

Georgia

by Ghia Nodia

Capital: Tbilisi
Population: 4.6 million
GDP/capita: US\$3,078
Ethnic Groups: Georgian (83.8%), Azeri (6.5%),
Armenian (5.7%), Russian (1.5%),
other (2.5%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	4.00	4.50	5.00	5.25	5.25	4.75	4.75	4.50
Civil Society	3.75	4.00	4.00	4.00	3.50	3.50	3.50	3.50
Independent Media	3.75	3.50	3.75	4.00	4.00	4.25	4.25	4.00
Governance*	4.50	4.75	5.00	5.50	5.75	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	5.75	5.50
Judicial Framework and Independence	4.00	4.00	4.25	4.50	4.50	5.00	4.75	4.75
Corruption	5.00	5.25	5.50	5.75	6.00	5.75	5.50	5.00
Democracy Score	4.17	4.33	4.58	4.83	4.83	4.96	4.86	4.68

* With the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author of this report. The opinions expressed in this report are those of the author. The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

EXECUTIVE SUMMARY

Since independence, Georgia has created a hybrid regime haunted by instability. Wars for secession from 1991 to 1993 brought some 15 percent of the country's territory under the control of unrecognized governments in Abkhazia and South Ossetia, and there were two unconstitutional changes of power in 1992 and 2003, though the latter was peaceful and did not generally unsettle the stability of the country. The 1995 Constitution conformed to primary democratic criteria—through the rest of the 1990s, it allowed political parties to compete freely for the most part, and independent media and civil society developed into formidable social actors.

However, under President Eduard Shevardnadze, the executive power was ineffective and corrupt, elections were increasingly rigged, and Georgia was often referred to as a “failing state.” The new government that came to power in 2003 as a result of the Rose Revolution has made a number of important achievements. It brought Achara, run by a local autocrat, back into mainstream Georgian politics. It has carried out a number of important reforms leading to greater effectiveness in public service, curbed corruption, and set joining NATO and the European Union (EU) as major national goals. But no comparable success has been achieved in advancing democratic institutions: The February 2004 constitutional amendments strengthened the presidency at the expense of the Parliament; the trend toward electoral fraud has been largely overcome, but elections are less competitive in practice; and energetic measures to reform the court system have led to lower trust in its political independence.

The local elections in October 2006 were the most important political event of the year. They occurred without significant violations and confirmed the strong mandate of the government but also the inability of the opposition to put up serious competition. Some cases of human rights abuses by law enforcement led to public protests in the spring and summer. Government reforms bore fruit as the World Bank and International Finance Corporation recognized Georgia as the “best reformer” in the world in terms of creating a better environment for business. At the end of the year, growing tensions with Russia led to an effective economic blockade of Georgia by its northern neighbor and created new challenges to Georgia's security and economic development, but also greater consolidation of the society.

National Democratic Governance. Georgia has a mixed political system that secures major civil and political rights and provides for political pluralism and meaningful expression of the public will. However, the government's numerous imbalances, most notably the domination of the executive branch over all other state agencies, leads to authoritarian tendencies in different spheres of public life

and prevents Georgia from becoming a consolidated democracy. Civil society has influence over some aspects of state policy, but political participation—save for elections or public protests—is concentrated within a small elite. About 15 percent of Georgian territory is controlled by the secessionist regimes of Abkhazia and South Ossetia, which are backed by Russia. The effectiveness of the executive government has increased considerably since the Rose Revolution, especially in attracting public revenue and providing public goods. *As Georgia is a hybrid system with considerable democratic freedoms but still lacking fully consolidated state institutions and sufficient governmental checks and balances, and the government's authority does not extend over the entire territory, the rating for national democratic governance is unchanged at 5.50.*

Electoral Process. Elections since the Rose Revolution have been considered generally free and fair. Overcoming widespread fraud, hitherto endemic to the system, constituted a major achievement. The 2006 legislation on public financing for political parties and free television time for electoral campaigning created a more level playing field for the government and opposition parties. However, the level of political competition remains low owing to the weakness of the opposition. Use of state administrative resources by the party in government may be part of the problem. *Owing to the steady trend toward eliminating electoral fraud and new legislation aimed at creating a more level playing field for political parties, Georgia's rating for electoral process is upgraded from 4.75 to 4.50.*

Civil Society. Legislation regulating the activities of nongovernmental organizations (NGOs) is quite liberal in Georgia. Nonprofit organizations are easy to register, their number is growing, and they can operate freely. A majority of the public appreciates the role of civil society in advancing democratic causes. However, after the Rose Revolution the sector's visibility has diminished. NGO cooperation with the government is productive in some areas, but there is no stable mechanism for interaction between the government and civil society. There are organizations with illiberal, extreme right-wing agendas, but their influence is marginal. The social base for NGOs is rather narrow, and organizations in most regions outside the capital are less developed. They are dependent primarily on foreign funding. The 2005 tax code instituted tax breaks for charitable activities, though these legal provisions are rarely used. Trade unions exist but have little influence. In September 2006, the function of NGO registration was moved from the Ministry of Justice to the Taxation Office. Also during the year, several organizations created a coalition to influence the government through mobilizing protest actions. *The rating for civil society remains unchanged at 3.50.*

Independent Media. The Georgian Constitution and legislation ensure a liberal environment for the development of independent media. The 2004 Law on Freedom of Speech and Expression took libel off the criminal code and relieved journalists of legal criminal responsibility for revealing state secrets. However, after

the Rose Revolution part of the media proved vulnerable to behind-the-scenes pressure from the government. Weak editorial independence, using media outlets to promote the political interests of owners, and low professional standards constitute major concerns. Pluralism of the media and their readiness to cover all newsworthy stories and voice views critical of the government are guaranteed by the diversity of the ownership structure. Almost no state-subsidized media remain. Journalists are occasionally abused by authorities outside the capital, but there is an increasing trend in the prosecution of such abuses. There are no strong formal associations of media, but in 2006 the Media Council made the first steps toward enforcing professional standards to which most media have subscribed. *As the government took more consistent measures to protect media freedoms outside the capital, the rating for independent media in Georgia improves from 4.25 to 4.00.*

Local Democratic Governance. The Constitution does not define the territorial arrangement of the country or the competences of subnational institutions of state power. Legislation adopted in 2004 regarding the Autonomous Republic of Achara left little power to the regional council. In December 2005, the Georgian Parliament adopted legislation laying the groundwork for new local government institutions—the creation of these began after the local elections in October 2006. These will be established at the district level, plus Georgia's six largest towns and the capital, Tbilisi, which will be governed by locally elected councils with their own budgets and property. However, these local government units may have insufficient authorities and resources. *Owing to the important step made to create functional and independent local government structures, the rating for local democratic governance improves from 5.75 to 5.50.*

Judicial Framework and Independence. The Georgian Constitution provides important safeguards for the protection of human rights and the independence of the judiciary. However, after the Rose Revolution the judiciary still finds it difficult to withstand political pressure. Although there is a notable decrease in torture at preliminary detention facilities, there have been scandalous cases of abuse by law enforcement officers and serious problems in the penitentiary system. In 2006, the government took positive steps to increase the independence of the judiciary, creating better safeguards for excluding torture through amendments to the criminal procedures code and reforming the penitentiary system. *The rating for judicial framework and independence remains at 4.75.*

Corruption. Although corruption continues to constitute an important concern in Georgia, the resolute anticorruption measures of the government started to bear fruit. This is reflected in the considerably lower perception of corruption among both the general public and experts. While in the aftermath of the Rose Revolution anticorruption efforts consisted of strong but somewhat erratic punitive measures with insufficient respect for due process, later the anticorruption policies became more comprehensive and orderly. Lack of transparency in a number of public

institutions contributes to continuous concerns about corruption. In 2006, the customs and tax bureaus were united into a single agency, the anticorruption system is functioning better, and some members of Parliament (MPs) were prosecuted on corruption charges. *Owing to the persistent anticorruption measures of the government and important improvements in the perception of corruption in Georgia, the country's corruption rating improves from 5.50 to 5.00.*

Outlook for 2007. Several challenges await the Georgian government and society in 2007. Easing tensions with Russia and managing the precarious balance in the uncontrolled territories of Abkhazia and South Ossetia will be an especially demanding task. These tensions may have an adverse effect on internal stability and democratic pluralism as well. The government plans to take steps to reform the social security system, an area in which no clear policy has been formulated. The new system of local governance is expected to start functioning, and 2007 will be an important test of its viability. As low trust in the judiciary system constitutes one of the major concerns of the society, the government is expected to prioritize this area as well.

MAIN REPORT

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50

The Georgian political system is based on democratic principles and provides for meaningful guarantees of political pluralism and freedom of expression. There are no obvious impediments to citizen participation in public life. The Rose Revolution of 2003 demonstrated a high level of intolerance in the society toward infringements upon political rights, and it brought to power a political group that had long advocated democratic reforms modeled on Western countries.

The policy of the government to pursue democratic reforms with the ultimate aim of joining NATO and the EU is widely supported by the public, and no serious political parties contest that choice. However, the Georgian political system continues to be unstable and unbalanced with regard to both its institutional design and actual political process. The political agenda of the country is set by a narrow circle of like-minded individuals surrounding the president, with insufficient public deliberation. This may be attributed to the unwillingness of the government to take into account alternative political visions, as well as insufficient capacity among opposition parties and civil society to provide them.

The government's greatest defect is its inability to ensure territorial control. There are two self-proclaimed territories in Georgia, Abkhazia and South Ossetia, which do not recognize the national authority. Cease-fire agreements brokered and enforced by Russia have been in effect in these regions since 1994 and 1992, respectively, but there is no progress toward a final settlement. Moreover, since 2004 tensions in both conflict regions, especially South Ossetia, have increased, with occasional skirmishes leading to shoot-outs and casualties. Some statements by Georgian leaders created fears that the government might have been contemplating a military solution to the conflicts, but the removal in November 2006 of Defense Minister Irakli Okruashvili, a reputed leader of the "war party" in the Georgian government, largely alleviated them.

In August 2006, there was a mutiny in Kodori Gorge, the only part of Abkhazia nominally loyal to Georgia, but in effect run by local militia. The mutiny was quelled successfully and led to the establishment of effective control by the Georgian government. The pro-Georgian Abkhazian government that is recognized by Tbilisi—and which represents the part of the population expelled by the separatist government during the 1992–1993 war—was relocated to Kodori Gorge, which the government also calls Upper Abkhazia. There are no other challenges to the sovereignty of the national government, though ethnic Armenian residents of

Javakheti province in southern Georgia occasionally raise claims to an autonomous status.

These conflicts are complicated by poor relations with Russia, which the Georgian government accuses of supporting the separatists. In July 2006, the Georgian Parliament adopted a resolution instructing the government to start procedures to end the Russian peacekeeping operation in South Ossetia and Abkhazia. Georgian-Russian relations reached a crisis point in September–October 2006, when the Georgian government arrested four Russian military officers on allegations of spying and subversive measures that led Russia to impose sanctions against Georgia. While there are no specific demands behind the sanctions, it is believed that pushing Georgia to change its leadership may be the ultimate aim. The crisis has consolidated support for the government in the short run but also has increased fears that hostilities will resume in the separatist regions.

Until 2004, the design of the central government generally followed the model of the U.S. Constitution. The president could not dissolve the Parliament and needed to secure parliamentary approval when appointing ministers and adopting the budget. On February 6, 2004, the Parliament introduced changes to the Constitution that unraveled the republican balance of power in favor of the president. The positions of prime minister and the Cabinet of Ministers were established. The president must secure approval from the Parliament to appoint the prime minister but can dismiss him at will. Most importantly, the president acquired powers to dismiss the Parliament in specific circumstances, such as in the event of three consecutive no-confidence votes delivered to the cabinet by the Parliament. In practice, parliamentary independence decreased as a result of these changes.

The assembly passes an enormous amount of new legislation without sufficient deliberation, though it offers resistance to some draft legislation coming from the executive branch and initiates its own. A package of amendments to the Constitution submitted by President Mikheil Saakashvili in October 2006 was adopted in a substantively changed form owing to criticism from the Parliament, the opposition, and the expert community. During most of 2006, opposition factions boycotted Parliament sessions since they did not think their participation was meaningful. However, the Parliament is rather open to public participation in preliminary hearings, and there are effective instruments to inform the public on its legislative agenda.

Constitutional amendments adopted in December 2006, designated October as the month when the president's and Parliament's terms expire and the next elections will be held between October 1 and December 31, 2008. This amendment was criticized for creating a precedent of extending the term of a standing Parliament: The previous version of the Constitution required elections to be held in spring 2008, almost half a year earlier.

The public's rights to join and form political parties, take part in elections, and create and engage in public associations or demonstrations are generally respected. There are occasional meetings between the government and civil society representatives at the highest levels, although this tended to diminish in the last two years.

Government agencies have public boards/councils and other formats for dialogue with civil society, and in some instances, state agencies take civil society's advice.

The 1999 administrative code includes the equivalent of the U.S. Freedom of Information Act, which makes all public information accessible. In practice, however, some public agencies do not conform to these requirements. Some NGOs report that after the new government came to power, accessing public information became more difficult in practice, and 50 percent of polled journalists said that access to public information declined after the Rose Revolution. The Ministries of Internal Affairs and Defense and the Office of the State Prosecutor were mentioned as the worst performers, while the Ministries of Culture and Sports, Health and Social Welfare, and Finance are among those considered to be the most responsive to requests for information.¹ In 2006, the government took some steps to address the problem. In November 2006, following the intervention of the public defender, Tbilisi municipality fired a staff member who failed to release public documents to a citizen who requested them.

Georgian legislation provides for democratic oversight of the military and security services. The military budget has become much more detailed and transparent, and the ministers of defense and internal affairs take part in parliamentary hearings. There is a "group of trust" in the Parliament that has access to classified information and is in closer contact with the military and security services. However, no opposition member is represented in the group. The parliamentary majority rejects the candidacy of David Gamkrelidze, leader of the New Rights Party, who is the only representative the opposition supports for the position (without giving specific reasons).

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
4.00	4.50	5.00	5.25	5.25	4.75	4.75	4.50

The Constitution and the electoral code guarantee universal suffrage, equal electoral rights, and the right to direct and secret ballot in Georgia. However, the actual ability of the electoral process to ensure fair competition among parties and fair voting procedures has been low throughout the period of independence. There was a general trend of declining standards until November 2003, when blatant electoral fraud during the parliamentary elections triggered mass protests culminating in the resignation of the president and partial invalidation of the election results (the portion including party lists).

Several elections have taken place since the Rose Revolution: the extraordinary presidential elections in January 2004, repeat parliamentary elections (party lists only) in March 2004, regional elections in Achara in June 2004, and local elections in October 2006. There was a clear trend of improvement in electoral standards in

all of them, confirmed by the assessments of local and international observers. For instance, the International Election Observation Mission of the Organization for Security and Cooperation in Europe (OSCE) and the Council of Europe noted that the March 2004 repeat parliamentary elections “demonstrated notable progress and were the most democratic since independence.”² The October 2006 local elections continued the trend of improvement in the lack of obvious fraud and improved organization, but they were not sufficiently competitive.

The low level of political competition has been the chief trait of the post-Rose Revolution elections in Georgia. Mikheil Saakashvili won the 2004 extraordinary presidential elections with 96.27 percent of the vote, which could be easily attributed to the euphoria after the Rose Revolution when no major politician stood up to him (while those who did not support him chose not to vote). His bloc of the National Movement and United Democrats carried the March 2004 partial repeat parliamentary elections with 66.24 percent of the vote (the two parties later merged formally into the United National Movement [UNM]). Only one other bloc, the New Rights–Industrialists, overcame the 7 percent threshold required for political parties, with 7.96 percent. As time has passed since the revolution, however, the balance of political forces has not changed: In by-elections on October 1, 2005, all five parliamentary seats in single-mandate districts were taken by the UNM, and the 2006 local elections brought a resounding victory for the party.

These results cannot be explained by the repression of opposition parties, as generally they can operate freely, though there have been several allegations of pressure against individual opposition and independent candidates in some Georgian regions. The most fundamental problem noted by the local and international observers was misuse of “administrative resources” or “blurred distinction between the authorities and the governing party”³ that gave an advantage to incumbents. In particular, it meant that in the preelection period, a number of widely publicized social programs were implemented that became a major part of the election campaign of the government party. However, it was also noted that opposition parties failed to articulate distinct alternative platforms and restricted their campaigning to competing for protest votes.

This underscores the most substantive deficiency in the Georgian electoral system: the lack of strong and stable political parties. Most influential political parties are seen as machines for ensuring support for their individual leaders rather than as vehicles for mobilizing citizens around competing interests and policy options. The current party in power continues a tradition of dominant political parties that can be hardly distinguished from the state—for instance, the Round Table from 1990 to 1991, the Citizens Union of Georgia from 1995 to 2001, and the Union of Revival of Georgia in Achara from 1992 to 2004. The three opposition factions in the Parliament have 35 seats (out of 235) and do not have any significant influence on the work of the Parliament. Moreover, they spent most of 2006 boycotting sessions in protest of the majority not meeting the opposition’s specific political demands (such as the resignation of the minister of internal affairs)—but they returned to parliamentary sessions in November.

Some legislative initiatives in 2006 were aimed at leveling the opposition's chances in a system where they have difficulty competing with the dominant party. The Law on Public Financing of Political Parties secures a much higher level of financing based on a party's performance in the last elections. Public financing also extended to parties that broke away from the ruling party and created their own factions while in the Parliament. Amendments adopted to the electoral code in June 2006 mandated that television stations provide a considerable amount of free time for broadcasting election campaign messages. As TV commercials had traditionally constituted the highest campaign expense, this effectively amounted to additional public support for the parties.

The 1997 Law on Citizens' Political Associations presents no significant barriers to political organization and registration. By July 2005, there were 184 political parties registered in the Ministry of Justice.⁴ The only important restriction prohibits the creation of regionally-based political parties. This provision was used twice by the Ministry of Justice (in 1999 and 2001) to deny registration to Virk, a political party based in the ethnic Armenian-populated province of Samtskhe-Javakheti. Virk advocates creating an ethnically-based Armenian autonomy in the region, which is a source of concern in Georgian society.

The electoral code does not present any serious obstacles for free and fair elections, but two elements of the system are frequently criticized. The 7 percent threshold for party lists in national elections is widely considered to be too high, but the Georgian government refuses to follow recommendations from such bodies as the Council of Europe to reduce the barrier to 3–5 percent. On the other hand, creating multimandate districts with a “winner takes all” formula for the majoritarian component of parliamentary elections (first used in municipal elections in the capital, Tbilisi, in 2006 and slated for the next parliamentary elections scheduled for 2008) leaves a slim chance for the opposition unless it unites into a single bloc.

The composition of electoral commissions is another contentious issue. Before 2005, Georgian electoral commissions were based on the balance among representatives of political parties, with government parties usually calling the shots. Following amendments to the electoral code adopted in April 2005, a new system of central and district electoral commissions was created. In this system, neutral civil servants are selected through a competitive process in which the president selects 12 candidates for the Central Electoral Commission and a candidate for the position of chair, while the Parliament elects 6 members and confirms the chair. This system caused protests from the opposition, which did not trust the neutrality of the new electoral administration.

Although election turnout figures are usually considered unreliable owing to faulty or incomplete voters lists, a high level of participation is obvious in most critical elections, including the presidential and parliamentary elections in 2004. The 48 percent voter turnout in the October 2006 municipal elections is considered relatively high by the standards of local elections. However, the lack of viable political parties restricts broad public participation mainly to elections or occasional protest actions.

The genuine participation of ethnic minorities is especially low (though their formal turnout in elections is relatively high). According to a 2002 census, ethnic minorities constitute more than 16 percent of the population (not counting the breakaway regions of Abkhazia and South Ossetia) and are concentrated largely in two provinces, Kvemo Kartli and Samtskhe-Javakheti. The majority do not speak Georgian, which is the country's only official language. This effectively disqualifies them from public and political life at the national level.

Ethnic minorities are underrepresented in all branches of power at the national level and in some regions at the local level as well. They are also rarely involved in political parties other than those in power. However, in the 2006 local elections the overwhelmingly Armenian-populated district of Akhalkalaki had the most competitive elections in the country, with the local branch of the Industry Will Save Georgia party putting up a serious fight to the UNM. Voter turnout was 64.06 percent. Still, the contenders represented local interest groups and had no strong links to the national parties on whose behalf they competed.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
3.75	4.00	4.00	4.00	3.50	3.50	3.50	3.50

The state provides a largely favorable environment for the development of the independent civic sector in Georgia. The country's legislation allows civil society organizations to be easily registered, or not to register at all, and operate freely. Beginning in September 2006, the function of registering NGOs moved from the Ministry of Justice to the Taxation Office, and registration is fairly easy, speedy, and affordable. NGOs enjoy considerable tax benefits: The Law on Grants exempts NGO moneys from most taxes, and the 2004 tax code instituted tax exemptions to encourage charitable giving. Businesses can now spend up to 8 percent of their profits on charitable activities to decrease their tax burden. NGOs can participate in tenders and compete for government contracts at both local and national levels. However, the Law on Grants does not extend to state grants for NGOs.

The civic sector in Georgia is relatively large, vibrant, and influential. There were 7,581 nonprofit associations and 999 foundations registered in the country by April 2005,⁵ though most of them exist on paper only or were created for implementing just one or two projects. Several hundred organizations are relatively stable, and an increasing number of them reach or come close to international standards of quality of management. Local expertise on NGO management is becoming more readily available for less developed organizations. Training and handbooks on NGO management, fund-raising, and other resources are largely available. In 2004, a code of conduct for NGOs was created, and most leading organizations have signed on to it.

NGOs in Georgia are rather diverse with regard to their mandates. A number of groups are involved in human rights and environment advocacy, women and minority issues, training and consultancy in various fields, public policy development, and so forth. However, there are important structural shortcomings. NGOs depend mainly on the international donor community. Local philanthropy exists but is weakly institutionalized and more willingly involved in humanitarian and cultural projects—support of civil society organizations is extremely rare. Volunteerism is also weakly developed, and successful community-based organizations are few. As a result, the social base for civil society organizations is rather narrow, including mostly young urban professionals. There are few genuinely membership-based organizations, and the most successful organizations are professional groups. According to a spring 2005 poll conducted by the Center for Strategic Research and Development of Georgia,⁶ only 7.9 percent of respondents said they had interacted with NGOs, and less than 2 percent described themselves as members of any organization.

The Georgian civic sector played an important role in the Rose Revolution of 2003 by providing authoritative monitoring of the electoral process, mobilizing support for democratic causes, and using its capacity to ensure peaceful and organized mass protests. Many leaders in the new government come from an NGO background. These include, among others, the ministers of internal affairs, defense, education and science, finance, and culture and sports, the mayor of Tbilisi, and the chairman of the Constitutional Court.

However, since the Rose Revolution the overall visibility and political influence of civil society organizations have diminished. The sector has become more politicized and fragmented, although a few organizations that are mainly supportive of the government agenda have had an ongoing influence on government policies. For instance, the Liberty Institute took part in developing such key pieces of legislation as the labor code, amendments to the electoral code and the Law on Licensing, and the draft Law on Notary. The government was responsive to a number of initiatives led by the Open Society–Georgia Foundation, such as the introduction of retraining programs for former public servants (Tbilisi municipality joined the program), the institution of community policing, and the adoption of a system of free legal assistance. The Georgian Young Lawyers Association, an organization strongly critical of the government on a number of issues, was also closely involved (along with the Liberty Institute) in a working group created in 2004 to elaborate a new criminal procedures code (expected to be adopted in 2007).

Quite a few public councils function with different government agencies, but their effectiveness is often low. The Ministry of Education and Science and the Ministry of Health and Social Welfare are notable for successfully involving civil society organizations in their reforms. Overall, however, the government is rather selective when cooperating with NGOs, with most organizations having rather limited opportunities to make themselves heard by decision makers. The government considers the NGO community to be too politicized and unrepresentative and

deems cooperation with a smaller circle of like-minded organizations to be more productive.

In 2006, a number of organizations created a coalition that aims to influence the government through mobilizing protest actions. Such NGO activism mainly targeted alleged abuse from the police, such as “shoot-to-kill accidents” in the course of arresting suspects in 2005 and the first half of 2006. These protests may have played a part in the lack of significant police-related scandals in the second half of 2006.

The service-providing role of civil organizations has increased in Georgia. NGOs such as the Georgian Foundation for Strategic and International Studies, Georgian Young Lawyers Association, Civil Society Institute, Partners-Georgia, and others play an important role in training new public servants or setting up new agencies (for instance, the Georgian Young Lawyers Association contributed to setting up the new environmental police). There is successful cooperation between local government bodies and NGOs in a number of regions. Some civil society representatives are frequently invited by the media to comment on current political issues and policy reforms. However, only a small number of organizations and civil society personalities maintain high media visibility, and most of them are presumed to be in either pro- or antigovernment camps.

Georgia has a number of public associations that pursue illiberal causes. For the most part, these claim to protect Eastern Orthodox values from the pernicious influence of Western liberalism. In the past, some groups have been involved in violent attacks against religious minorities, civil society, the media, and the political opposition. The new government has been successful in curbing the activities of such groups, so that violence on behalf of “uncivil society” has largely stopped. These groups are free to express their opinions but do not have much political influence or seriously disrupt public order.

Georgians are free to organize and join trade unions, but so far only a few viable independent trade unions have been created, mainly in health care and education. Those trade unions that are successors to Soviet-era organizations do not play any visible role in defending employee rights. Thanks to matching grants issued by the Tbilisi and Batumi municipalities in 2005 and 2006, quite a few neighborhood associations were successful in organizing themselves and raising funds to provide for local needs.

Following the April 2005 Law on Education, school boards comprising parents and teachers were created with extensive rights to run public schools in 2006. The government considers this to be a major initiative aimed at developing civil society at the local level, as schooling constitutes a primary interest for local communities. There are plans to entrust school boards with other responsibilities, such as monitoring law enforcement bodies at the local level.

By early 2007, Georgia will have completed its two-year transitional period in reforming the country’s university system. The reform was implemented by presidentially-appointed rectors who were mandated to prepare the ground for establishing new structures to ensure the genuine independence of universities.

The reform stirred public protests at Tbilisi Ivane Javakishvili State University over the considerable job loss among faculty, and the government was criticized for restricting university autonomy during the transition period. By the end of 2006, Georgian universities began electing rectors according to a new law, thus restoring their academic autonomy.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
3.75	3.50	3.75	4.00	4.00	4.25	4.25	4.00

After the Rose Revolution, Georgian media legislation was advanced to the level of the best international standards, and the country's legal system strongly guarantees media freedom. The Constitution states that "the mass media are free; censorship is impermissible" and that "citizens of the Republic of Georgia have the right to express, distribute, and defend their opinions via any media, and to receive information on questions of social and state life. Censorship of the press and other media is not permitted." The June 2004 bill on freedom of speech and expression decriminalized libel, moving litigation from criminal to civil law competences. To file a libel case, a defendant must prove that the media acted with prior knowledge of a statement's false nature or with reckless disregard for the truth.

Journalists can no longer be held responsible for revealing state secrets, which is an important protection for whistle-blowers; only relevant public servants can be charged for failing to guard them properly. Courts cannot require journalists to disclose sources of confidential information. After this law was enacted, litigation against journalists or the media on defamation or other charges, which was common practice before, became rare.

Almost no state-supported media remain in Georgia. Following the December 2004 Law on Broadcasting, the State TV and Radio Corporation was transformed into Georgian Public Broadcasting in summer 2005. It is supervised by a nine-member board of governors appointed by the Parliament, with two candidates for each slot pre-selected by the president from a multiplicity of applicants. It was only in 2006 that public television started its new programming. Experts agree that its news and political talk shows are rather balanced, but the overall rating for public TV channels is still low. Public radio is more popular and provides a forum to different political views as well.

Several newspapers in ethnic minority languages are the only remaining ones that depend on state funding. Achara TV, active in the Autonomous Republic of Achara, continues to have the status of a state organ and is directly dependent on the Acharan authorities.

The Law on Broadcasting entrusts the licensing of outlets to the Broadcasting Commission, an independent body whose five members are appointed by the

Parliament through the same procedure described for public broadcasting trustees. Licenses are issued for 10 years and extended automatically for another term unless the broadcaster violates specific requirements defined by law. In terms of legislation, there are concerns regarding the absence of special procedures for arrests and searches of media property. Currently, media organizations are required to follow the same procedures that apply to any other business, but the lengthy court procedures that tend to result from perceived violations can disrupt the functioning of the media.

In 2006, there were no allegations of important news being kept out of the public domain, and opinions that were critical of the government were widely reported and expressed by the media. The media played a crucial role in exposing improper government actions and mobilizing public protests in the scandal related to the death of Sandro Girgylani, head of the Georgian Bank's Foreign Department who was found dead on January 28, 2006 with injuries sustained as a result of physical abuse. However, there are serious concerns regarding the editorial independence of journalists, particularly the manner in which media owners tend to use their outlets to promote their political preferences.

In Georgia, diversity in media ownership ensures media pluralism. Imedi, which in 2006 became the highest-rated TV channel (as well as the highest-rated radio station of the same name), is owned by Badri Patarkatsishvili, a tycoon close to the strongly oppositional New Rights Party. Rustavi-2, which slipped to second place in the ratings, changed ownership twice after the Rose Revolution. In November 2006, a new holding company was created including Rustavi-2, Mze (the third-rated channel), and the less significant First Stereo TV. The holding company is believed to belong to business groups closely aligned to the present government. Moreover, changes in leadership at Rustavi-2 are believed to follow changes within the existing government: Kibar Khalvashi, owner of the company in 2004–2006, was presumably close to Defense Minister Irakli Okruashvili. The removal of Okruashvili in November 2006 may be correlated with Khalvashi selling his ownership rights in Rustavi-2 during the same period.

The small TV channel Kavkasia (broadcasting in the capital only) is openly oppositional. Two small TV stations that were highly critical of the government—202 (Tbilisi) and Trialeti (Gori)—suspended all or part of their programming, claiming either a need for restructuring or financial reasons. Several independent radio stations such as Ucnobi, Imedi, and Radio Green Wave as well as Public Radio have become forums for public debates. Most print media give preference to news coverage and opinion critical of the government, but the distribution and influence of newspapers are considerably lower than those of television. Insufficient professional standards within Georgian media organizations continue to be a long-term problem.

The advertising market in Georgia is insufficient to sustain several independent television channels and a large number of newspapers, though there is a significant tendency toward growth. In 2005, the income of television and radio broadcasting companies rose to 31.7 million lari (about US\$17.6 million), which is 3.2

times more than it was five years ago.⁷ Experts allege that since commercial revenues are seldom sufficient to sustain media outlets, owners tend to use their media holdings to promote their other interests rather than establish them as independent businesses in their own right. This encourages bias in their political coverage. On December 31, 2006, the tax breaks for print media expired, with the ruling majority stating that it did not plan to renew them.

On a number of occasions, authorities (usually outside the capital) abuse journalists and hinder them from gathering information. For instance, journalists from two Azerbaijani TV companies were verbally and physically attacked when they were covering a protest rally of ethnic Azerbaijanis in Georgia. There is some progress, however, in that the abusers cannot get away with impunity in many cases. On May 8, 2006, police confiscated videocassettes from journalists involved in an investigative reporting project. The next day, the ministry of internal affairs returned the cassettes and apologized to the journalists, and three police officers involved in the matter were fired. On June 15, journalists and other participants at a protest rally in Sighnaghi district were beaten by the police. Later, three people were arrested for beating journalists but eventually released on a plea bargain. The head of the Tbilisi patrol police resigned after he physically abused a Public TV cameraman. The head of the Labor, Health, and Social Security Department of the Guria region was fired after physically attacking a journalist.

Another problem in relations between the government and the media is favoritism shown toward some journalists and the “blacklisting” of others. In particular, the Ministry of Defense denied access to information to journalists who produced unfavorable coverage of defense activities. Rustavi-2 is usually favored over the opposition-leaning Imedi by the Ministries of Internal Affairs and Defense in covering their events.

There are several journalist and media associations in Georgia, but none of them became strong enough to unite the media community around issues of journalistic freedom or professional standards. In 2005, a Media Council was created to monitor and enforce professional and ethical standards among participating organizations as defined in the 2002 Professional Standards of Media. The process was joined by major TV companies but boycotted in large part by the print media. In 2006, the council began issuing judgments on specific cases of alleged violations among Georgian media.

Access to the Internet is not restricted in any way, save for economic and technical reasons. There are still no Internet providers in several less developed regions, but the number of Internet users is growing fast. The government does not create impediments for the registration of new Web sites and does not try to censor or control their content. While there are some Internet debate forums, this medium is still of marginal importance for expressing and debating political opinions. In the 2006 worldwide Press Freedom Index by Reporters Without Borders, Georgia was ranked 89 among 168 countries with 21 points, up from 99th place among 167 countries with 25.17 points in 2005.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	6.00	5.75	5.50

Since independence, Georgia's political system has been highly centralized, with rather weak democratic institutions at the subnational level. Paradoxically, at the same time, weak state capacity has made government control in some regions rather precarious, with effective governance often relying on deals between the central government and local elites. The 1995 Constitution did not define the structure of local government, postponing this move until after the resolution of conflicts in Abkhazia and South Ossetia.

Since the Rose Revolution, there has been a trend to strengthen effective government control throughout the territory of the country save for Abkhazia and South Ossetia, while also creating a new system of local government. The legislative package—including the new Law on Local Self-Government, amendments to the legislation on the capital, Tbilisi, and laws regulating taxation and property rights at the local government level passed in 2005—has laid the foundation for the new system, while the October 5, 2006, local elections launched a process to actually create it.

The new legislation introduces a one-level system of local government at the district (*raion*) level, which used to be the main administrative unit in the Soviet system. There will also be several self-governing towns, including the capital. This makes self-governing units larger: Before 2006, there were up to 500 smaller municipal units (including small towns and a few villages), while under the new law, bodies of local government were created in 75 larger units, including Tbilisi as a single unit, plus several small communities in parts of Abkhazia and South Ossetia where the Georgian government was capable of organizing elections.

This change attracted some criticism for making local government more distant from citizens, but larger units may be more economically viable and will potentially have a greater capacity to balance the power of the national government. The introduction of local self-government in the capital, which makes up about one-fourth of the Georgian population, is especially important politically: The locally elected city mayor may become a powerful figure independent from the central government. On the negative side, the new legislation provided rather limited financial resources for municipal governments and reduced their competences to social and cultural spheres only.

The *raion* council elects its chairperson as well as the mayor, a public servant of local self-government who will head the *raion* administration. The draft law also provides for specific forms of citizen participation in decision making at the local

level, such as citizens assemblies, petitions, surveys, public discussions, and so forth. The resources of local governments will be audited by independent companies.

The local government elections on October 5 led to the strong victory of the ruling UNM, which received 77.08 percent of the vote nationally and won in all electoral districts. The bloc of the Conservative and Republican Parties came second with 8.56 percent and the Labor Party third with 6.42 percent. The opposition tried to put up a real fight only in the capital, Tbilisi, and it was marginally more successful there (the above-mentioned opposition parties/blocs got 12.04 and 10.65 percent, respectively), but in general the campaign was rather lukewarm. Voter turnout overall was 48.04 percent. International observers from the OSCE/Office for Democratic Institutions and Human Rights and the Congress of Local and Regional Authorities of the Council of Europe noted “significant progress”⁸ in the conduct of elections. Results from parallel vote tabulation conducted by two Georgian organizations, the International Society for Fair Elections and Democracy and New Generation–New Initiative, which acted in cooperation, respectively, with the National Democratic Institute and International Republican Institute of the United States, diverged from the official election results but within acceptable margins of error. The main criticism of both local and international observers referred to the misuse of so-called administrative resources.

With all municipalities in the country controlled by the party governing at the national level, the process of setting up the new system of municipal government is not expected to create any political challenges to the government’s decentralization plan—unless it encourages tensions within the UNM.

The Autonomous Republic of Achara has a special status defined by the Constitution and 2004 constitutional Law on the Status of the Autonomous Republic of Achara. It defines the competences of the republic in the areas of education, culture, local infrastructure, and so forth, but at the same time it gives the Georgian president extensive rights. The president appoints the prime minister of Achara. The president can also dismiss Achara’s Supreme Council if its activities endanger the sovereignty and territorial integrity of Georgia or if it twice consecutively fails to approve the candidacy of the Achara government’s chairman. This law was criticized by some observers as excessively restricting Achara’s autonomy but did not cause any protests locally.

On June 20, 2004, extraordinary elections to the Supreme Council of Achara following the forced resignation of its leadership in May brought a strong victory of 72.1 percent to the UNM, with only the Republican Party able to overcome the 7 percent threshold. The Council of Europe welcomed this progress as compared with previous elections in the region, but it stated that “the electoral process fell short of international standards in some areas,” including the accuracy of voters lists, secrecy of the ballot, and low competency of election commission staff.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
4.00	4.00	4.25	4.50	4.50	5.00	4.75	4.75

The Georgian Constitution guarantees all fundamental human rights and freedoms, using the European Convention on Human Rights as a model. The Constitution also provides for a public defender, who is nominated by the president and elected by the Parliament for a five-year term yet is not accountable to either the president or the Parliament. In 2004–2006, the public defender was strongly critical of a variety of government actions.

Violations of human rights in Georgia continue to be an important concern in several areas. Abuse of suspects and prisoners in the Georgian law enforcement system has been the most challenging human rights problem since independence. The problem has persisted since the Rose Revolution, though its character has changed. There has been a dramatic reduction in the occurrence of torture in pretrial detention facilities (a formerly common practice); however, there have been serious cases and allegations of abuse by law enforcement officers in arrests, as well as abuse of prisoners in penitentiary facilities. This may be linked to a crackdown on organized crime announced by the government in December 2005.

The most publicized and scandalous case was that of two young people severely beaten in January 2006 by high-ranking officers of the Constitutional Security Department of the Ministry of Internal Affairs, presumably on the grounds of settling personal scores. One of them, Sandro Girgvliani, died as a result. This led to the resignation of the department head and imprisonment of the direct perpetrators, though the episode sparked numerous street protests demanding resignation of the minister of internal affairs and punishment for the high-level officers whose guilt was not proven in court. In several other incidents in 2005 and the first half of 2006, suspects were shot in the process of arrest. Although the government claimed this was an unavoidable result of dangerous criminals resisting arrest, some human rights groups branded these actions as premeditated extrajudicial killings.

The new leadership of the penitentiary system started reforms, including taking effective control over the prison system away from “in-house” criminal bosses (who had run the prisons together with corrupt prison administrations) and improving conditions for inmates by building new penitentiary facilities. All criminal bosses (“thieves in law”) have been isolated from other inmates, and two new prisons with modern facilities were built during 2005 and 2006, significantly improving conditions for about 4,000 prisoners. Two other prisons are under construction, which will improve conditions for another 4,000 inmates and conform Georgia’s prison system to the standards of other democratic societies.

However, these reforms have also led to increased allegations of prisoner abuse. In part, this is linked to the problem of prison overcrowding. Following the crackdown on crime in Georgia, the prison population increased dramatically from about

6,000 inmates in 2003 to almost 13,000 in 2006. Hygienic and health conditions that had been poor in the first place became dismal. In mid-2006, 63 percent of prisoners were held on remand, awaiting trial (this number was somewhat reduced by the end of the year). There have been numerous allegations of prisoner abuse and excessive force used by prison authorities. During a prison riot on March 27, 2006, 7 inmates were killed and 17 suffered serious injuries.⁹ There are conflicting accounts of this event, but some inmates cite inhumane treatment of prisoners as a possible cause for the revolt. To monitor such abuses, the leadership of the Penitentiary Department has begun to install videocameras in the facilities. Nevertheless, 92 inmates died in 2006 in the prison system, compared with 46 deaths during 2005.¹⁰

The government has introduced some measures to address the issue of human rights abuses in the law enforcement system. In 2005 and 2006, divisions responsible for monitoring human rights protection were instituted in the Office of the State Prosecutor, the Ministry of Internal Affairs, and the Penitentiary Department. The number of cases of law enforcement officers charged with human rights abuses is increasing: In 2004, 3 cases involving “compulsion to testify” were initiated; in 2005, 24 cases were initiated on charges of torture, 4 on inhumane and degrading treatment and 6 on compulsion to testify; in the first 10 months of 2006, there were 27 cases of torture, 2 on threat of torture, 7 on inhumane and degrading treatment, and 3 on compulsion to testify. However, such cases almost never result in court sentences (there was only 1 sentencing in 2005).

Although the Constitution provides for the independence of the judiciary, a lack of competence and independence among judges constitutes another major concern in Georgia. There are widespread allegations that political leadership exerts hidden pressure on judges who, at least in politically sensitive cases, hardly dare to disappoint the demands of the prosecution. Acquittals are rare: In 2006, a total of 16,911 defendants were found guilty, and 37 people were acquitted.

There are also some positive trends in the last two years. While in 2003 the judiciary approved 88 percent of motions for preliminary detention of suspects, this number dropped to 79 percent in 2005 and 64 percent in the first quarter of 2006. In 2006, of those charged, 37.7 percent were released on bail, five times the number of 2005. In some areas, private parties stand a good chance of winning cases against the state. For instance, in 2006, out of 1,615 cassation claims considered by appellate courts, 45 were ruled in favor of private parties against state agencies. New legislation adopted in 2005 significantly increased judges’ salaries beginning in 2006.

There have been important changes in the appointment of judges. According to the 1998 law, common-law judges were appointed by the president upon nomination by the High Council of Justice (HCJ), a consulting body whose members are appointed or elected by the president, the Parliament, and the Supreme Court. Only candidates who pass exams organized by the HCJ may be nominated as judges. Following constitutional amendments that came into effect in June and December 2006, the composition of the HCJ has changed significantly so that judges constitute a majority of its members, while the prosecutor general has been removed as a member.

Judges now also constitute a majority in the Disciplinary Panel of the HCJ, the only body that is allowed to remove judges, and the decision of the Disciplinary Panel can be appealed in courts. The HCJ has gained full independence from the president. This completed the council's transformation from a consultative body under the president to an independent body supervising the judiciary system. The Disciplinary Panel consists partly of members of the HCJ and is the only body that can dismiss judges on the basis of professional ethics violations or "manifest infringement of law." The latter provision, however, is sometimes criticized for leaving space for broad interpretation.

There are concerns that procedures for interviewing judges during the appointment process are not sufficiently transparent. There is also a problem finding appropriate candidates for judges—this left more than 100 positions unoccupied at the end of 2006. To solve this problem, the Constitution was amended to reduce the minimum age for judges from 30 to 28. The shortage of judges and increased number of cases have led to a significant overload of the judicial system, which expressed itself in longer pretrial waiting periods and a lower quality of judicial work. A new Higher School of Justice was introduced to increase the professionalism of judges. The draft criminal procedures code, which was debated starting in fall 2006 and is expected to pass in 2007, provides for the introduction of jury trials. The concept entered Georgian legislation with a 2004 constitutional amendment but had never been put into practice.

Apart from measures increasing judicial independence, efforts were made to fight corruption in the judicial system. Since 2004, 7 judges were detained for taking bribes and, altogether, 19 judges were brought to criminal courts for different violations. Moreover, almost all Supreme Court judges were replaced by providing attractive retirement packages or by termination through disciplinary measures. A number of civil society organizations alleged that this "purge" was politically motivated and involved procedural violations. According to an assessment by the U.S. State Department, "the decision by the High Council of Justice to expel judges on the basis of a decision with which the council disagreed effectively chilled independent decision making by judges."¹¹ The government justified its radical steps by pointing to the prevailing corruption in the court system.

While the effects of the judicial reforms remain to be seen, they have not brought increased trust to the judicial system thus far. As a positive sign, in the Doing Business index published by the World Bank and International Finance Corporation, Georgia jumped by 24 points to 32nd place in the world in terms of ease in enforcing contracts. This may be considered recognition of the higher effectiveness of the system. However, in the same index, Georgia is ranked only 135th out of 175 countries regarding how well investments are protected—mistrust of the judiciary is considered to be the main reason. In April 2006, 50 percent of those polled by the Institute of Polling and Marketing for the International Republican Institute had an unfavorable opinion of the court system in Georgia, and only 34 percent had a favorable opinion. This constituted a decline from June 2005, when 39 percent had confidence in the courts and another 39 percent did not.

In March 2005, amendments were adopted to the criminal procedures code that allow testimony given by a defendant in pretrial detention to be used in court only if it is confirmed by the defendant in court. This is supposed to make the use of torture to extract confessions pointless. The limit on pretrial detentions has been reduced from 9 to 4 months, and the limit on trial detention has been reduced from 24 to 12 months.

In 2006, judges assumed expanded rights to introduce fines or convictions up to 15 days without the right to appeal for contempt of court. This, however, led to controversial rulings where several activists of the Egalitarian Institute, an opposition-leaning NGO were detained for 15 days for shouting slogans outside the court building. There are criticisms that the extended rights of judges to punish contempt of court may constitute a dangerous infringement of the right to expression.

There has been significant progress in Georgia regarding freedom of religion, following a trend of violence in 1999–2002 against minority religions, especially Jehovah’s Witnesses and the Baptist-Evangelical Church. The chief perpetrators were arrested in spring 2004 and subsequently convicted to prison terms of one to six years. The open disruption of minority religious services has mostly stopped, though some relatively small episodes of harassment continue. The main problems are related to the construction of new places of worship. While there are no legal impediments to this, there is strong opposition from local communities that the government is often unable or reluctant to overcome. Despite these obstacles, several new houses of worship were built by the Armenian Apostolic Church, Muslim, Baptist-Evangelical, and (especially) Jehovah’s Witnesses communities.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
5.00	5.25	5.50	5.75	6.00	5.75	5.50	5.00

For years after independence, corruption was considered a major obstacle to state building and democracy in Georgia. Yet since the Rose Revolution, Georgia has made important improvements in curbing corruption. Within the first two years, however, these achievements, while obvious in certain areas, were not confirmed by comprehensive authoritative studies. In 2006, the Business Environment and Enterprise Performance Survey BEEPS (Doing Business) study published by the World Bank and International Finance Corporation gave Georgia the title of “best reformer” in the world with regard to its business environment: Georgia moved from 112 to 37 in the list of 175 countries with the best environment for doing business and was considered the country that had made the most progress in the course of the year. Although this research did not measure corruption specifically, the progress in the ranking could not have been achieved without a significant reduction in corruption.

In June 2005, the National Anticorruption Strategy and Action Plan were signed by President Saakashvili. The next step was for different public agencies to draft anticorruption strategies and submit them to the minister of state in charge of structural reforms, who was put in charge of supervising and coordinating implementation of the National Anticorruption Strategy. This process, however, took longer than initially planned, with the general-level strategies being submitted to the ministry in August–September 2006. While some public agencies (for instance, the Ministry of Finance and Ministry of Education and Science) developed rather elaborate working plans, others (such as the Ministry of Energy and Ministry of Agriculture) formulated more general strategies, while the Ministries of Internal Affairs and Defense did not submit any plan at all. Public agencies are expected to report on the plan's implementation once every three months.

In 2004–2005, the areas in which improvements were most obvious included education, where national matriculation exams (first conducted in 2005) virtually cleaned out the notoriously corrupt process of admission examinations in universities. With the disbanding of the extremely corrupt traffic police in 2004, Georgian drivers are no longer harassed on the roads, and the issuing of licenses, citizen IDs, and passports has greatly improved. The “single window” system in the Ministry of Justice, property registry, and other public institutions removed rampant corruption in these areas. In 2005, procedures were likewise simplified in the tax and customs agencies. In an important improvement in the transparency of public expenditures, beginning in 2006 a comprehensive report on public spending is now available from the National Treasury.

According to the 1997 Law on Corruption and the Incompatibility of Interests in Public Service, high-ranking public officials (including MPs, ministers, and their deputies) and members of their families cannot hold positions in commercial organizations whose activities are supervised by the government agency for which said public official works. However, it is widely believed that in practice this legislation is often not respected, with businesses being run through spouses or close confidantes of important political figures. The new government took some steps to redress the situation: in 2006, two MPs were stripped of their parliamentary seats for continuing to run businesses. One of them, Valeri Gelashvili, belonged to the opposition and another, Badri Nanetashvili, to the majority faction. In 2005, Koba Bekauri, one of the leaders of the ruling faction, gave up his seat after being accused of running his own business. However, there are widespread charges of selectivity in investigating such cases. Some experts believe enforcing current legislation is unrealistic and that emphasis should be placed on openly declaring conflict of interest rather than attempting to avoid it altogether.

In 2006, Georgia ratified the Council of Europe Criminal Law Convention on Corruption (the Civil Law Convention on Corruption has been in force in Georgia since November 2003). As part of the implementation of the National Anticorruption Strategy, the Law on Public Financing of Political Parties was adopted in February 2006. Following a scandal in the fall of 2006, when a major opposition leader was caught on tape accepting an illicit political contribution in exchange

for a place on the party list in the elections, the majority faction in the Parliament proposed new legislative changes aimed at greater transparency in financial contributions to political parties. The opposition protested that such a proposal would create disincentives for contributors to political parties. Debate on the issue was postponed until 2007.

The fight against corruption also expresses itself in numerous arrests of low- and middle-level public servants on corruption charges. In one of the most publicized cases in 2006, Gia Nutsbidze, an MP from the ruling UNM, was caught proposing a bribe to the deputy minister of education and science in October 2006. Nustubidze was stripped of his seat and detained. While the opposition frequently claims that the crackdown on petty corruption has been accompanied by thriving elite corruption implicating officials at the highest level, no such charges have been substantiated.

The customs and tax agencies and the penitentiary system are still considered more corrupt than other departments. By the end of 2006, customs, tax, and the financial police were united into a single agency under the Ministry of Finance in an effort to redress the situation. There is a greater perception of corruption regarding public procurement and privatization. NGOs such as the Georgian Young Lawyers Association alleged a low level of transparency in so-called governor's funds and other funds that are managed by the authorities but not part of the state budget. The special status of these funds allows them to avoid public scrutiny. The media freely air and discuss allegations of corruption. However, after the Rose Revolution there was a marked decline in investigative reporting. There is some growth in this area, though the selection of targets is often politically motivated.

The Georgian public generally supports the government's anticorruption initiatives, though many people are still ready to resort to corrupt practices as an easy solution to their problems. The unwillingness of numerous citizens to serve as court witnesses on corruption cases or cooperate with law enforcement also decreases the effectiveness of law enforcement efforts. A number of people consider cooperation with law enforcement to be an immoral act of "denunciation."

An indirect indicator of the success of the government in tackling corruption can be seen in the fact that people no longer consider corruption to be the most acute problem in the country. In a 2003 poll conducted by the Institute of Polling and Marketing for International Republican Institute, 17 percent of respondents mentioned corruption as the most or one of the most important issues in Georgia. In February 2004, when the postrevolutionary government made widely publicized anticorruption initiatives the central issue of its policy, the figure rose to 20 percent. Yet in a similar survey in April 2006, respondents did not include corruption in the list of important issues.

The government explicitly targets these attitudes through advertising campaigns. However, most official anticorruption initiatives are generally popular, and people are rather critical of the government for not being consistent enough in this area. Georgia's position in Transparency International's Corruption Perceptions Index is low but improving slowly, from 1.8 in 2003 to 2.0 in 2004 to 2.3 in 2005

against a scale of 10 being least corrupt. Last year, Georgia was ranked 130 out of 158 countries surveyed. In 2006, the index moved Georgia up to 99th place among 166 countries.

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