Georgia at a Crossroads: The War Against Iran and the Reconfiguration of Political, Economic, and Security Risks

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Executive summary

The ongoing military escalation against Iran could be a critical juncture for Georgia that extends beyond a conventional security challenge. Politically, it risks accelerating Georgia's foreign policy reorientation and lending greater legitimacy to more repressive and nationalist-religious forms of rule. Economically, although Georgia is not directly dependent on Iran, expanding trade, Iranian-linked business activity and the country's logistical role suggest deeper exposure to opaque networks linked to sanctions evasion. In security terms, Iran's influence operates through ideological, religious and social networks, increasing the risk of radicalisation among some religious minorities, intelligence penetration and hybrid influence. At the same time, the conflict might also renew western attention on Georgia in the wider South Caucasus context. Whether this translates into meaningful engagement remains uncertain, but it may create limited openings for external leverage that could modestly temper Georgia's anti-Western shift.

Political dimension: Iran as an alternative partner to the west

Since 2022, against the backdrop of Russia's war against Ukraine, Georgia's pre-existing foreign policy drift has become more pronounced, reflected in greater distance from the West and a growing convergence with authoritarian regimes. Georgia's recent relations with Iran, and the possible implications of the war for Georgia, should be understood in the context of this broader shift.

Traditionally, Georgia's relationship with Iran has been characterised by a form of "reserved good-neighbourliness", reflecting historical legacies, regional balancing and divergent foreign policy orientations. However, following the annulment of the strategic agreement with the United States and the derailment of Georgia's EU accession process, Tbilisi's diplomatic rapprochement with Tehran creates the impression that relations with Iran are no longer limited to pragmatic neighbourhood diplomacy. Rather, they appear to form part of a broader foreign policy realignment in which ties with illiberal regimes are increasingly viewed as an alternative to the West.

Prime Minister Irakli Kobakhidze's two visits to Tehran in 2024, including his attendance at the presidential inauguration, where he was seen alongside the leaders of Hamas and Islamic Jihad, could be interpreted as a signal of more pronounced anti-western political positioning. The Georgian authorities have sought to remain formally neutral in the war involving Iran. However, specific actions suggest a degree of asymmetry that appears to work slightly in Iran's favour.

A Georgian Dream spokesperson stated that "the killing of a killer is not endorsed under the legislation of any country," after Ayatollah Ali Khamenei was killed in the initial US bombing, contributing to a negative discourse on US actions. This position was accompanied by a notable lack of transparency in diplomatic affairs. Information released by the Iranian ambassador regarding the visit of a "high-ranking Georgian official" to sign the condolence book without disclosing the individual's identity suggests the existence of parallel and informal channels of communication. This is notable at a time when communication with western partners has been largely reduced to protest messages to ambassadors and broader diplomatic engagement has become increasingly limited.

The conflict has also affected domestic politics. Georgian Dream continues to frame its rule around "preserving peace" and "avoiding war", while increasingly portraying the West as a source of escalation. In this context, the war involving Iran has strengthened anti-western and pro-Iranian narratives in Georgia's information space and helped to justify its foreign policy course. Media monitoring also indicates that pro-Iranian and anti-western narratives are increasingly intersecting with already established anti-Western narratives in Georgia's information space, contributing to the normalisation of critical, and at times openly hostile, messaging about the United States and Israel.

Symbolic politics has further reinforced this trend. In February 2026, a decision by Georgian Dream to illuminate the Tbilisi TV tower in the colours of the Iranian flag at a time when the Iranian regime was violently suppressing internal protests can hardly be interpreted as a neutral protocol gesture. The move prompted a critical response from the Israeli embassy, which asked: "What message does this send from Tbilisi to those who are fighting for freedom in Iran?" As the Georgian authorities increasingly display repressive modes of governance, such actions create the impression that Tbilisi is expressing solidarity not only with the Iranian state, but also with the governing logic associated with its regime.

Current developments also suggest an increasingly close intersection between religious and political symbolism. At the funeral of the Patriarch of Georgia in March 2026 – an event where attendance became highly politicised and in which, apart from the ruling team, no other political actors were allowed to participate – the visible involvement of the Iran's ambassador to Georgia, including in the procession, appeared to go beyond the boundaries of formal diplomacy. Such actions could be interpreted not merely as political gestures, but as demonstrations of ideological and values-based affinity.

This issue is especially significant in the context of the war, as Georgian Dream is increasingly relying on nationalist-religious narratives to bolster domestic legitimacy. Media reports highlight discussions over strengthening the institutional role of Orthodoxy in Georgia. This issue may regain salience with the selection of a new Patriarch in May, particularly if the outcome strengthens more conservative tendencies within the Church.

In such a scenario, Iran's continued presence as a regional model of religion-based governance acquires particular relevance. If the war leaves that model intact, Georgian Dream may find it easier to adapt elements of it to Georgian state practice without incurring major political costs, further consolidating power through the instrumentalisation of the country's most influential religious institution.

Economic dimension: Sanctions-evasion infrastructure and systemic risks

The war is accelerating the consolidation of regional blocs, and Georgia's role within this process is becoming clearer. Economic trends suggest that the country is emerging as a platform for sanctions circumvention for authoritarian regimes. Given the fragility of Georgia's economy, particularly in a context where some members of the ruling elite are subject to western sanctions, this model could strengthen regime resilience through informal financial flows and opaque economic practices. The precedents are significant. Studies and reports have already indicated that Georgia has been used as a transit space for sanctions evasion for Russia, particularly through the growth of re-exports and logistics. Similar mechanisms might also become relevant in the case of Iran.

Trade turnover with Iran reached a historic high in 2024, amounting to US$ 322 million, with imports accounting for the overwhelming majority. Iran is outside Georgia's top ten trading partners, however, so the short-term macroeconomic effects of the war are likely to be limited. That said, the picture changes when Iran's role in the informal economy is taken into account.

The expansion of Iranian business activity is one of the clearest trends. By 2025, approximately 13,000 Iranian companies were registered in Georgia, many under questionable conditions, including hundreds registered at a single address or in villages where no real economic activity appears to be taking place. This practice creates a de facto "hub" function, where Georgia is used as a transit and legal platform. The repackaging of Iranian goods and their re-export under Georgian labels is a common mechanism. Such schemes have already attracted international attention, including concern in the British Parliament.

Logistical support is another concern. In late 2025 and early 2026, Russian military transport aircraft transited Georgian airspace en route to Iran. Although officially described as "standard transit", this suggests Georgia's involvement in a wider authoritarian regional logistical network.

Iranian-linked interests also involve critical infrastructure. "Kaprina" supplies video surveillance systems to Georgian institutions such as the National Bank, the courts and local self-government bodies, raising not only economic concerns but also security and data protection risks.

Although Georgia's economy is not directly dependent on Iran, the country is gradually emerging as an infrastructural and financial platform to circumvent sanctions. This increases both economic and reputational risks and reinforces the broader trend for Georgia's economic model to be partially integrated into the shadow economic space associated with authoritarian regimes.

Security dimension: Soft power, networks of influence, and hybrid risks

Iran's influence in Georgia in the security sphere is most clear in its systematic use of soft power instruments that are gradually taking shape as a multilayered ideological and social infrastructure. One of the central elements of this process is the branch of Al-Mustafa International University, which operates in Georgia without accreditation and is sanctioned by western states. Its activities extend beyond the educational sphere and include the dissemination of anti-western narratives and the cultivation of long-term networks of influence.

Developments in Kvemo Kartli, an administrative region in southeastern Georgia, illustrate the practical effects of this infrastructure particularly clearly. In Marneuli, a municipality populated largely by an ethnic Azerbaijani minority, the content of public demonstrations and the statements made by organisers have included expressions of support for Hamas.

The politicisation of religious practices is another significant trend. The Tasua procession, organised by local Shia Muslims and traditionally religious in character, acquired an overtly political dimension in 2025, as participants expressed solidarity with Iran. This suggests that religious space is increasingly being used as an instrument for political mobilisation.

In addition, Shiite youth are being financed to study in Iran, contributing to the formation of a new ideological elite that can later operate as agents of influence at the local level. The slogan "Khamenei, I am ready to carry out your orders!", chanted outside the Iranian embassy in Tbilisi on 7 March 2026, illustrates the reach of Iran's ideological influence into parts of Georgia's Muslim population. An additional security risk is linked to possible connections with Iran's security structures. According to existing assessments, the Islamic Revolutionary Guard Corps uses religious pilgrimages for recruitment, indoctrination and intelligence spotting.

These ideological and social processes are now being accompanied by more explicit security indicators. The arrest in Greece of a Georgian citizen of Azerbaijani ethnicity on charges related to intelligence activity connected to Iran suggests that such influence may also be developing at the operational level. The case indicates that Georgian citizens could be drawn into broader intelligence and hybrid operations.

These developments raise questions about the degree of Georgian state's ability or willingness to oversee foreign-linked ideological, social and operational networks operating on its territory. The problem may reflect either limited institutional capacity or political tolerance. In either case, Georgia is increasingly becoming a conduit for influence where ideological, social and operational networks intersect. While this may serve short-term geopolitical balancing and regime security interests, in the longer term it increases the country's vulnerability and the risk of it becoming a space where hybrid influence and competing security interests converge.

Georgia between regional contestation and western attention

Although the Georgian authorities currently appear to be moving closer to an authoritarian bloc, the war could also increase Georgia's strategic relevance for the US. This is particularly visible in the context of TRIPP, the US-backed framework for regional trade, connectivity and stability in the South Caucasus. Although Georgia is not formally included, the logic of regional connectivity makes it unlikely that it will remain outside the attention of Washington. Secretary of State Marco Rubio's call with Kobakhidze on 30 March 2026, after a prolonged diplomatic pause, could already point in that direction. The following day, Iran's ambassador to Georgia wrote on social media that states that allow "external adventurists to use their territory would ultimately pay the price within their own borders", a message widely interpreted in Georgia as a veiled threat. Taken together, these developments suggest that Georgia is becoming a more contested space, potentially renewing western attention to its role in broader regional dynamics. Whether this results in meaningful engagement, however, will depend on western willingness to act and the choices made by the Georgian authorities.

Conclusions and policy recommendations

The war involving Iran has intensified trends already visible in Georgia's domestic and foreign policy trajectory. Its significance lies less in the risk of direct military spillover than in its potential to reinforce Georgia's political distancing from the West, deepen its exposure to opaque regional networks and heighten its vulnerability to ideological and hybrid forms of foreign influence. At the same time, the conflict could increase Georgia's strategic relevance for western actors in the wider South Caucasus, creating at least some scope for diplomatic, economic and security engagement. The war thus sharpens both the risks facing Georgia and the possibility, however limited, of renewed Western engagement.

In this context, given the Georgian authorities' limited willingness to cooperate with Western partners, Western engagement should move beyond routine policy dialogue and rely more clearly on targeted pressure and security resilience. The EU should increase its leverage through targeted financial and travel restrictions against members of the ruling elite and associated networks that enable repression, sanctions evasion or authoritarian influence. The change of government in Hungary may also create somewhat more favourable conditions for stronger EU-level measures, although the scope for a coordinated response will still depend on political will across the Union.

At the same time, Georgia's candidate status should be accompanied by more concrete security and resilience mechanisms. In the short term, the EU should support hybrid-threat assessment, responses to foreign information manipulation, scrutiny of illicit financial flows and monitoring of hostile intelligence activity. This could include a dedicated EU support presence or specialized office focused on hybrid threats and counter-intelligence support, broadly modelled on recent EU engagement in Armenia. Such a mechanism would create an external channel for assessing asymmetric threats and hostile intelligence activities more independently.

The United States and the United Kingdom should apply a similar logic through existing sanctions, visa-restriction and financial-accountability tools, targeting individuals and networks that derive concrete political or economic benefits from Georgia's vulnerability to hybrid threats. These measures should aim to raise the costs for individuals and networks driving Georgia's deeper integration into authoritarian structures, without isolating Georgian society or closing the remaining channels for democratic and Euro-Atlantic resilience.