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WHEN EUROPEANISATION STALLS: HEDGING AND THE REORIENTATION OF GEORGIA'S FOREIGN POLICY

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Abstract

Background: *Georgia, a small aid-dependent country situated between competing powers, has pursued one of the most exclusively pro-European integration strategies in the post-Soviet space. Yet the endurance of Russian military pressure, limited Western security guarantees, and shifting global economic opportunities have complicated that trajectory. After the 2012 elections, Georgia's new government sought gradual alignments with non-Western powers, notably China and Russia, while rhetorically remaining pro-European. Russia's invasion of Ukraine in 2022 created a historical (missed) opportunity for EU accession, but the inability of the EU or NATO to provide the security guarantees ultimately reinforced constraints and pressures facing small states on Russia's periphery.*

Objectives: *This article argues that Georgia's foreign policy since 2012 cannot be explained with the conventional IR concepts of balancing, bandwagoning, or neutrality. Instead, Georgia's strategy is conceptualised as hedging, which is deliberately ambiguous and flexible, combining selective cooperation, limited opposition, and diversification of external partnerships while avoiding binding commitments. The analysis also highlights the domestic political utility of hedging in sustaining regime legitimacy and survival.*

Methodology: *The study utilises causal process tracing across the period 2012-2025, drawing on official policy documents, elite rhetoric, and economic data. It operationalises Figiaconi's (2025) 9-stage analytical framework to analyse how Georgia has sought to balance concerns about autonomy, security and economic opportunity*

Findings: *Georgia's foreign policy trajectory can be best understood as a sustained strategy of hedging that has been shaped by external vulnerability and internal incentives. Presented with vulnerability to Russia, weak commitments from the West, and economic opportunities from China, Georgia has sought to diversify its portfolio without making fully binding alignments. Hedging has also served domestic objectives by allowing the ruling elite in Georgia to present ambiguity as prudence and to portray itself as safeguarding stability in a capricious regional system.*

Keywords: Foreign Policy, Hedging, European Integration, Russia, China, Georgia

JEL classification: M14, M20, M21

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Introduction

Georgia's ruling elite, led by Mikheil Saakashvili (2003-2012), pursued an ambitious "Europeanization" strategy that repositioned Georgia alongside Ukraine and Moldova, away from its traditional South Caucasus frame (Kakachia & Lebanidze, 2024). This triggered Russia to impose economic and energy embargoes in 2005-2006 and then to invade militarily in 2008. Subsequently, Russia recognised the independence of Georgia's two breakaway regions, Abkhazia and South Ossetia, which had two profound consequences for Georgian foreign policy. First, it cemented the Kremlin's status as the sole "mediator" in Georgia's territorial disputes, and was soon seen as Georgia's primary international adversary.[1] Second, rather than bandwagon with Russia, Georgia fully reoriented its foreign policies and legal processes toward alignment with the EU.

The EU reciprocated interest. In 2009, it launched its Eastern Partnership program, which facilitated visas for Georgians. After negotiating a peace deal with Russia, the EU organised an international donor conference in Brussels to raise funds for Georgia and deployed the European Union Monitoring Mission (EUMM), which became the only international presence in Georgia besides Russia. While Georgia became a frontrunner in sectoral reforms among the "associate Trio" within the Eastern Partnership program, the EU lacked the political will and ability to effectively neutralise Russia's "borderisation" in the region. Russia continued to violate the 2008 ceasefire agreement brokered by former French President Sarkozy, who held the rotating EU presidency at that time. After the 2012 elections, a more pro-Russian party, Georgian Dream (GD), came to power with a more "pragmatic" policy approach that combined reviving economic and humanitarian ties with Russia with a less ambitious EU alignment. Russia's 2022 attack on Ukraine abruptly cast doubt on this strategy. While Brussels had long resisted further enlargement, advancing Georgia's membership prospects, the EU suddenly offered Georgia (alongside Ukraine and Moldova) EU candidate status (Sabanadze, 2022). Rather than consolidating a pro-European trajectory, this sudden shift produced a political dilemma for Georgia's ruling elite, which reacted with notable reluctance.

Although the EU was immensely successful immediately after the collapse of the Soviet Union, the EU's soft power was demonstrably no match for Russia's hard power in small countries along its borders (Kakachia & Lebanidze, 2025). Rather than capitalising on Europe's renewed interest, the Georgian Dream government chose to distance itself from Brussels and to polarise Georgian society by reinforcing the fear of war to stabilise its hold on power (Imedashvili et al., 2025). At the same time, the Georgian Dream was constrained by the overwhelming popular support for the EU and a Georgian European future.[2]

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[1] Sixty-nine percent of Georgian citizens identified Russia as primary adversary (Caucasus Watch, 2024).

[2] 83% of the Georgian population supports EU Integration and 68% among voters of the Dream Party (ISSA, 2025).

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Georgia's ruling elite also faced a growing legitimacy crisis at home due to its distinctive blend of rhetorical pro-Westernism, illiberal domestic governance, and pragmatic cooperation with Russia and China. This calibrated hedging served not only as an external risk-management strategy but also as a domestic political instrument. By cultivating ambiguity and avoiding binding commitments, the ruling elite preserved room to manoeuvre between Russia and the West while leveraging foreign-policy flexibility to consolidate control at home. External adaptation intertwined with internal regime preservation defines the core of Georgia's hedging trajectory.

Employing process tracing of the Georgian government's rhetoric and foreign policy behaviour over time, we show that hedging was less a response to Russia's invasion of Ukraine than a strategy that has been cultivated since the Georgian Dream party rose to power. The theoretical framework highlights how hedging offers a more accurate account than the traditional balancing–bandwagoning framework, and the empirical analysis applies to analyse Georgia's post-2012 trajectory, drawing on official policy documents, public statements and academic sources. The final section reflects on the implications and limitations.

Hedging Theory

Building on Goh's (2005) seminal work, which first conceptualised hedging as a strategic posture of deliberate ambiguity and diversification adopted by states seeking to navigate great-power rivalry without incurring the costs of full alignment, subsequent scholarship has further refined the concept. Figiaconi (2025) characterises hedging as an adaptive orientation in which small states diversify their external partnerships and cultivate ambiguity in order to manage risks when great-power rivalry intensifies. Figiaconi (2025, pp. 3–4) argues that the concept of hedging captures forms of strategic behaviour that fall outside the classical balancing–bandwagoning dichotomy and differs from classical neutrality because it is purposive, reversible, and responsive to domestic political incentives rather than grounded in legal status or moral posture. Rather than choosing sides, hedgers manage risk and disperse vulnerability by engaging multiple actors simultaneously while preserving the flexibility to recalibrate their alignment as threats, opportunities, and power shift.

While scholars have long known that small states survive by manoeuvring among stronger powers (e.g., Fox, 1959), Georgia's behaviour illustrates how hedging adds new layers of strategic ambiguity and reversible engagement unavailable to earlier small-state strategies. Figiaconi identifies 9 analytical features and two unit-level considerations (security and survival). Building on this framework, and recent scholarship on Georgia that has demonstrated that small, secondary states often adopt hybrid strategies that combine elements of cooperation/accommodation (bandwagon) and resistance/opposition (balance) to stronger actors (Gvalia et al.,

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2013; Kakachia & Lebanidze, 2023; Kakachia & Lebanidze, 2025; Gozalishvili & Moga, 2026).[3]

Traditional theories in IR have seen neutrality as largely unrealistic for small states, but Figiaconi (2025, p. 12) shows that hedging is related to but distinct from neutrality because it contains "elements of activism", "profit-maximisation logic", "fallback options" and is "multi-directional" in nature. In this sense, it can be considered a 'category of neutrality, pertaining to secondary states, adopted it by their own accord out of risk-management considerations amid the rise of great power tensions, for as long as they deem it strategically viable or useful' (Figiaconi, 2025, p. 18).

Figiaconi (2025, pp. 8-10) argues that neutrality is usually explicitly and voluntarily declared. During specific wars, states may opt not to take sides, which represents "occasional" neutrality (e.g., Spain in 1914 or Portugal in 1939). "Long-term voluntary" neutrality (e.g., Austria, Switzerland, Turkmenistan) is a stance in which a country always abstains from great-power politics, even during peacetime. "Permanent" neutrality, sometimes called "non-alignment", is similar but is induced by great powers for states located in salient geostrategic positions rather than being voluntary (e.g., Belgium in 1839, Luxembourg in 1867, Laos during the Second Indochina War).

Hedging is different. It is implemented without any pronouncement "to retain agency, autonomy, and freedom of action on the international stage" and can be reversed when an opportunity arises (Figiaconi, 2025, p. 14). It is deliberately ambiguous and used by the political elite when security and survival are at risk. Figiaconi (2025, p. 16) focuses on security and survival as the main reasons countries hedge, and cites economic benefits as an "additional" rationale. Unlike the kinds of neutrality discussed above, hedging is rarely declared explicitly and lacks a legal and moral foundation. Guided by strategic opportunity and calculation, it reflects voluntary and reversible choices. Hedging states deliberately maintain ambiguity to avoid alienating either side in a great-power rivalry, engaging competing powers simultaneously without making formal commitments.[4]

[3] However, these strategies do not follow a uniform naming convention (e.g., "zone balancing," "institutional balancing," "multi-vector", or "bandwagoning by stealth"). Kakachia & Lebanidze (2023) argue that Georgia is bandwagoning with Russia by "stealth", meaning that it is accommodating the source of threat selectively while containing the pro-European domestic unrest. Other scholars use the term "pseudo-hedging" to refer to "a strategic tilt towards Russia masked by the rhetoric of balancing both Moscow and Brussels". In both usages, it is implied that the strategy "serve[s] domestic power consolidation rather than genuine geopolitical balance" (Gozalishvili & Moga, 2026).

[4] Although mainly framed as a strategy by a single state navigating with two competing powers, Georgia sits at the crossroads of several powers, including Russia, Turkey, Iran, China, the EU and the US (Kakachia & Lebanidze, 2025).

ISSN 978-953-346-257-8
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Hedging in Georgia's Foreign Policy (2012–2025)

Facing persistent security risks from Russia and lacking Euro-Atlantic protection, Georgia has sought international accommodation with Russia, pursued partnerships with China, and avoided open alignment with the West. At the domestic level, this strategy has bolstered the regime's survival prospects, enabling it to characterise society as polarised and position itself as a stabilising force by neutralising 'radicals' who criticise government policy.

Table 1 shows how well Georgia's post-2012 foreign policy aligns with Figiaconi's nine analytical dimensions of hedging. It distinguishes hedging from "established" categories of neutrality, balancing, and bandwagoning, shows that Georgia's strategy is deliberate and reversible rather than ideational or value-driven, and makes explicit the link between Georgia's external ambiguity and its internal political incentives.

Unpacking Figiaconi's nine dimensions reveals how hedging was enacted in practice. Along the adoption dimension, Georgia's ruling elite made a voluntary and deliberate choice to realign to minimise the risk of renewed Russian coercion. Georgian Dream's main pre-election promise was to ensure that Georgia would no longer be a source of conflict between Russia and the West, which implied reducing EU integration ambitions. While deepening ties with Russia and China, Georgia would mostly maintain the sectoral compliance envisioned by the EU's eastern partnership and continue using pro-Western rhetoric. Before the war in Ukraine, domestic pressure on the government to take a clearer stance was minimal because the EU had no political intention of enlargement. After Russia's attack on Ukraine, the EU offered a path to membership, which encouraged the public to demand a less ambiguous stance, forcing the government's hand. Without concrete security guarantees, however, the ruling elite declined the offer, arguing that it did not wish to become a second front in the war.

The strategic rationale and temporal horizon dimensions reinforce the claims about security and regime survival The ruling elite deliberately avoided alignment with most sanctions on Russia, pursued trade and transport links with Moscow, welcomed Chinese investment proposals, but cooperated with the EU to prevent the circumvention of Russian sanctions, and engaged in selective cooperation with the West (e.g., the Black Sea Submarine Cable Project that will connect the electricity systems of Georgia and Europe (Georgia State Electrosystem, 2025)). These choices reflect hedging's temporary, flexible nature. Commitments can be paused, reversed, or reactivated depending on conditions and opportunities (e.g., Georgia's suspension of EU integration until 2028).

The final three dimensions (abandonment, actors, and historical scope) further illustrate how well Georgia's foreign policy fits within the hedging framework. As a small state, operating with no binding obligations to any one regional or global pole, Georgia has retained the option of pivoting quickly toward Europe, Russia, or China as circumstances evolve. Georgia's pattern mirrors historical cases, such as interwar

ISSN 978-953-346-257-8
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Netherlands or Cold War Finland, in which actors sought to manage vulnerability through flexible, reversible, and self-preserving neutrality-like behaviour.

Table 1: Hedging Dimensions and Georgia's Foreign Policy (2012–2025)

Analytical Dimension	**Definition**	**Empirical Manifestation: Georgia (2012-2025)**
Adoption	The elite's voluntary decision to retain autonomy amid shifting power structures	Ruling elite recalibrated policy post-2012, maintaining Western rhetoric while engaging with Russia and China
Grounding	Strategic rather than legal or moral; risk-management tool	Pragmatic necessity to avoid Russian coercion and retain stability, not ideology; Those who opposed distancing the EU, "want war with Russia"
Timing	Adopted under rising great-power tensions	Shift intensified after the 2022 invasion of Ukraine; Georgia hedged to avoid entrapment; however, policy diversification was evident earlier.
Explicitness	Ambiguous, not publicly declared	GD portrays Georgia as democratic and pro-European, while unfairly judged by Western partners, but actions (e.g., Anaklia port, China partnership, adapting to Russia) show silent diversification
Strategic Rationale	Preserve flexibility, minimise threats, diversify partners	Not aligned with the great majority of sanctions against Russia, Belarus and Iran. Sustain Russian trade; increase direct flights to/from Russia. Seek Chinese investments and international legitimacy; GD proposed "mutually beneficial economic relations" with the West (Civil Georgia, 2025); cooperated with the EU to prevent circumvention of Russian sanctions and to build the submarine Cable Project to connect the electricity systems with Europe.
Temporal Horizon	Temporary and adjustable	EU integration process paused until 2028 according to ruling elite; hedging is reversible as conditions change.
Abandonment	Easily reversible; no binding obligations	Georgia could pivot fully to Europe or re-engage Russia/China more overtly, depending on changing risks.
Actors	Practised by small states in asymmetric environments	Georgia is a secondary state at a regional crossroads with high strategic exposure to Russia, the EU and China.
Historical Scope	Applicable beyond Asia; response to multipolarity	Post-Soviet Georgia's strategy mirrors historical hedging patterns (the interwar Netherlands, Denmark before World War I, and Cold War Finland): maintaining flexible, risk-managing, and self-preserving neutrality.

Source: Authors' elaboration based on Figiaconi (2025, pp. 14–18). The table situates hedging in relation to established neutrality types – "occasional, long-term voluntary,

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permanent, and non-alignment" – across nine analytical dimensions (how, when, why, and by whom they are adopted) and relates it to Georgia's foreign policy since 2012.

Georgia's post-2012 foreign policy aligns closely with the theoretical expectations of hedging across most analytical dimensions. Its ambiguity, reversibility, and strategic diversification exemplify hedging as a contemporary strategy for small states navigating multipolar uncertainty that is not captured by balancing or bandwagoning. This alignment strategy bolstered the regime's likelihood of domestic survival in the face of growing criticisms from the Georgian public and from Western democracies.[5] Through an effective propaganda machine, the ruling elite played to public fear that linked Russian aggression to a deeper alignment with the EU. Ukraine was cited as evidence of the EU's inability to effectively protect its partners from Russian aggression (Kakachia & Lebanidze, 2025). The ruling elite discredited the West in two additional ways. First, it claimed that the West wants Georgia to open a "second front" with Russia. Second, it argued that the West does not respect Orthodox Christian values because of its emphasis on sexual minorities. Bolstered by significant economic growth and weakened (later imprisoned) opposition leaders, the ruling elite appears to have averted the latest domestic crisis caused by massive pro-European rallies.

Georgia's hedging after 2012 cannot be understood solely through international pressure or domestic politics but must be seen as a product of both. Structurally, Georgia remains exposed to serious security threats from Russia while it continues to lack credible security guarantees from the West. The 2008 war demonstrated the limits of Western deterrence, and the slow pace of EU and NATO enlargement has reinforced the perception that formal alignment would not translate into tangible protection. At the same time, China's growing regional presence has presented new economic opportunities that did not require political conditionality. These shifts created an external environment in which neither balancing against Russia nor bandwagoning with it could deliver security or prosperity. Hedging became the option most compatible with Georgia's objectives, exposure and constraints.

Domestic political dynamics amplified these incentives. After 2012, the new ruling elite faced intense electoral competition, deepening polarisation, and a legitimacy deficit rooted in democratic backsliding. Hedging offered a way to reconcile these pressures by using rhetorical Europeanization, which appealed to a strongly pro-EU public, and by selectively accommodating Russia, which reduced the risk of coercion. To this was added a symbolic partnership with China, which projected an image of autonomy and international relevance. Elite vulnerability, particularly Ivanishvili's economic exposure in Russia, further encouraged a risk-averse approach. Ivanishvili's former business associate Giorgi Bachiashvili (now imprisoned) noted, "He [Ivanishvili] does not see his money made in Russia as a debt, but as a threat. He is afraid. This fear drives him" (Radio Tavisupleba, 2025). As scholarship on 'underbalancing' suggests (Schweller, 1994, 2004), domestic political constraints and

[5] The legitimacy crisis since the 2020 parliamentary elections has grown, and exploded in 2024 after the EU rejected the elections results (OC Media, 2024).

ISSN 978-953-346-257-8
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elite preferences can inhibit balancing even under high threat, creating space for alternative alignment strategies such as hedging. In effect, hedging became a tool of regime survival by minimising external shocks while expanding the government's room to manoeuvre domestically.

These international and domestic factors explain why hedging prevailed over balancing or bandwagoning. A full balancing posture (i.e., deeper NATO cooperation, alignment with Western sanctions, or confrontational rhetoric toward Russia) risked provoking Moscow without producing Western security guarantees. Conversely, bandwagoning with Russia would have been unacceptable to a society that consistently supports EU and NATO integration, which would have threatened the government's domestic legitimacy.[6] Hedging offered a third path that allowed the ruling elite to avoid provocation, maintain flexibility, and adjust commitments incrementally as geopolitical conditions shifted.

In this sense, Georgia's post-2012 foreign policy reflects neither the classic logic of survival through alignment nor a coherent long-term grand strategy. Instead, it represents a deliberate attempt to manage uncertainty through reversible commitments and strategic ambiguity. Hedging emerged not as a sign of indecision but as a rational response to the dual pressures of structural vulnerability and domestic political imperatives. This combination distinguishes Georgia's experience from traditional cases of small-state alignment and helps illuminate the limits of Europeanization under conditions of intensifying great-power rivalry.

Georgia's hedging strategy entails three specific elements, which we investigate in turn: the language of Europeanization, engagement with China and strategic flexibility towards Russia.

The language of Europeanization for domestic Legitimacy

Immediately after the change in power following the 2012 elections, some signs emerged that the new government was reconsidering the exclusivity of Georgia's European foreign policy identity. Georgian Dream, led by billionaire Bidzina Ivanishvili, reaffirmed the country's Euro-Atlantic aspirations, pointing to Armenia as a role model for Georgia. Then PM Ivanishvili clarified that Armenia has good relations with the West and with Russia, and should be an example for Georgia.

"The question arises: can we reconcile the restoration of relations with Russia and good relations with America and NATO countries? I think Armenia is a good example of this… [for Georgia] and causes only white envy. Armenia has excellent relations with Russia, as well as with the US and NATO. Therefore, all this is possible" (Tabula, 2013).

[6] Support for NATO membership is 50% among the Georgian population and 39% among voters of the Dream Party (ISSA, 2025).

ISSN 978-953-346-257-8
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While Armenia officially pursued a multi-vector foreign policy at that time, it was in practice fully reliant on Russia to safeguard the de facto independence of Nagorno-Karabakh, which was a leverage that Russia used to limit Armenia's alignments.[7] For example, Armenia deferred to Russia by refusing to sign the Association Agreement (AA) with the European Union.

Georgia proceeded cautiously with its own AA. Then–Prime Minister Irakli Gharibashvili [2013-2015, 2021-2024] explained that Russia's Deputy Foreign Minister "assured [Georgia] that Moscow would not interfere in the signing of the Association Agreement" (Civil Georgia, 2014). This informal coordination with Russia about Georgia's relations with the EU illustrates how it managed the risk from Russia with measured engagement towards the EU, a classic hedging approach.

At the same time, GD has demonstrated institutional compliance with EU legislation (Delcour & Wolczuk, 2015, as cited in Panchulidze & Andguladze, 2025, 2) and participated in EU crisis management missions from 2016 to 2023 (European Commission, 2024a). Yet when European integration was added (Article 78) to the constitution in 2017,[8] Georgia simultaneously signed a Free Trade Agreement with China. While legal compliance with the EU continued selectively, clear signs of democratic decay were already evident in the second term of GD, especially in the areas of the rule of law and the electoral process.

Since the war in Ukraine, Georgia has proceeded even more guardedly and distanced itself even further from the West. This culminated in halting integration procedures with the EU, soon after having received candidate status. PM Kobakhidze announced that the government was freezing relations with the EU temporarily (until 2028) but confirmed that "joining the European Union is our main foreign policy priority" and "the government has the goal of becoming a member of the European Union in 2030" (LEPL Public Broadcaster, 2024). This practical annulment of the integration process while rhetorically retaining a European orientation reflects the government's attempt to navigate both external and internal risks, allowing GD to retain domestic legitimacy while ensuring international stability.

One of the clearest examples of the Georgian government's hedging approach was the almost simultaneous adoption of the EU Integration plan and the "Russian [foreign

[7]Armenia has a different alliance history and differs from Georgia in its current positioning. After the 2020 and 2022 wars with Azerbaijan and after the Russian abandonment, disillusioned Armenia has gradually distanced itself from Russia. But it is not a full realignment, still continues to participate in Russian-centric organisations (the CIS and the Eurasian Economic Union) and is heavily dependent on Russia energetically. Maintains Russian military bases. Armenia's diversification includes hosting an EU monitoring mission (EUMA) on its territory, a strategic partnership with the USA in 2025, and security cooperation with India. The Velvet Revolution of 2018 did not trigger a significant reorientation toward the EU, contrary to Georgia's 2003 Rose Revolution (Kakachia & Lebanidze, 2025).

[8] Constitution of Georgia: Article 78 – Integration into European and Euro-Atlantic structures. The constitutional bodies shall take all measures within the scope of their competencies to ensure the full integration of Georgia into the European Union and the North Atlantic Treaty Organisation. See. https://www.constcourt.ge/en/court/legislation/constitution-text

ISSN 978-953-346-257-8
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agent] law".[9] Publicly justified as aligning with "European transparency standards," it was unmistakably modelled on Russian legislation. In response, the EU suspended Georgia's candidate status in June 2024. GD's hybrid posture was also plainly evident with respect to sanctions on Russia. Georgia refused to join the EU's sanctions on Russia but cooperated closely with the EU to prevent sanctions circumvention (European External Action Service, 2026, p.21). Georgia's alignment rate with the EU's Foreign and Security Policy (CFSP) fell from 56% in 2017 to 31% in 2023 (Akobia, 2023), then rose a bit at 49% the following year (European External Action Service, 2026). In CFSP, the GD selectively supported only those measures that condemn Russian aggression in Ukraine, mirroring its own concerns (Akobia, 2023). However, Georgia's alignment with EU-initiated statements in the UN and the OSCE remained relatively high (around 80%; Kakachia et al., 2024). Although Georgia's preparedness for EU membership is declining, it retains some symbolic ties in multilateral contexts. The 2024 Human Rights and Democracy in the World (country report), for example, states that Georgia has continued to ensure good cooperation with the European Court of Human Rights and co-sponsored most UN resolutions initiated by the EU (European Commission, 2024a, p.14).

Georgia's engagement with NATO is another manifestation of hedging. After the 2008 Bucharest summit, when Georgia was refused the Membership Action Plan (MAP), and the 2008 August War in which NATO was relatively unresponsive, even the previous Georgian government had started to reorient itself toward the EU over NATO. The phrase "mutual pragmatism" echoed the US's reset policy and the EU's 'strategic patience' approach, which demanded that Tbilisi display patience toward Russia after the 2008 war (ReliefWeb, 2009; Kakachia & Lebanidze, 2023). To avoid further confrontation with Russia, GD stalled Georgia's NATO accession prospects and prioritised only training and capacity-building cooperation with NATO (Kakachia, Lebanidze, & Kandelaki, 2024). Ivanishvili's rhetoric also points toward a circumspect policy. "Georgia must realise its place. We are not a big geostrategic player like Saakashvili [President 2004-2013] imagined. He used NATO to provoke Russia like waving a red flag in front of a bull." Similarly, Gharibashvili argued that Georgia should "first resolve its territorial conflicts with Russia before becoming a NATO member." Today, Georgia's relations with NATO are at a standstill, but still active, which befits a strategy of hedging.

Engagement with China

GD's ascent to power coincided with China's ambitious project to connect Asia, Europe and Africa.[10] For GD, which has sought to "diversify" foreign relations without normative commitments, engaging with China was pragmatic. China's focus on infrastructural and financial diplomacy without "political interference" was ideal for

[9] On 26 March 2024, the ruling elite adopted the Action Plan for Georgia's EU Integration and in April reintroduced the Russian-inspired 'Law on Transparency of Foreign Influence', which despite public protest was adopted on 28 May.
[10] For example, Georgia's Baku-Tbilisi-Kars railway attracted Beijing's interest in Georgia (Topuria, 2025).

ISSN 978-953-346-257-8
DOI 10.22598/eusolis/Conf2026

GD to counterbalance the EU's normative criticism, allowing it to maintain greater autonomy.

China's political importance for GD was even more valuable. PM Irakli Kobakhidze perceived China as "the most exemplary country in development" and one of the "best examples of state modernisation" (Government of Georgia, 2024). Participation in "Belt and Road initiative" (BRI) forums gave the GD government international legitimacy, which GD was not getting from the EU. However, this political cooperation remained shallow. For instance, China did not support the annual United Nations resolution on the return of internally displaced persons from the Russian-occupied territories in both 2024 and 2025 (Topuria, 2025). In 2024, 103 states supported this resolution, the highest number recorded so far, but China was not among them (Georgia Today, 2024).

The strategically important Anaklia Deep Sea Port project on the Black Sea illustrates how GD has sought to manoeuvre among regional powers. Initially, it was envisioned as a Western-oriented project developed by a US- and EU-backed consortium. The EU was ready to finance the second phase of the port construction with 233 million euros, and the construction of the railway to the port with 100 million euros (Khutsiberidze, 2025). The United States was also actively supporting the construction of the Anaklia deep-sea port. In 2016, Donald Rumsfeld, the former US Secretary of Defence, stated that the United States should be more actively involved in the development of the East-West transport corridor and highlighted the participation of the American company (Conti International) in the development of the Anaklia deep-sea port.[11] In 2019, then-Secretary of State Mike Pompeo expressed hope that Georgia would be able to complete the Anaklia project during a meeting with Prime Minister Mamuka Bakhtadze in the US, but in 2020, the contract with Western partners was terminated, most likely due to pressure from Moscow (Radio Tavisupleba, 2024).[12]

GD tried to revive the project in 2023–2024 using a more multipolar approach. However, China Communications Construction Company Limited (CCCC), a state-owned enterprise, remained the sole bidder. However, the CCCC has not yet been named the official winner, and no contract has been signed between the state and the consortium. One reason may be Georgian Dream's deteriorating relations with the West and the expectation of sanctions, which is why they no longer see the potential of the Anaklia port as a business project (Khutsiberidze, 2025). Specifically, the Anaklia port will be economically profitable if it allows the shipment of cargo from as many countries as possible, including European and American, to Central Asia and vice versa. If Georgia receives large-scale sanctions from the United States and

[11] Rumsfeld also supported Georgia joining NATO as a means of strengthening Black Sea security and deterring Russian adventurism.
[12] Officially, the consortium failed to fulfill its obligations under seven clauses of the investment agreement. Specifically, it failed to raise 120 million USD to replenish its own capital, and failed to present signed agreements with the operator of the first phase terminal, the contractor for the first phase construction works, and international banks on the allocation of a loan in the amount of 400 million USD (Khutsiberidze, 2025).

ISSN 978-953-346-257-8
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Europe, or if they do not want to transport cargo through Georgia, the port will lose its economic attractiveness.

Economic figures show significant growth but reveal asymmetry in cooperation. China never ranked among Georgia's top ten investors (Khidasheli, 2025), but since 2012, Georgia's trade turnover with China has increased from $640 million ($26 million in exports and $614 million in imports) to $1.916 billion ($303 million in exports and $1.613 billion in imports) in 2024 (TI Georgia, 2025a). By 2025, China was Georgia's fourth-largest trading partner, accounting for 8.7% of total foreign trade (Business Media, 2025). But Georgian exports to China declined the next year by 3.3%, placing China as Georgia's seventh-largest export partner, while China's imports showed a notable increase by 18.6% (Business Media, 2025). In short, while the economic figures since 2012 seem impressive, there are signs of fragility and dependence. For instance, Foreign Direct Investment (FDI) increased from $132 million (2003 – 2012) to $655 million (2013 -2024) but displayed instability (TI Georgia, 2025b).[13] Although the relations are asymmetric, Georgia's engagement with China exemplifies its hedging strategy, enabling the government to project autonomy, legitimacy and stability.

Strategic flexibility with Russia

Georgian Dream's policy of "normalisation" was framed as an effort to minimise the security risk from Russia. In practice, the ruling party exercised strategic patience in security and political matters while expanding cooperation in areas where mutual benefits were clear. From the outset, this approach aligned with the post-2008 US "reset" and the EU's "strategic patience" toward Russia, both of which encouraged Tbilisi to pursue a patient and pragmatic course. Within this framework, Georgia opened an informal diplomatic channel through the "Karasin–Abashidze" format, restored trade and tourism ties, and even took part in the 2014 Winter Olympics in Sochi. At the same time, the normalisation policy displayed hybrid features typical of hedging, including restraint on issues the government believed might provoke Russia, selective but formalistic institutional resistance, avoidance of overt political alignment, ambiguous rhetoric, and adaptive economic engagement.

Georgian Dream also distanced itself from Ukraine, despite clear parallels between Russian interventions in both countries through the use of local proxies. When Russia annexed Crimea in 2014, Prime Minister Irakli Gharibashvili deliberately downplayed any analogy with Georgia, calling it a "mistake to compare this event with Georgia's own territorial losses in Abkhazia and South Ossetia" (Civil Georgia, 2014). When Russia again attacked Ukraine in 2022, GD once more rhetorically distanced itself and even blamed President Zelensky for the escalation.

[13] In 2014, for example, FDI peaked and then fell by 93% in 2024.

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Despite its neutral political language toward Russia, the ruling party maintained selective institutional resistance. It preserved Georgia's formal recognition of Russia as an occupying force both rhetorically and through the Law on Occupied Territories. In 2022, Georgia's Parliament passed a resolution supporting Ukraine by condemning violations of its sovereignty and internationally recognised borders, though without naming Russia, which led the opposition to withhold support (Formulanews, 2022). Following Russia's ongoing "borderization" and the killing of Georgian citizens along the occupation line (e.g., Giga Otkhozoria in 2016 and Archil Tatunashvili in 2018), the government introduced the so-called Sanctions List, a domestic accountability mechanism (initiated by the opposition) targeting Russians and Russian-controlled separatists responsible for such acts (Formulanews, 2020). Yet GD failed to operationalise enforcement, even including deceased individuals on the list. These symbolic gestures of resistance, combined with an avoidance of material escalation, reflected the government's attempt to appear responsive to public expectations while avoiding external risks by "not offending" Russia. This strategic flexibility met its limits in 2019, however, when massive public protests erupted after Russian Communist MP Sergey Gavrilov, who refused to recognise Georgia's territorial integrity, was invited to preside over a session of the Georgian Parliament and addressed the chamber in Russian during the Interparliamentary Assembly on Orthodoxy.

This crisis forced the government to reframe itself as the stabilising force capable of preventing a Russian war, an image it later linked to Georgia's economic performance. As Prime Minister Irakli Kobakhidze explained, "We have a peaceful vision in our approach toward Russia. About 20% of our territory is occupied by the Russian Federation, and even under these conditions, we are pursuing a very peaceful and pragmatic path" (Georgia Today, 2025). He also emphasised Georgia's economic positioning: "Georgia is a small country in the region with a wide network of free trade agreements, covering around 50 countries and regions, including the EU, CIS countries, UAE, and China. Georgia plays a strategic role, connecting Europe with Asia and the West with the East, not just economically, but in other areas too…This vision is working. Since 2021, our average economic growth rate has been 9.4%, which is high not only for the region but also for Europe. That's why we are focused on this path and strengthening the peace format across the region" (Georgia Today, 2025).

After the 2022 Russian invasion of Ukraine, this politically "neutral" rhetoric toward Russia brought substantial economic gains. GDP growth averaged 4.7% from 2013 to 2019, but rose to 9.4% between 2022 and 2024 (FactCheck, 2025). Annual growth had not exceeded 6.1% before the war, but afterwards consistently surpassed 9% (FactCheck, 2025). Much of this acceleration stemmed from temporary migration, the re-export of light vehicles, and remittances, sectors that proved short-lived and exposed Georgia's vulnerabilities. Russia's share of remittances, which had fallen from 54% in 2013 to 18% in 2021, surged back to 47% in 2022 before dropping to 16% by 2024, placing Russia third after the United States and Italy (FactCheck, 2025). Similarly, Russia's share of visitor arrivals increased from 19% in 2019 to 23.1% in 2022, then declined slightly to 22% in 2024. Re-exports of light vehicles to Kazakhstan and Kyrgyzstan rose dramatically (by 795% and 4,100% respectively) after the war, with Russia widely presumed to be the final destination (FactCheck, 2025).

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Russian FDI in Georgia increased only marginally from 2021 to 2023 before falling in 2024.[14] While Russia ranked second in total trade turnover in 2024, Georgia's imports from Russia (primarily oil and natural gas) were nearly three times higher than its exports. Although overall exports to Russia remained stable, Georgia's economy displayed a high degree of dependence on specific sectors.[15] Sharp fluctuations in remittances, stagnant FDI, and persistent sectoral dependence on Russia are key indicators of a vulnerability-driven hedging strategy. According to Figiaconi, small states adopt it voluntarily out of risk-management considerations amid the rise of great power tensions, 'for as long as they deem it strategically viable or useful' (2025, pp. 18–19). Framed as "normalisation" or "pragmatic policy," this approach converts structural vulnerability into a form of symbolic stability.

In sum, Georgia's hedging strategy toward Russia operates simultaneously on external and internal levels. Externally, it seeks to minimise coercion by maintaining ambiguity, preserving room to manoeuvre between Russia and the West, and pursuing adaptive policies. Internally, selective resistance and the politics of fear allow the ruling party to present itself as the sole guarantor of peace, bolstering domestic legitimacy, suppressing dissent, and justifying democratic backsliding.

Conclusion

Georgia's post-2012 foreign policy illustrates the constraints of Europeanization in the face of intensifying great-power rivalry and the regime's rising legitimacy concerns. Vulnerable to Russian coercion with no Western security backing, and with the aim to strengthen its grip on power, the ruling elite diversified its external alignment portfolio. Formal rhetoric of Euro-Atlantic integration, combined with economic opportunities from China and adaptive cooperation with Russia, allowed the ruling elite to maintain strategic ambiguity and to portray itself as safeguarding the security and economic stability of Georgia in a contested regional environment.

Standard IR categories such as balancing, bandwagoning, or neutrality are not multi-directional concepts. Therefore, unlike hedging, they cannot explain this trajectory, which entails ambiguity, reversible engagement, fall-back options and profit-maximisation logic, combined with structural insecurity, opportunity, and domestic political calculation. Hedging offered flexibility with autonomy while avoiding full realignment. Domestic incentives such as elite risk aversion, regime legitimacy concerns, and the need to navigate a strongly pro-European public further reinforced this cautious approach.

Georgia's experience ultimately suggests how small states may adopt hybrid foreign policy strategies shaped jointly by external constraints and domestic political incentives. This framing situates the Georgian case within wider debates on hedging,

[14] USD 88 million in 2021; USD 109 million in 2022; USD 117 million in 2023; but only USD 71 million in 2024.
[15] By 2024, 66% of Georgian wine exports went to Russia, and more than 80% (in some cases 90%) of exports of fruits and vegetables (FactCheck, 2025).

ISSN 978-953-346-257-8
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limits to Europeanization, and the interaction between regime legitimacy concerns and foreign policy positioning. Yet, as our study suggests, this flexibility is not free because ambiguity can erode partner trust, create asymmetric dependencies and sustain domestic polarisation.

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