

Georgia

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Capital: Tbilisi
Population: 4.5 million
GNI/capita: US\$3,880

The social data above was taken from the European Bank for Reconstruction and Development's *Transition Report 2007: People in Transition*, and the economic data from the World Bank's *World Development Indicators 2008*.

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007	2008
Electoral Process	4.00	4.50	5.00	5.25	5.25	4.75	4.75	4.50	4.75
Civil Society	3.75	4.00	4.00	4.00	3.50	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	4.25
Governance*	4.50	4.75	5.00	5.50	5.75	n/a	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	5.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	5.75	5.50	5.50
Judicial Framework and Independence	4.00	4.00	4.25	4.50	4.50	5.00	4.75	4.75	4.75
Corruption	5.00	5.25	5.50	5.75	6.00	5.75	5.50	5.00	5.00
Democracy Score	4.17	4.33	4.58	4.83	4.83	4.96	4.86	4.68	4.79

* 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(s) of this report. The opinions expressed in this report are those of the author(s). 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 Georgia's independence, the country's hybrid system has caused widespread internal instability. For most of this period, the opposition and independent media have enjoyed a high level of independence, but there has been a lack of fair competition for political power, causing unconstitutional changes of power in 1992 and 2003. The wars for secession in Abkhazia and South Ossetia from 1991 to 1993 brought some 15 percent of Georgia's territory under the control of unrecognized governments. These unresolved conflicts as well as tense relations with Russia, the major protector of secessionist regimes in these areas, continue to challenge the stability of the country.

The November 2003 events known as the "Rose Revolution," when President Eduard Shevardnadze resigned following mass protests over rigged parliamentary elections, brought to power a group of pro-Western reformers led by the charismatic president Mikheil Saakashvili. Subsequent years were marked by success in rooting out mass corruption, strengthening public institutions, and promoting robust economic growth. As the Monitoring Committee of the Parliamentary Assembly of the Council of Europe remarked in September 2007, "In a remarkably short time, Georgia has made stunning progress in carrying out substantial economic, judicial, and state reforms. It has laid the foundations that should allow Georgia to become a prosperous liberal market economy and a fully fledged democracy governed by human rights and the rule of law."¹

However, the crisis at the end of 2007 signified an important setback for Georgia's democratic development. On September 27, the arrest on corruption charges of Irakli Okruashvili, a former minister of defense turned opposition politician, led to a series of protest rallies that reached a climax on November 2, when an estimated 50,000–75,000 people called for early parliamentary elections and amendments to election legislation. As the rallies continued, the demands radicalized into calls for the immediate resignation of the president. On November 7, the government dispersed the rallies, closed down two major opposition-oriented TV stations, and introduced a state of emergency that lasted nine days. These actions were justified by the imminent danger of a coup. On November 8, the president unveiled his plan to resign, with a call for snap presidential elections on January 5, 2008, as well as a plebiscite on the date of the parliamentary elections. Imedi TV, the main opposition channel, was accused of conspiring to overthrow the government, and its broadcasting was temporarily suspended.

National Democratic Governance. Georgia's mixed political system protects major civil and political rights and provides for political pluralism and meaningful expression of the public will. However, the unbalanced character of the system,

where the executive branch dominates other state agencies, combined with a weak opposition prevent Georgia from becoming a consolidated democracy. The effectiveness of the government has increased considerably since the Rose Revolution, especially in attracting public revenue and providing public goods. However, the fact that opposition protests led to a political crisis ending in a nine-day state of emergency exposed the vulnerability of Georgia's democratic institutions. The government's lack of full territorial control also constitutes a continuing source of instability. *Reflecting the political crisis caused by mass rallies and the resulting setback to Georgia's unbalanced system of governance, the rating for national democratic governance is downgraded from 5.50 to 5.75.*

Electoral Process. Elections since the Rose Revolution have been generally free and fair, overcoming widespread fraud hitherto endemic to the system. The 2006 legislation on public financing for political parties and free TV airtime for electoral campaigning has created a more even playing field for the government and opposition parties. The dramatic events in November 2007 showed that the opposition is gaining strength, which led to demands for extra-constitutional changes of power as well as disturbing occurrences of violence against opposition figures, though the crisis was resolved by calling for early elections. *Although the crisis was returned to the electoral track, owing to occurrences of violent and unconstitutional means in the political competition the rating for electoral process worsened from 4.50 to 4.75.*

Civil Society. The legislation regulating nongovernmental organizations (NGOs) is quite liberal, and there are no impediments to their activities. Nonprofit organizations are easy to register, and the registration process was made even simpler in 2007. A majority of the public appreciate the role of civil society in advancing democracy. 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 agendas, but government has been successful in curbing their activities so the groups are free to express their opinions but violence has largely stopped and 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. Trade unions exist but have little influence. *The rating for civil society remains unchanged at 3.50.*

Independent Media. Georgia's 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 responsibility for revealing state secrets. However, Georgian media demonstrate weak editorial independence and low professional standards and are often used to promote the political interests of their owners. Still, pluralism of voices is guaranteed by the diversity of media ownership. Temporary suspension of Imedi, the major opposition-oriented TV and radio, questioned the government's

commitment to media freedom and exposed the fragility of media pluralism. *Owing to the setback in media freedoms caused by the nine-day state of emergency and temporary closing of Imedi TV and radio, the rating for independent media is downgraded from 4.00 to 4.25.*

Local Democratic Governance. The Constitution does not define Georgia's territorial arrangement or the competences of subnational institutions of state power. In December 2005, the Parliament adopted legislation that lays the groundwork to create new local government institutions. In 2007, following the October 2006 local elections, a new system of municipal government was instituted with the potential to create meaningful and effective municipal bodies. However, it has not yet demonstrated the necessary level of competence and independence. *Owing to insufficient data to evaluate the performance of the new system of municipal government, the rating for local democratic governance remains unchanged at 5.50.*

Judicial Framework and Independence. Georgia's Constitution provides important safeguards for the protection of human rights and the independence of the judiciary. However, since the Rose Revolution, the judiciary still finds it difficult to withstand political pressure. There has been a decrease in abuse by law enforcement officers, but the problem is still acute in some parts of the country. In 2007, there was an alarming trend of tampering with the property rights of citizens and businesses. A set of reforms carried out in 2006–2007 will help strengthen the independence of the judiciary. *Positive reforms in the judiciary and penitentiary system and reductions in police abuse were offset by problems in the area of property rights and excessive force used to disperse political demonstration; thus, the rating for judicial framework and independence remains unchanged at 4.75.*

Corruption. Although corruption remains an important concern, resolute measures by the government started to bear fruit, as reflected in considerably lower perceptions of corruption among experts and the general public. 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 anticorruption policies have become more comprehensive and orderly. Lack of transparency in a number of public institutions contributes to continuing concerns about corruption. *Georgia's corruption rating remains at 5.00.*

Outlook for 2008. The quality of snap presidential and regular parliamentary elections in 2008 will be an important test for measuring the development, direction, and effectiveness of Georgia's democratic institutions. In addition to gauging Georgia's electoral procedures, the polls will test the maturity of opposition parties, as well as the genuine freedom of the media and their ability to facilitate meaningful policy dialogue. The expected recognition of Kosovo's independence may directly affect Russia's attitude toward the self-proclaimed entities of Abkhazia and South Ossetia, thus increasing tensions between Russia and Georgia and destabilizing the zones of conflict.

MAIN REPORT

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007	2008
n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.75

Georgia's hybrid system of democratic governance represents a mixed picture, which became even less certain following the dramatic events of September–November 2007. The activities of President Mikheil Saakashvili's government since 2004 have led to a general strengthening of public institutions, yet their stability and democratic character remained challenged. While the general development and conspicuous successes of the new government gave grounds for optimistic assessments until the autumn of 2007, the subsequent political crisis in September–November exposed structural weaknesses of the political system.

The Georgian political system is based on democratic principles, and for most of the year it provided for meaningful guarantees of political pluralism and freedom of expression. The declared policy of the government to pursue democratic reforms with an aim to join NATO and the European Union is not openly contested by any significant political group and has broad public support. The rights to join and create political parties, take part in elections, and create and engage in public associations or demonstrations are generally respected. Government agencies have public boards/councils and other formats for dialogue with civil society. The 1999 administrative code includes the equivalent of the U.S. Freedom of Information Act, which makes all public information accessible.

Georgia has had important successes in creating a liberal business climate and was ranked 35th in a 2007 economic freedom index by the Heritage Foundation and *The Wall Street Journal*, moving up from 68th place the previous year. According to the World Bank report *Doing Business 2008*, which analyzes countries' ease of doing business, Georgia was ranked 18th among 178 economies surveyed. Georgia was 37th last year and 132nd the year before.

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 into the Constitution that unraveled the republican balance of power in favor of the president. The positions of prime minister and cabinet ministers were established. The president must secure approval from the Parliament to appoint the prime minister but can dismiss him at will. Most important, the president has 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. This decreases the independence of the Parliament. 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.

In December 2006, the Parliament adopted a new package of constitutional amendments (signed by the president in January 2007). Some were intended to strengthen the independence of the judiciary from the executive; the most controversial of them, however, extended the term of the standing Parliament from April to October–December 2008, anticipating security challenges that might stem from coinciding elections in Russia and Georgia in April 2008. This drew strong criticism from the opposition, and revoking this change became one of the main demands during the mass rallies in November 2007.

In January 2007, President Saakashvili stated that the existing Georgian “Constitution requires fundamental improvements in terms of democratization” and expressed an intention “to create a new constitutional commission to write a new Georgian Constitution in the coming years.”² He amended himself the following day, saying, “The adoption of a new Constitution will be possible only after total restoration of the country’s territorial integrity.”³ Many opposition parties and analysts consider Saakashvili’s strong presidentialism as an autocratic trend in Georgia’s political system. During protest rallies in September–November 2007, the opposition used the slogan “Georgia Without a President,” which implied that in the event of winning parliamentary elections, the opposition would introduce a European-style parliamentary system in Georgia.

Georgian legislation provides for democratic oversight of the military and security services. The military budget has become 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 military and security services. However, no opposition member is represented in the group: The parliamentary majority has rejected the candidacy of David Gamkrelidze, leader of the New Rights Party and favored by the opposition, without giving specific reasons.

The unresolved conflicts in Abkhazia and South Ossetia, as well as tensions with Russia linked to these areas, created an unstable background for internal political processes in Georgia proper. In June and November 2007, the two remaining Russian military bases in Akhalkalaki and Batumi were handed over to Georgia without any complications, thus bringing to an end Russian military presence on all of its territory in 2007, save for zones of separatist conflict. This removed an important contentious issue in relations between Russia and Georgia, but still did not ease bilateral tensions. Declarations of Russian leaders, including President Vladimir Putin, that Kosovo’s future status should set a universal precedent applicable to the resolution of conflicts in the post-Soviet sphere led to expectations that possible international recognition of Kosovo’s independence could lead to Abkhazia and South Ossetia being recognized by Russia, thus causing new tensions in these regions.

In March 2007, Georgian villages in Kodori Gorge, or Upper Abkhazia (part of Abkhazia under Georgian control), were bombed, while in July there was a missile attack in the part of South Ossetia also controlled by Georgia. In both cases, Georgia and independent observers accused Russia, though the latter denied involvement. In a military encounter in Abkhazia in August, two Russian servicemen were killed by Georgian police forces, with Georgia and Russia trading blame for the incident. In November, four Russian diplomats in Tbilisi were expelled for spying.

In May 2007, the Georgian president created an interim administrative unit in the part of South Ossetia headed by Dmitriy Sanakoev, an erstwhile separatist rebel who was elected “president” of South Ossetia in an alternative poll supported by the Georgian government. Sanakoev has advocated for an autonomous South Ossetia within Georgia. In July, the president created a state commission on determination of the autonomous status of South Ossetia under the prime minister, which includes Ossetian representatives from Sanakoev’s administration but was boycotted by the separatist administration in Tskhinvali. In the second half of the year, the commission worked to prepare a specific model of South Ossetian autonomy within Georgia.

A series of opposition rallies in September–November 2007 that initially called for early elections and amendments to the election legislation but later developed into demands for government resignation ended in violent dispersal of the opposition rallies, the closing of two opposition-oriented independent TV stations, and declaration of emergency rule on November 7. Officials alleged a conspiracy to overthrow the Georgian government masterminded by Badri Patarkatsishvili, a Georgian-Russian business tycoon and owner of Imedi, a major media company. On November 7, Patarkatsishvili publicly announced his readiness to spend “all to the last penny” to get rid of Saakashvili’s “Fascist” government. A number of opposition figures reportedly cooperated with Russian special services with the same goal in mind.

However, the excessive use of force in dispersing the demonstrations and subsequent nine-day emergency rule with a ban on broadcast news constituted a serious setback in Georgia’s democratic development. To improve the situation, President Saakashvili called for snap presidential elections on January 5, 2008, as well as a plebiscite on the date of parliamentary elections. This and certain other concessions achieved through dialogue with opposition leaders (such as changing the composition of electoral commissions) defused tensions in the short run. On November 25, the president resigned in order to make room for snap presidential elections, and his position was taken over by parliamentary Speaker Nino Burjanadze.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007	2008
4.00	4.50	5.00	5.25	5.25	4.75	4.75	4.50	4.75

Georgia's Constitution and electoral code guarantee universal suffrage, equal electoral rights, and the right to direct and secret ballot. However, standards declined steadily until November 2003, when blatant electoral fraud during parliamentary elections triggered mass protests culminating in the resignation of the president. Several elections have taken place since the "Rose Revolution": extraordinary presidential elections in January 2004, repeat parliamentary elections (party lists only) in March 2004, regional elections in Achara in June 2004, and municipal elections in October 2006. Electoral standards improved in all of them, confirmed by local and international observers. The October 2006 municipal elections continued the trend but were still not competitive enough.

A low level of political competition has been the main trait of post-Rose Revolution elections. Mikheil Saakashvili won extraordinary presidential elections with 96.27 percent of the vote; this could be ascribed to the euphoria after the Rose Revolution, when no major politician stood up to him and those citizens who did not support him chose not to vote. Saakashvili's bloc of the National Movement and United Democrats carried the March 2004 partial repeat parliamentary elections with 66.24 percent of the vote (later, the two parties formally merged into the United National Movement [UNM]). Only one other bloc, the New Rights-Industrialists, overcame the 7 percent threshold, with 7.96 percent. In by-elections on October 1, 2005, all five parliamentary seats in single-mandate districts were taken by UNM, and the 2006 local elections brought a resounding victory to UNM.

These results cannot be explained by fraud or repression against opposition parties. In general parties can operate freely, although there have been allegations of pressure against opposition figures. The most fundamental problem noted by local and international observers was misuse of "administrative resources" or "blurred distinction between the authorities and the governing party"⁴ that advantaged the incumbents. Additionally, opposition parties failed to articulate distinct alternative platforms and restricted their campaigning to competition for protest votes.

There are no obstacles to creating and joining political parties. Georgia has about 180 registered parties, with 5 represented in the Parliament. The only important restriction prohibits the creation of regionally-based parties. (This provision was used by the Ministry of Justice to deny registration to Virk, a political party based in the ethnic Armenian-populated province of Samtskhe-Javakheti.) The main challenge is the lack of strong, stable parties that can articulate distinct platforms. Most influential parties are machines for ensuring support for their individual leaders. Moreover, the current party in power continues a tradition of dominant parties that can hardly be distinguished from the state—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. During 2007, several members of Parliament (MPs) from the ruling party migrated to the opposition, and a new opposition faction was created. However, the total number of opposition MPs still does not exceed 50 out of 235 MPs.

Although there were no elections in 2007, electoral issues were at the center of political life. In February, after negotiations supervised by the Council of Europe, the ruling UNM and six opposition parties reached an agreement on party financing as well as stricter rules for ensuring transparency of private donations. These amendments significantly increased public financing for political parties. Likewise, amendments to the election code in June 2006 mandated TV stations to provide free airtime for election campaign messages, providing even more public support for parties. In mid-October 2007, President Saakashvili proposed lowering the threshold for party lists in proportional elections from 7 to 5 percent (as demanded by the opposition and recommended by the Council of Europe and most civil society organizations).

Electoral issues constituted three out of the four initial demands made by the opposition during the November rallies (the fourth required the release of “political prisoners”). The government agreed to one of the four demands—amendments enacted in November 2007 added representatives of seven “qualified” parties (six of them opposition) into the electoral administration, thus restoring the practice that had existed before 2005.

The fall protest rallies showed a disturbing trend of street violence. On October 29, two opposition MPs, Bezhan Gunava and Bidzina Gujabidze, were assaulted by unidentified people at a rally in Zugdidi (several perpetrators were charged with hooliganism). On November 3 and 7, respectively, two opposition figures, Rati Maisuradze of the Labor Party and Koba Davitashvili of the People’s Party, were severely beaten by the police. Earlier, Gia Tsigareishvili, another opposition MP, was beaten by several MPs from the ruling party for insulting members of UNM.

In the context of the November protests, several prominent opposition figures were accused of spying for Russia. Audio- and videotapes were shown on television depicting their meetings with alleged members of Russian special services (Russian diplomats later extradited from Georgia). Criminal charges were filed (and later dropped) against one of them, Shalva Natelashvili, leader of the Georgian Labor Party, and also against Badri Patarkatsishvili. Both were registered as presidential candidates.

Irakli Okruashvili, former minister of defense, was arrested on charges of corruption and abuse of power in September after launching a new opposition party and accusing President Saakashvili of corruption and commissioning political murders. Okruashvili made a retraction and was released on bail but reconfirmed the allegations from Germany, where he was allowed to travel. The timing of Okruashvili’s arrest was widely perceived as political persecution and contributed to the tide of antigovernment rallies in November. However, the government claimed that the criminal investigation against Okruashvili had started as early as

March, and that it was based on findings from the Chamber of Controls from when Okruashvili held his position in the ministry.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007	2008
3.75	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50

Georgian legislation allows civil society groups to register easily (or not at all) and to operate freely. According to the 1997 civil code, nonprofit organizations may be registered as unions (associations) or foundations. Amendments to the civil code in 2007 introduced an even simpler, more uniform registration system based on the U.S. model, and the function of registration was moved from the Ministry of Justice to the Taxation Office.

Nongovernmental organizations (NGOs) enjoy considerable tax benefits. The Law on Grants exempts grants from most taxes. The 2004 tax code instituted tax exemptions to encourage charitable giving. Businesses can now spend up to 8 percent of their gains on charitable activities to avoid taxes on that amount. NGOs can participate in tenders and compete for government contracts at local and national levels. Changes in tax legislation introducing a flat income tax of 25 percent and an employee-paid social security tax of 20 percent bring tax relief for businesses but may imply a higher tax burden for NGO employees, as the Law on Grants had previously exempted nonprofit organizations from social security taxes. However, there's a three-year moratorium on applying the new legislation to nonprofits.

According to a September 2006 estimate, about 10,000 civil society organizations were registered in Georgia. Most exist on paper only or were created for one or two projects. Overall, the NGO community is independent and increasingly professional, with the ability to influence policy decisions in specific areas. Georgian NGOs are diverse: A number are involved in human rights and environmental advocacy, women and minority issues, training and consultancy in various fields, public policy development, and so forth. At the same time, there is a decreasing number of active organizations and lessened overall influence, which reflects the political environment as well as downward trends in donor support.

Most NGOs represent professional groups whose main sources of support are grants from foreign donors. Organizations are much more developed in Tbilisi than in other regions, with large discrepancies across Georgia. NGOs are defined by their capacity, professional record, public platforms, and the personalities of their leaders rather than their constituencies. The number of membership-based organizations is small. Therefore, while negotiating their positions with political actors, many cannot claim to be speaking on behalf of large social groups.

The influence of civil society organizations peaked prior to the 2003 Rose Revolution, when the sector had considerable impact on public opinion and formulating the agenda of reformist groups in the government and the opposition. After the Rose Revolution, most “public faces” in the NGO community moved to the government or (a smaller number) to the opposition. “Graduates” of civil society organizations continue to play leading roles in defining the agenda of the government. This has contributed to a significant decrease in the public visibility of civil society organizations over the last few years.

Some public agencies have more or less continuous cooperation with specific civil society organizations. In the last two years, for instance, cooperative efforts between the Office of the Prosecutor and Open Society–Georgia Foundation have introduced “community prosecution” in the work of the Office of the Prosecutor. Georgian Young Lawyers Association (GYLA) and the Liberty Institute took an active part in finalizing the draft of the new criminal proceedings code (passed by the Parliament in the first reading). GYLA helped the Ministry of Environment set up a new environmental police. A network of watchdog organizations funded by the Open Society–Georgia Foundation helped spur the replacement of leadership at Millennium Corporation–Georgia owing to its lack of transparency.

NGOs have grown more politicized since the Rose Revolution. While some organizations (especially think tanks or service organizations) uphold an image of neutrality, more activist-style groups support specific political actors. During the presidential campaign at the end of 2007, some NGOs openly endorsed certain candidates, usually among the opposition. Some NGOs like the Egalitarian Institute were actively involved in opposition demonstration activities.

Changes in priorities in donor funding also influence the development of the NGO community. In the 1990s, donors gave priority to general programs supporting the proliferation of activist NGOs. In recent years, donors have been focused on a more results-oriented approach. This has led to a deepening gap between the top tier of developed organizations and most other NGOs that struggle from one project to another or stop their activities altogether. Still, there are fairly large networks of NGOs vying for support.

Local philanthropy is gradually developing, and some major businesses declare their commitment to philanthropy. However, funding from Georgian businesses goes more often to the traditional spheres of charity (that is, to humanitarian and cultural projects, student fellowships, and so on) rather than civic activism. Volunteerism is weakly developed, and successful community-based organizations are few.

Georgia has a number of public associations that pursue illiberal causes. These claim mainly 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 the ability to 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. However, these have not been significant players in the public sphere.

The government hopes to encourage more grassroots civil society organizations by supporting school boards (in effect, parent-teacher associations) and neighborhood associations. In 2006, within the framework of general education reform, school boards composed of parents and teachers were created with extensive rights to run public schools. The municipalities of Tbilisi and Batumi developed matching funds programs for neighborhood initiatives in large apartment buildings to fix common problems.

In January 2007, the two-year transitional period in the reform of Georgian universities ended. This implied the reestablishment of university autonomy. As a result of the reform, universities receive public funding through student tuitions distributed on the basis of national exams conducted by the Ministry of Education.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007	2008
3.75	3.50	3.75	4.00	4.00	4.25	4.25	4.00	4.25

After the Rose Revolution, Georgia's media legislation was advanced to the level of best international standards, and the current legal system guarantees media freedoms. 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 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 state secrets properly (no such cases were reported). Courts cannot require journalists to disclose sources of confidential information. Before this law was enacted, litigation against journalists for defamation or other charges was common practice, but it has since become rare.

In June 2007, the Parliament introduced amendments to the Law on Common Courts banning photo, video, and audio recording in the courtroom and court building, although journalists were free to attend court proceedings and take notes. This was widely criticized, but the government claimed that TV cameras had been used as psychological pressure on judges. Although this does restrict media, it does

not constitute any substantive breach of media freedom. At the end of 2006, the profit and property tax exemptions for print media expired, and the Parliament refused to renew them despite some opposition protests. As yet, this has had no obvious impact on the cost of newspapers.

Media outlets are licensed by the Broadcasting Commission, an independent body whose five members are appointed by the Parliament. 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 no special procedures for arrests and searches of media property. Currently, media follow the same procedures that apply to any other business, but perceived violations can disrupt their functioning with lengthy court proceedings.

Almost no state-supported media remain in Georgia. 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. Experts agree that news and political talk shows are fairly balanced, but the overall rating of public TV channels is still low. Achara TV in the Autonomous Republic of Achara is directly dependent on Acharan authorities. In May 2007, the Ministry of Defense rented a TV frequency for its own Sakartvelo channel to provide wider information on army reforms, though the channel also broadcasts entertainment programming. The only remaining state-funded print media are several newspapers published in ethnic minority languages.

During 2007, at least until the November protests that led to the state of emergency declaration, the general trend in media freedom was positive. Media pluralism was ensured through diverse ownership: Among national TV stations, the highest-rated Imedi TV (owned by Badri Patarkatsishvili, a business tycoon turned opposition politician) leaned toward the opposition, while Rustavi-2 (a close second in ratings) had a bias in favor of the government. There was a similar balance among less important TV companies, such as the pro-government Mze and antigovernment Kavkasia. The majority of print media had a strong antigovernment bias. A number of programs on TV and radio were dedicated to policy debates. However, many of these programs were one-sided: The government boycotted live debates on Imedi TV (claiming the program encouraged “cockfights”),⁵ while the opposition boycotted Rustavi-2 and Mze. Public TV remained a venue for debates between the government and the opposition.

From January through October, there were almost no reports of physical abuse of journalists, unlike in previous years. However, there were frequent complaints from Trialeti TV, a regional company based in Gori, of pressure aimed at forcing its owner to sell; still, the outlet managed to continue broadcasting its highly critical coverage of the regional authorities. In early September, Mikheil Kareli, the state commissioner in Shida Kartli who was mainly responsible for this pressure, was arrested on corruption charges.

The media situation changed in the wake of the public protests (during November 2–7). Imedi TV was charged with organizing a conspiracy against the

government and using its power to incite unlawful actions by the public. Imedi TV was raided on November 7 and its broadcasting license suspended (Imedi returned to the air in mid-December).

In late December, Imedi journalists made their own decision to take programming off the air after tapes released by the government suggested owner Badri Patarkatsishvili had been involved in a coup aimed at overthrowing the government. The Imedi journalists demanded that Patarkatsishvili give up ownership of the channel. After emergency rule was announced, all information and political programming was suspended on all non-print media save for the public broadcaster (no such restrictions were instituted for print media). Broadcasting of Kavkasia TV was also stopped during the emergency rule. Most internal and international observers considered the allegations against Imedi insufficient grounds for taking the channel off the air. During this period, the overall balance in news programming shifted in favor of the pro-government position. The case of Imedi, while being extreme, demonstrated that private media owners tend to use outlets to advance their political agendas without respect for journalists' editorial independence.

There are several journalist and media associations in Georgia, but none has become strong enough to unite the media community around issues of journalistic freedom or professional standards. In 2005, the Media Council was created for monitoring and enforcing the Professional Standards of Media, to which participating media organizations subscribed in 2002. The process was joined by major TV companies but boycotted by a large number of print media. The council's activities have been suspended since 2006 owing to a lack of funding and disagreements among members.

Access to the Internet is unrestricted, and the number of consumers is increasing rapidly: In 2006, the total income of Internet providers increased by 56 percent; in the same period, the number of DSL consumers doubled to reach 30,000. However, the 2006 merger of Caucasus Online, Georgia Online, and Sanet—Georgia's three main Internet providers—has given the new company an almost 90 percent share of the market, leading to increased prices and a decline in service quality. In the 2007 Press Freedom Index by Reporters Without Borders, Georgia was ranked 66 among 169 countries (up from 89th place in 2006 and 99th in 2005).

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007	2008
n/a	n/a	n/a	n/a	n/a	6.00	5.75	5.50	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, and effective governance often relies on deals between the central government and local elites. The 1995 Constitution did not define the structure of

subnational government, postponing this move until after the resolution of conflicts in Abkhazia and South Ossetia.

A new legislative package is creating opportunities for a more independent and effective subnational government at the municipal level and includes a new Law on Local Self-Government and amendments to the Law on Tbilisi, the capital of Georgia, both adopted in 2005. Other legislation regulates taxation and property rights of the municipal government, supervision by the national government over the activities of the municipal government, and so on. In 2007, the new system of municipal government actually started to function.

The new legislation introduces a one-level system based on the *rayon* (district), which used to be the main administrative unit in the Soviet system. There are also several self-governing towns, while the capital, Tbilisi, has a special self-governing status. One of the main traits of the reform is that self-governing units have become much larger. Before 2006, there were 500 smaller municipal units. The new law creates 75 bodies of local government (including the capital), plus several small communities in parts of Abkhazia and South Ossetia where the Georgian government organized elections.

Before the reform, administrators in *rayons* and big cities were centrally appointed and supervised by locally elected councils. Enlarging local government units drew criticism for making local government more distant from citizens. Yet the rationale is that larger units are economically more viable and can carry greater political weight to balance the power of the national government. Exclusive competences of the local government are focused mainly on managing local property, taking care of local roads and other infrastructure, issuing construction licenses, and so forth. There are also competences from the national government, for instance, in education. Local government budgets consist of locally collected taxes and payments as well as moneys transferred from the national government on the basis of precalculated formulas. According to the 2007 Law on the Supervision of Municipal Government, the national government supervises some municipal activities, such as drafting local budgets, implementing delegated competences, and making locally adopted regulations compliant with national legislation. The *rayon* council (*sakrebulo*) elects its chairperson and appoints the mayor (*gamgebeli*), an unelected public servant of local self-government who heads the municipal administration.

Local government elections on October 5, 2006, 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 Conservative and Republican parties came second with 8.56 percent, and the Labor Party received 6.42 percent nationally, with slightly better results in the capital. The turnout 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”⁶ in the conduct of the elections. The main criticism noted the misuse of so-called administrative resources.

The fact that all municipalities are now controlled by a single political party under the new system of local governance created a potential for strong influence by the national government on municipalities. The mayor of Kutaisi was forced to resign after President Saakashvili publicly criticized him for buying an expensive car. Another challenge is the lack of local competence in setting budgets, and as a result, the national Ministry of Finance has taken an active part in drafting local budgets. While there is legal ground for separation of national and municipal properties, in effect the process is very slow, and property that is slated to become municipal is still under the control of the Ministry of Economy.

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 outlines the competences of the republic regarding education, culture, local infrastructure, and so forth but at the same time provides extensive rights to the Georgian president, who 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 restricting 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 UNM, with only the Republican Party able to overcome the 7 percent threshold.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007	2008
4.00	4.00	4.25	4.50	4.50	5.00	4.75	4.75	4.75

Georgia's 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. Since 2004, the public defender has been strongly critical of a variety of government actions and has intervened productively in some instances.

In practice, there are violations of human rights in some areas. Abuse of suspects and prisoners in the law enforcement system has been the most challenging human rights problem in Georgia since independence, with some improvement since the Rose Revolution. This includes the dramatically reduced occurrence of torture in pre-trial detention facilities. However, there are several regions—such as Gori, Zugdidi, and Kvemo Kartli—with continuing reports of physical abuse by law enforcement officers, mainly during arrests.

There was excessive police violence used in dispersing protests on November 7, including the beating of public defender Sozar Subari and a staff member. There

were also reports of pressure against drivers bringing participants to the November rallies, though eventually a column of buses brought a large number to Tbilisi. On several occasions, protesters were given administrative penalties (imprisonment of about 25 days), which were contested by the Office of the Public Defender.

Property rights were another concern in 2007. In several cases, private property was destroyed without due process, based on allegations that it had been acquired illegally or did not comply with the architectural image of the respective city. Courts failed to sufficiently protect citizens' interests in these matters. In March, a new law was adopted that established firm ownership rights for all property, and in November, the Parliament ceased all legal contestations of private property by administrative agencies, thus implicitly recognizing the state's earlier, erroneous policy.

Concerns continued over the poor conditions in the Georgian penitentiary system. Strong anticrime measures by the government and slow courts have led to a sharp increase in the prison population, from about 6,500 in 2005 to almost 20,000 in the second half of 2007 (this number dropped by nearly 2,000 after amnesty was given at the end of 2007). With prison conditions often described as "unbearable,"⁷ the government has tried to address the problem by building more facilities, including several new penitentiaries meeting modern standards built to house approximately 7,000 inmates. A UN Human Rights Committee report published on October 20, 2007, noted "significant reduction in allegations of [torture and other ill-treatment] of persons in custody."⁸

The Constitution provides for the independence of the judiciary, and new legislation and other measures adopted in the past few years have aimed at increasing its independence and competence. However, there are persistent concerns, and the judiciary is one of the least trusted institutions in Georgia: According to a poll by the International Republican Institute in September 2007, only 22 percent had a favorable view of the Georgian courts, as compared with 86 percent for the army and 65 percent for the police.

As other surveys show, citizens do not consider courts to be corrupt; rather, they allege that courts consistently follow the demands of the prosecution. The rate of acquittals is extremely low: In the first nine months of 2007, only 10 people were acquitted out of 13,952 cases (126 more cases were dropped). On the positive side, there is a growing trend in using bail instead of pre-trial detention: In the first nine months of 2007, bail was used in 54.1 percent of cases, as compared with 35.7 percent the previous year. There has also been an increase in the use of plea bargaining to about half of all court sentences, which has increased the efficiency of courts in reaching decisions. In 2007, private citizens had a good chance against the state: 43.6 percent of claims were won by administrative agencies and 55.1 percent by private (individual and corporate) persons.⁹

As a result of amendments to the Constitution and the Law on Common Courts passed in 2006, judges are now appointed by the High Council of Justice; this politically independent body is led by the chairman of the Supreme Court, with 9 out of 15 members being acting judges elected by the Conference of Judges

of Georgia (other members are appointed by the president and the Parliament). The president, prosecutor general, and minister of justice are no longer members of the High Council of Justice. Judges are appointed on the basis of tests and interviews. The disciplinary panel within the High Council of Justice is the only body that can dismiss judges for violations of professional ethics or “manifest infringement of law.” The panel consists of three judges and three non-judge members.

The criminal proceedings code was passed by the Parliament in 2007 in the first reading and introduces the jury trial. The limit on pre-trial detentions was reduced from 9 to 4 months, and the limit on trial detention reduced from 24 to 12 months. Ex parte communication with judges is also now regulated: Any pre-trial communication with judges to influence their decisions may lead to fines or (for public servants) administrative penalties.

In 2007, the salaries of district and appeal judges were nearly tripled to approximately US\$960 and US\$1,080, respectively, while Supreme Court judges receive 3,000 lari, or about US\$1,850 monthly (considerably higher than MPs and equal to the salary of government ministers). These increases are expected to decrease the propensity for corruption.

A lack of competent staff is still one of the challenges facing the Georgian judiciary. By the end of 2007, there were more than 100 vacancies in courts due to a lack of competent applicants. In October 2007, the High School of Justice started a new program for training judges. Graduates may be considered for lifetime appointments, which is another measure for increasing the independence of the judiciary.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007	2008
5.00	5.25	5.50	5.75	6.00	5.75	5.50	5.00	5.00

Fighting corruption has been one of the most successful elements of the Georgian government since the Rose Revolution. After independence, corruption was considered a major obstacle to state building and democracy in Georgia. But since 2004, there has been a conspicuous decline in corruption involving the police, public registry, university admissions, and other public functions. In 2007, Georgia’s Corruption Perceptions Index, as measured by Transparency International, improved to 3.4, with Georgia ranked 79 among 179 countries. Georgia had rankings of 2.3 in 2005 and 2.8 in 2006. In 2007, the BEEPS (*Doing Business*) study of the World Bank and International Financial Corporation ranked Georgia 18 out of 178 economies for ease of doing business,¹⁰ up from the rankings of 112 and 37 in the previous two years. While the research did not specifically measure corruption, this progress could not have been achieved without a significant reduction in corruption.

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). In June 2005, the National Anticorruption Strategy and Action Plan were signed by the president. The next step was for different public agencies to draft anticorruption strategies and submit them to the minister of state for implementation. However, government agencies do not give great priority to work in this area, as they no longer consider fighting corruption a major priority for the country.

Successes in anticorruption activities have been achieved through both institutional reforms and punitive measures. Since the Rose Revolution, there have been myriad arrests of high-ranking officials in both the previous government and the current administration: The latter included 1 minister, 2 deputy ministers, 33 *gamgebelis* (heads of local administration, including 17 members of the ruling UNM), 376 policemen, 124 tax and customs officers, and 5 judges.

All public servants are obliged to submit income declarations. In spring 2007, the Georgian Parliament debated a new version of the Law on Corruption and the Incompatibility of Interests in the Public Service, which revamped the mechanisms for reviewing income declarations submitted to the Monitoring Bureau. However, the draft was shelved as too costly to implement.

While successes in fighting corruption are widely acknowledged, there are persistent allegations of elite corruption. Concerns were expressed when the government announced a decision to award the right to manage Georgian railways for 89 years to an obscure British company selected without a public tender. Later, it was reported that the deal had unraveled.

The issue of elite corruption was reopened with the arrest of Irakli Okruashvili, former minister of defense, on corruption charges in September 2007. President Saakashvili spoke about the necessity to strengthen the fight against corruption in the top echelons of power by creating an anticorruption group that would respond directly to the president and monitor the highest officials. The cabinet was expected to come up with specific recommendations for such a group.¹¹ This episode briefly returned anticorruption efforts to the top of the political agenda, at least until the November political crisis.

The media freely air and discuss allegations of corruption, yet there has been a marked decline in investigative reporting since the Rose Revolution. The Georgian public generally supports the government's anticorruption initiatives, though many are still ready to resort to corrupt practices as an easy solution to problems. The unwillingness of many citizens to serve as court witnesses on corruption cases or to cooperate with law enforcement also decreases the effectiveness of law enforcement. Many Georgians consider cooperation with law enforcement to be an immoral act of "denunciation."

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- ¹ See “Stunning Progress achieved in Georgia is an example for the whole region and beyond,” Parliamentary Assembly of the Council of Europe (PACE), September 19, 2007, http://assembly.coe.int/ASP/NewsManager/EMB_NewsManagerView.asp?ID=3177; also Ministry of Foreign Affairs of Georgia, http://www.mfa.gov.ge/index.php?lang_id=ENG&sec_id=496&info_id=5086.
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 - ³ “Saakashvili: New Constitution Possible After Restoration of Territorial Integrity,” Civil Georgia (civil.ge) online news, January 11, 2007, <http://www.civilgeorgia.ge/eng/article.php?id=14433&search=Saakashvili:%20New%20Constitution%20Possible%20After%20Restoration%20of%20Territorial%20Integrity>
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