (4) Security Governance. This section of the report measures the performance of Georgia in the aforementioned four areas throughout the year, based on narrative analysis and expert survey.

For Georgia it was an historic year in terms of European Integration as it received membership candidate status. But its foreign policy continues to be among the key catalysts for the polarized environment in the country. Traditional challenges that Georgia is facing in terms of external governance remain domestic political and democratic turbulence on the one hand and hybrid security threats coming from Russia on the other. Tbilisi maintains a degree of efficiency in terms of reacting to geopolitical changes, particularly the ones taking place in its neighborhood.

Compared to 2022, the external governance score regressed notably and fell from 32.77 to 26.42 points out of a possible 100 (Figure 1), which puts Georgia’s External Governance at
Throughout 2023, the performance of the Georgian government in external governance continued to be determined by global developments: the rising prospect of EU enlargement motivated by Russia’s continuing invasion of Ukraine and the mobilizing of the collective West around the new global security challenges. Eventually, Georgia was granted membership candidate status. Against this background, the continued fall in Georgia’s external governance score was caused by lack of advancement on Euro-Atlantic integration, lack of improvement in the partnership with the US and on dealing with the security threats (Management of Relations with the Occupied territories and Management of Relations with Russia). Traditionally, the unstable internal political environment and weak reform agenda remain longer term challenges for the country’s effective external governance.

**European Integration**

2023 proved to be a year of historical advancement for Georgia in terms of European integration. Almost two years into the Russian re-invasion of Ukraine, the European Council
decided to grant the status of a candidate country to Georgia, “on the understanding that the relevant steps set out in the Commission recommendations of 8 November 2023 are taken” (European Commission 2023c). Georgia continues its alignment with the EU in the capacity of a candidate state and is moving on to the stage where Brussels opens Accession Negotiations with Tbilisi, as happened in case of the two other Associate Trio countries – Ukraine and Moldova. However, Georgia’s lack of reform drive, stagnation in the quality of democratization and deep political polarization still remains potentially a significant barrier to the advancement of the accession process (Sabanadze 2023; Light & Baczynska 2023).

Georgia’s prospects for European integration were notably endangered in March 2023 when the ruling GD party supported the so-called “foreign agents” draft law initiated by the party’s splintered parliamentary group “Power of the People”. After mass domestic demonstrations and strong international criticism, GD was forced to vote against the draft law during a second parliamentary hearing (Parliament of Georgia 2023a; Lebanidze & Samkharadze 2023). Additionally, criticism from the collective West was also aroused by Georgia’s failure to align with the EU CFSP (European Commission 2023c; Akobia 2023; GIP 2023a). This was notable in May, when Russian President Vladimir Putin signed a decree lifting the ban on Russian airline flights to Georgia, and also allowed citizens of Georgia to enter Russia for up to 90 days without a visa (European Commission 2023a; 2023b). Concern was also raised in European capitals by GD’s initiation of an impeachment process against the President of Georgia, Salome Zurabichvili, for conducting international visits in Europe without the Government’s permission (See in Democracy Governance chapter). Although the president was not eventually impeached, the Constitutional court concluded that the international visits undertaken by Salome Zurabishvili were unconstitutional, but that Parliament could not successfully impeach the president. The view of MEPs in Europe on this, as summarised by press coverage, was that “Georgian Dream is threatening European dream of Georgian People” (Civil.ge 2023g).

In contrast, diplomatic and formal political relations with the EU remain intensive. During 2023 two high-level formats - the fifth EU–Georgia Strategic Security Dialogue and a high-level EU regional ambassadorial - took place in Tbilisi (Agenda.ge. 2023a; Agenda ge. 2023b). Additionally, the Deputy Secretary General of the European External Action Service (EEAS) Enrique Mora, the European Commissioner for Neighbourhood and Enlargement, Olivér Várhelyi and EU High Representative for Foreign Affairs and Security Policy Josep Borrell paid visits to Georgia. Minister of foreign Affairs Ilia Darchiashvili, PM Irakli Gharibashvili and Speaker of Parliament Shalva Papunashvili also conducted their visits to Brussels throughout the 2023 (MFA of Georgia n.d. MFA of Georgia 2023c).

The dynamics in terms of financial assistance also remains positive: in 2023 the EU adopted a €30 million assistance measure for Georgia under the European Peace Facility (EPF), which is an increase comparing to two previous assistance packages: €20 million was approved in December 2022 and €12.75 million in December 2021 (European Council 2023a).

Overall, the expert assessment of Georgian progress in EU integration decreased by 6.25
points and totalled 26.42 in 2023. The trend of progress on EU integration remains the same as in 2022: the governance score in terms of the EU accession advancement also remains the same (30 points) while the score on advancing relations with the EU has drastically deteriorated (from the previous 32 to current 23 points).

**Advancing Relations with NATO and the USA**

In 2023, against a background of reviving EU integration moves in Georgia, discussion about advancing Euro-Atlantic integration occupied less space in the Georgian Government’s political rhetoric. In this regard, the NATO Vilnius summit of July should have indicated if Georgia could expect to enhance its membership efforts. But in the event, the Vilnius Summit was perhaps among the least productive of all the NATO summits for Georgia (NATO 2023a). While the Georgian MFA welcomed “the political and practical support” in the NATO Summit Communiqué (MFA of Georgia 2023a), the document showed a decreased focus on Georgia’s membership perspective. Various analytical comment suggests that there was no progress for Georgia at the summit and the country got very little out of it (Gabrichidze 2023; Katamadze 2023; Koridze 2023). Cause of most concern was the absence of the previously agreed wording of NATO Summit Communiqués since 2016: “Georgia’s relationship with NATO contains all the practical tools to prepare for the eventual membership” (NATO 2023a).

Controversy was intensified at the Vilnius summit: two months before the summit, the Georgian PM Irakli Gharibashvili caused much controversy when he attributed Russia’s war on Ukraine to Kyiv’s NATO aspirations in his remarks at the Bratislava GLOBSEC Forum (Garibashvili 2023). The statement was critically assessed in local as well as Western circles (Koridze 2023; Austrevicius 2023). Additionally, NATO Secretary General’s Special Representative for the Caucasus and Central Asia Javier Colomina expressed his “concern over the rhythm of the reforms”, as well as over “the substance of some of the reforms” (Civil.ge 2023b).

Against the background of this controversy, in terms of formal cooperation Georgia continues its alignment with NATO. The level of the relationship between Georgia and NATO is assessed as very good by Colomina (Colomina 2023). As in 2022, this year was marked by important bilateral visits at various levels, both to Brussels and Tbilisi. Then PM Gharibashvili visited the NATO headquarters in April 2023, holding meeting with the NATO Secretary General Jens Stoltenberg. The NATO Military Representatives and Invitee Sweden visited Tbilisi and held a special Military Committee meeting with Georgian military counterparts in November 2023 (NATO 2023a, NATO 2023d). It was of crucial importance that the NATO Parliamentary Assembly adopted a declaration of support for the territorial integrity and sovereignty of Georgia as well as the necessity for a “quick” implementation of the bloc’s tailored support package for the country (NATO 2023c).

Cooperation continues in the field of military/defense interoperability initiatives, too: In-
teragency Command-Post Exercise Didgori 2023, Maple Arch 2023, Agile Spirit 2023, Noble Partner (Mod of Georgia 2023), besides international trainings in cooperation with NATO member states (Mod of Georgia 2023). Controversy was raised due to Georgia’s absence from the largest multinational exercise “Defender 23”, but as the MoD and the US embassy stated, “[Tbilisi and Washington] mutually decided to focus resources on in-country, multi-national exercises – Agile Spirit and Noble Partner – and build on their previous success to most effectively strengthen Georgia’s interoperability and its capacity for resilience and defense” (US Embassy to Georgia 2023a).

In terms of relations with the US, no important advancement was registered in bilateral relationships. But for the first time in the history of the two country’s cooperation, Georgian citizens were sanctioned in 2023. The US Department of State publicly designated four Georgian judges under Section 7031(c) visa restriction authorities for “significant” corruption (US Embassy to Georgia 2023b). On September 14, 2023, a former GD prosecutor and a close associate of Bidzina Ivanishvili, Otar Partskhaladze, was placed under sanctions by the US Department of the Treasury’s Office of Foreign Assets Control (OFAC) for having helped Russia to exercise a “malign influence” on Georgia (OFAC 2023).

Response to External Challenges

In terms of external threats, two dimensions could be singled out: geopolitical and security threats. Geopolitically, the recently concluded strategic partnership with China was assessed as one of the most controversial steps from the GoG by some of the experts, opposition members and international partners. On the one hand, some Georgian pundits argue that the partnership carries with it the potential for increased trade and infrastructure development, with possible economic benefits for the country (Gujabidze 2023; ორგანიზაცილი 2023). On the other, according to some analysts, it is making Georgia increasingly dependent on China, linking Georgia strategically to Beijing and shifting the Georgian foreign policy direction from West to East. Georgian Foreign Minister Ilia Darchiashvili defended strategic agreement with China during parliamentary questions by stressing that the deal “in no way contradicts” Tbilisi’s foreign policy priorities (Parliament of Georgia 2023b).

In 2023 Georgia intensified its strategic partnership and high-level relationships with Hungary, which is an additional source of concern for liberal society in Georgia. Hungary, under Victor Orban’s government, is considered an illiberal democracy on the eastern flank of the EU. Orban’s close ties with Russia’s Vladimir Putin, lack of support for Ukraine during the Russian invasion and his populist style of ruling the country all make Hungary a partner that is threatening Georgia’s liberal democracy and successful westernization. In May 2023, during the annual Conservative Political Action Conference in Budapest, the then PM Irakli Gharibashvili praised the Hungarian vis-à-vis stating that the Hungarian people are very lucky to have “such a wise and far-sighted” leader (Gharibashvili 2023). In September and October Georgia hosted at least two high-level Hungarian visits to Tbilisi: László Kövér, the speaker of the National Assembly of Hungary and the PM Victor Orban were hosted by their
Georgian counterparts (1TV. Ge 2023a). At the same time, in September Georgian FM Ilia Darchiashvili met with his Hungarian counterpart, Péter Szijjártó, and shortly before the decision on granting Candidate status to Georgia the Chairman of the ruling party Irakli Kobakhidze paid a four-day visit to Budapest. Some pundits argue, that this rapprochement is defined by the fact that the Georgia Dream Party views Hungary as a role model worth emulating on the grounds that Tbilisi is more and more intensively criticized for democratic stagnation and absence of fundamental reforms (Kelly 2023; Kucera 2023). This trend moves Georgia closer to the illiberal geopolitical space and makes the country more vulnerable to Russian hybrid threats.

Georgia's positioning in the region of South Caucasus is evaluated positively, similarly to 2022. Georgia is keeping its traditional neutral position, attempting to perform the role of a mediator during the post-conflict period in the neighborhood. The country is successfully continuing tight security cooperation with Azerbaijan and Turkey in the trilateral cooperation formats. Trilateral trainings such as Eternity 2023 with its Azerbaijani and Turkish counterparts remain an important part of regional cooperation (MOD of Georgia 2023). In April Georgian Defense Minister Juansher Burchuladze signed an agreement on defense cooperation with Azerbaijan (Mod of Georgia 2023). At the same time the GoG is managing to refrain from the 3+3 format and rejected attending the meeting hosted by Tehran (1TV.ge 2023b).

**Security Governance**

Governance effectiveness in the area of management of relations with the occupied territories, remained very problematic throughout the year, marked by extrajudicial kidnappings and killings of Georgian citizens by the occupation forces (see effective governance chapter).

Besides illegal detention of Georgian citizens, “Borderization” remains a progressive process. Russian occupation forces resumed the illegal installation of metal poles and barbed wire near the village of Khurvaleti, Gori Municipality. Also, fortifying of the checkpoints along the Tskhinvali region occupation line was observed by the anti-occupation movement Power is in Unity (Katsarava 2023). In December 2023 the 59th round of Geneva discussion format was held, but as the Ministry of Foreign Affairs of Georgia reports, representatives of Russia and the occupied regimes of Abkhazia and Tskhinvali region left the negotiations, which makes the discussion format inefficient in regards to solving the key threats of human rights and humanitarian conditions of the population living on the occupied territories (MFA of Georgia 2023).

Russia continued to intensify its engagement with the occupied territories during 2023. The intention announced by Russia to establish a navy base near Ochamchire raised considerably alarm since installing a naval base 35 kilometers away from the closest Georgian-controlled settlement of Anaklia poses a significant threat, not only to Georgia, but to
the security of the entire region (GIP 2023b). Abkhazia’s agreement to the transfer of land to Russia on a 49-year lease was ratified this year (Apsnypress 2023b).

Management of relations with Russia had been among the major criticisms from local society as well as the West throughout 2023. In the absence of diplomatic relations, so-called “normalization” of the relations with Russia continued to be on the agenda of GoG. Commenting on Moscow’s decision to abolish the visa regime and lift the ban on air flights with Georgia, Georgian Foreign Minister Ilia Darchishvili said that from a humanitarian point of view, this decision “is welcome for any responsible government” (TV Imedi 2023). A former GD authority and a close associate of Bidzina Ivanishvili, Otar Partskhaladze was placed under sanctions by the US Department of the Treasury’s Office of Foreign Assets Control (OFAC) for having helped Russia to exercise a “malign influence” on Georgia (OFAC 2023). The GD ruling party rallied behind the sanctioned former prosecutor and demanded proof from the US State Department in confirmation of any wrongdoings. This reaction illustrates the possible flaws that might exist in the security governance in terms of mitigating Russian hybrid interference. Pundits are indicating that the GoG’s welcoming reaction, openness to collaboration and friendly gestures were designed to please Moscow (GENTÊ 2023; Groeneveld 2023).

The assessment of governance effectiveness in terms of external security decreased in the year of 2023 and stands at 25 points (from 34.09 of 2022). The highest decrease in the score was on Management of relations with Russia (from 36 to 25), which indicates that experts see the GoG’s welcoming rapprochement with Moscow as a negative trend against the background of increased external security threats.

Summary

In sum, as in the previous year, the Georgian government’s effectiveness in external governance has been significantly impeded by democratic challenges and factors such as polarization, weak reforms and problems in terms of human rights, all of which were reflected in the EU recommendations. According to the expert panel’s assessment, the key challenges for the country remain the Russian occupation, non-optimal governance in terms of dealing with hybrid threats coming from Russia, strengthening autocratic trends, ignoring or attacking strategic partners such as the US and EU, and forming new illiberal strategic partnerships, such as with China and Hungary. On the other hand, relatively positive assessments were given to the granting of EU candidate status to the country (with the disclaimer that this is not a merit to GoG), avoiding 3+3 format and involvement in the peacebuilding process between Armenia and Azerbaijan.

Necessary steps to be taken in 2024 for the strengthening of the external dimension of governance, according to the experts, include seeking new strategic partners, progress on the EU’s conditions to push forward the accession process, activating international positioning in terms of enhancing the country’s security capabilities, implementing judicial and elec-
toral reforms to enhance Georgian democracy, depolarization and restoring the relations with Ukraine.

To sum up, during the year of 2023 Georgia’s External Governance witnessed a series of improvements - mostly in terms of EU integration, continuing active cooperation in terms of military compatibility with NATO and the US and maintaining intensive bilateral relations with most of its strategic partners.

In the GGI survey, Georgia showed the worst performance in external governance. At the same time, significant progress in Georgia’s Euro-integration process did occur as Georgia was granted candidate status by the EU. But failing to implement reforms efficiently poses a set of challenges and questions on the road to further integration. Georgia continues to converge with NATO standards, but the strained political environment negatively affects this dimension of approximation.

GGI in External Governance was negatively influenced by factors that were most publicised throughout 2023, namely criticism from the Western partners of the slow pace of reform drive in Georgia, and the resulting heightened rhetoric from the Georgian authorities towards the country’s traditional partners. The low points given to Georgia’s management of relations with the EU and the US coincides with the challenge for the country most frequently mentioned - the deterioration of relations with the strategic partners (figure 4). Further, while the purpose of Georgia’s continued balancing act between Russia and Ukraine/the West can be a matter of discussion, it certainly makes the government’s external governance normatively unpopular among a number of observers. Amid Russia’s increasing presence in the occupied part of Black Sea coast, additional threats are emerging to Georgia’s sovereignty and security.

On the broader and longer-term picture, we see more continuation than change: pragmatic foreign policy, accommodation of Russia-related risks, particularly, in terms of security governance, and a precarious situation in the occupied territories. Russia’s increased presence in the occupied part of Black Sea coast amid war in Ukraine, creates more risks and challenges for Georgia’s sovereignty and security.
Conclusion

For the third year in a row, the Georgia Governance Index (GGI) provides a comprehensive assessment of Georgia’s performance in four broad governance categories (democratic, effective, social and economic, and external). The GGI Expert Survey graded Georgia’s performance in each governance category while the narrative part of the analysis provided detailed analytical context to the expert responses.

The report described Georgia's difficult path towards multiple transformations. The 2023 report displays both continuity and change compared to the previous reports. The findings underscore persistent challenges in democratic governance, evidenced by political polarization and judicial controversies. However, the resilience of civil society and the proactive roles taken by certain state institutions, notably the presidency, offer glimmers of hope for democratic deepening.

On effective governance, the report highlights systemic inefficiencies that undermine policy implementation and public service delivery, suggesting a need for structural reforms. In terms of socio-economic governance, despite modest progress in some areas, substantial disparities and vulnerabilities remain, calling for more inclusive and sustainable development policies.

Lastly, Georgia’s external governance faces complex dynamics, balancing aspirations for European integration with regional security pressures. The EU’s recognition of Georgia’s candidate status marks a significant milestone, yet it also imposes rigorous benchmarks for reforms, particularly in democratic standards and rule of law.

The GGI 2024 report, thus, not only tracks the evolution of governance in Georgia but also sets out a roadmap for addressing its multifaceted challenges. It underscores the imperative for comprehensive reforms, enhanced civic engagement, and strengthened international partnerships to navigate the intricate path towards democratic consolidation, effective governance, and socio-economic resilience. As Georgia stands at a critical juncture, the concerted efforts of government, civil society, and international actors are pivotal in leveraging the momentum towards EU integration as a catalyst for transformative change.
Democratic Governance:
Effecting Governance:


Effective Governance:

Effective Governance.


Socio-Economic Governance:


Isetchannel. 2023. რამდენიმე ეფექტია საზოგადოებრივ სამუშაოებზე? ISET-ME-DIA. Available at: https://www.youtube.com/watch?v=sW5TI-MG39W Last checked: 03.01.2024.


1TV. 2023. ზურაბ აზარშიშვილი DRG რეფორმაში შეაღწია. Available at: https://1tv.ge/news/zurab-azarashvil-ma-drg-reforma-sheajama/ Last checked: 08.01.2024.


External Governance:


Apsnypress 2023a. *Ракетный корабль “Циклон” прибыл в морпорт Сухума*. Available at: https://apsnypress.info/ru/home/novosti/item/7599-raketnyj-korabl-tsiklon-pribyl-v-morport-sukhuma Last Check: 18.12.2023


Akobia 2023. *Georgia’s (mis)alignment with the EU Foreign Policy*. Available at: https://civil.ge/archives/542831

Austrevicius 2023. Available at: https://twitter.com/petras_petras/status/1663484671886348290?ref_src=twsrc%5Etfw%7Ctwcamp%5Etwitter%7Ctwterm%5E1663484671886348290%7Ctwtgr%5Efuture%7Ctwtgr%5E22106e6e92bba5aad7873d475a0b2bb8b2b1768%7Ctwcon%5Es1_&ref_url=https%3A%2F%2Fcivil.ge%2Far-archives%2F542831_5424411 Accessed 22 December 2023

Civil.ge 2023a. *President Cancels Visit to Strasbourg where she was Due to Address European Parliament*. Available at: https://civil.ge/archives/537520 Accessed 22 December 2023

Civil.ge 2023b. *NATO Vilnius Summit and Georgia: a Bitter Aftertaste*. Available at: https://civil.ge/ar-


MFA 2019. საგარეულო პოლიტიკა. Available at: https://mfa.gov.ge/Foreign-Policy-Strategy Accessed 22 December 2023

NATO 2023a. *Vilnius Summit Communiqué.* Available at: https://www.nato.int/cps/en/natohq/official-texts_217320.htm Accessed 22 December 2023


NATO 2023d. *NATO Military Committee visits Georgia.* Available at: https://www.nato.int/cps/en/natohq/news_219979.htm?selectedLocale=en Accessed 22 December 2023

TV Imedi 2023. ჯერონიმ 17:00 სააშშ – 10 მაისი, 2023წწ. Available at: https://www.facebook.com/tvime-di/videos/1005425934201970 Accessed 22 December 2023


US Embassy to Georgia 2023b. Available at: https://ge.usembassy.gov/public-designations-of-four-individuals-associated-with-the-georgian-judiciary-due-to-involvement-in-significant-corruption/?fbclid=IwAR3Afv_VLAlgcflAo37bq9wCslYbVcYulIBJla576-NGSSPBwDmmHYHsKS Accessed 22 December 2023


TV ge 2023b. Available at: https://1tv.ge/news/sagareo-saqmeta-saministros-gantskhadeben-rom-e-w-33-is-formatis-skekhvedrashi-saqartvelo-monawileobas-ar-miihebs/ Accessed 22 December 2023

181
kuri-sargebeli-girebulebebis-sanatsvlo/ Accessed 22 December 2023