
ASSESSMENT OF THE CIVIL SOCIETY SECTOR IN GEORGIA

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1. Executive Summary

Georgia has experienced significant political transformation since October, 2012, when the then-ruling United National Movement (UNM) party lost the Parliamentary election, and transferred the power peacefully to the winning Georgian Dream (GD) coalition. The 2012 election was important for several reasons. This was the first time since Georgia's independence that the change of government took place through elections. This was also the first time that the former ruling party survived and continued to play a role in Georgian politics. At the same time, changes in the Constitution set the country firmly towards becoming a Parliamentary republic. These all were important accomplishments for Georgian democracy, but - as it turned out - insufficient for anchoring the country to full democratic consolidation. Challenges in accountability as exemplified by GD leader Bidzina Ivanishvili's inordinate amount of power, stalled reforms in the judiciary, and the continuing absence of institutional checks and balances have cast doubts about Georgia's democratic credentials.

As a result, Georgia's progress has largely been impeded, but, at the same time, no significant backsliding has taken place. As of today, the country is facing several challenges. In the political realm, the electoral and judicial reforms, as well as the media independence loom large. The Russian threat remains prominent, as Moscow feels more emboldened by the events unfolding in the West, including the growing isolationism of the United States (US), Brexit, and populist forces gaining foothold in some of the key European Union (EU) countries.

The Kremlin is increasingly and skillfully exploiting the post-truth sentiments, and is sowing discord in the western societies, including in Georgia, where this takes the form of financing anti-western and far-right movements and media outlets. The Deep and Comprehensive Free Trade Agreement with the EU still has much to prove to the general population, as the unemployment rate remains high and the economic growth is slower than desired. Opposition parties are fragmented and weak, with illiberal right-wing movements gradually increasing their popular support. And in this light, maintaining a vibrant and effective civil society carries a paramount importance, not least in ensuring the country's successful democratic consolidation; in the absence of effective checks and balances, CSOs, along with the media, are the only institutionalized entities that can - and, at times, have managed to - hold the authorities accountable to the public.

CSOs have been instrumental in safeguarding and advancing Georgia's democratic progress, and this has been particularly salient in areas such as individual rights, non-discrimination and tolerance, where Georgia has traditionally been leading among the Eastern Partnership countries and in the wider region.

Yet, problems persist. First and foremost, this relates to the low participation of the wider public in the CSO activities, which can be partly explained by limited involvement of CSOs in addressing the issues that concern the general public, such as the education, health, economic development, and social welfare. Effectiveness of CSOs is also highly contingent upon support from donor organizations

and the international community, as socioeconomic condition in the country is not conducive to maintaining a vibrant civil society without external support.

This study assesses the state of civil society in Georgia since the change of government in 2012 until late 2018. It does so by identifying the strengths and weaknesses, as well as the challenges and opportunities of the civil society sector. More specifically, it looks at the CSO performance against four areas: public trust and legitimacy, influence over policies, sustainability and viability, and inter-sectoral cooperation. The study uses a mixed method approach: extensive desk review, targeted semi-structured interviews and interactive workshops with representatives of civil society organizations (CSOs), academia, business, and media outlets.

According to various surveys, public trust towards CSOs remains low; some surveys have even shown a decline over the last few years. This study has identified several potential contributing factors to this development. The majority of respondents said the most immediate cause could be the recent instances of criticism of CSOs by the Parliamentary leadership. At the same time, most respondents agree that communication with the general public is one of the main factors that adversely affect their public standing. Most CSOs spend limited time and effort for direct communication with their constituents, and the language they employ is often tailored to the government and the international community. This, on its part, is predicated upon the nature of operational activities of the civil society sector; the overwhelming majority of CSOs subsist on international funding, and most of their activities

are project-based. Therefore, it is natural for these organizations to find themselves accountable to donors and employ the language that is amenable for their international partners. Additionally, most of the donor funding in the past decades has focused on human rights, elections, and rule of law, and some areas have been inadequately covered by CSOs, including social welfare, economic rights, environment, health, and education – all among the top priorities of the Georgian public. Although CSOs have limited capacity and expertise in these areas, the recent rise of new organizations and grassroots civil movements leaves room for optimism. Concerted, focused, and sustained support of the donor community towards strengthening the CSO expertise and capacity in these areas will be indispensable.

CSOs play an important role in terms of the policy impact, particularly in areas such as elections, human rights, gender equality, minority rights, and - to a lesser extent - environmental protection. The CSO influence in these areas is further amplified by their strong international ties with their partners and donors, as well as with representatives of western governments that support Georgia's EU and NATO aspirations.

Most respondents agreed that in the first few years the current government was open and ready to include CSOs in the policy-making process, but over time its willingness to take the CSO contributions into account has decreased. They also emphasized that cooperation has generally been more productive with the legislative and local branches of government. Despite recent CSO-Parliament tensions, CSOs have successfully contributed to the legislative process, according to

the respondents. Breakthroughs with the judiciary, especially in light of the recent developments, seem to be difficult to accomplish, and cooperation with the executive tends to be personality-driven rather than institutional. Overall, CSOs do not play a significant part in the policy implementation process, and their major strength continues to be watchdog activities complemented by advocacy efforts.

As several respondents noted, if donor support was to cease tomorrow, CSOs would be left in peril. While such statements cannot be taken literally, they still point at an inherent feature of the Georgian CSO sector. Most of the CSO activities in the country are funded by international donors, and this support is instrumental not only in terms of sustaining the CSO operations, but also in terms of their overall legitimacy. Without international support, most endeavors undertaken by CSOs would find less acceptance by those in power. Additionally, that CSOs are not dependent on local sources, allows for their greater degree of independence.

The recent rise in the use of the principles of Corporate Social Responsibility (CSR) across the private sector creates new opportunities for diversifying the sources of CSO funding. As of today, however, most CSOs put very limited efforts on the matter, and instead, concentrate on diversifying their funding sources through establishing relations with multiple international donors.

Inter-sectoral and intra-sectoral cooperation is very important for the work of CSOs, and the donor community has to spare no efforts to promote such partnerships. CSO representatives noted in their interviews that the most problematic

in their relations with external actors is that with the business sector, closely followed by relations with the government. They also stressed improvement of cooperation with the two sectors would be highly important.

CSOs have traditionally had close ties with the media and the international partners, but have lacked cooperation with other civil society groups. Closer cooperation between new grassroots movements and the more traditional CSOs is of crucial importance; grassroots organizations will benefit from their counterpart's expertise in organizational and project management, and cooperation with international partners, while traditional CSOs will gain more on constituency mobilization, citizen engagement, and alternative fundraising opportunities.

CSO-business cooperation remains largely untapped as well. Many CSOs are reluctant to pursue close ties with the private sector. Partly this is because of their belief that cooperation with the business sector carries reputational risks for them. The business community, on its part, views CSOs as politically biased and fear repercussions from the government, if they are seen to be closely associated with them.

2. Purpose of Assessment

Advancing CSO Capacities and Engaging Society for Sustainability (ACCESS) is a project funded by the United States Agency for International Development (USAID) and implemented by the East-West Management Institute (EWMI) and its local partners, the Center for Training and Consultancy (CTC) and the Civil Development Agency (CiDA). Launched in 2014, the project has worked to enhance effectiveness of CSOs in Georgia, including through increasing public confidence and citizen participation in CSO initiatives, and assisting them to develop into stable and sustainable organizations.

EWMI ACCESS decided to commission an assessment of the Georgian civil society sector in January, 2019, with the aim of enabling CSOs and other stakeholders to discuss and reflect upon the current state of affairs in the sector. Hence, the purpose of this assessment is to identify specific needs for capacity development and to offer recommendations for future CSO-support programs in Georgia, drawing on the opinions of CSOs, informal public movements/civic activists, government (executive and legislative branches), media, academia, donors, and the private sector. To accomplish this purpose, the report analyzed the state of affairs in the CSO sector based on these four areas (from 2012 to 2018):

POLICY IMPACT

The level and the form of engagement with the authorities and their influence on policy formation and decision-making processes. The assessment identifies particular areas and government agencies where CSO engagement has had more impact, as well as the areas where cooperation has been lacking.

PUBLIC TRUST AND LEGITIMACY

The level of outreach and constituency building, the degree of recognition and solidarity from the wider public; as well as the degree of responsiveness to societal needs and challenges. The assessment looks at possible underlying causes influencing public attitudes towards CSOs, and examines whether there is a consensus about these factors both within and outside the civil society sector. At the same time, it also explores the agendas of major CSOs and their relevance to the needs of the wider public.

VIABILITY AND SUSTAINABILITY

Financial viability, availability of resources; impact of the funding infrastructure on CSOs' agenda and their development; capacity to attract and retain talent; relevance and level of thematic expertise and/or access to current knowledge. The assessment looks at the issue in a systemic manner, and identifies areas where progress has been slower.

CROSS-SECTORAL COOPERATION

The level and the type of engagement with businesses, as well as among formal and informal civil society groups. The assessment looks at the degree of cross-sectoral and intra-sectoral cooperation over the past six years, and explores the policy options available for donors and CSOs.

3. Methodology

For the purposes of this assessment, we employed a mixed-method approach, which included desk review, targeted semi-structured interviews and interactive workshops with representatives of CSOs, academia, business, and media outlets. Use of a combination of research methods enabled us to look at the civil society sector from a broader perspective and offer recommendations that reflect the opinions of a wide range of actors.

In the initial phase (January/February, 2019), we carried out an extensive desk review, combined with targeted interviews with key stakeholders, representing USAID Georgia, East-West Management Institute, Center for Training and Consultancy (CTC), and Civil Development Agency (CiDA). Throughout the desk review process, we identified academic and policy papers on CSO-related issues in Georgia, as well as surveys measuring public attitudes towards various public and civic institutions in the country, including CSOs. Additionally, we also retrieved key international indices and reports assessing the state of civil society in Georgia over the last few years.

In the next phase (March/June, 2019), we conducted 30 semi-structured interviews and five interactive workshops with other stakeholders, which allowed us to identify challenges and opportunities facing civil society in Georgia, as well as to flag the main weaknesses and strengths of the sector.

To get a more holistic view on our research questions, we divided the pool of interviewees into separate sub-groups based on their professional affiliation – into those representing media, government, business, academia, donors, CSOs,

and informal CSOs/individual civic activists. Each of the sub-groups included at least three respondents. The workshops followed the same pattern; representatives of media, CSOs, informal CSOs/activists, and academia were convened separately to discuss issues pertaining to our research interest. The workshop participants included prominent civil society leaders and public figures, including the Deputy Parliamentary Chair, the former President, the Public Defender and a number of political talk show hosts, as well as key donor representatives.

For interviews and workshops, we also used a questionnaire containing 16 multiple choice questions. Some of these questions were scaled to allow for more detailed comparison and analysis of particular issues concerning CSOs and the general political environment. This approach allowed for collection of comparative quantitative data from different sub-groups, while also offering the opportunity for follow-up questions. A total of 45 questionnaires were completed throughout the process. The responses were then disaggregated into several sub-groups (such as business, civil society, regional, international organizations, local organizations, etc.), allowing the researchers to analyze participant opinions across multiple categories.

The pool of interviewees was equally divided between male and female respondents. Although their area of activity was primarily Tbilisi, a number of respondents' main area of operation was in the regions. Unlike the interviewees, the workshop participants were

more unevenly divided between men and women, with women representing around 83 percent of total participants (40). This can be explained by the fact that women are generally more represented in civil society, media, and academia, especially in the mid-level managerial positions.

3.1. Use of terms

For the purposes of this assessment, we used the definition elaborated by Juan Linz and Alfred Stepan, who understand the civil society as “an arena of the polity where self-organizing groups, movements, and individuals, relatively autonomous from the state, attempt to articulate values, create associations, and solidarities, and advance their interests.” To narrow the definition, we excluded political parties and movements as well as business associations from this category. It is certainly correct to note that many CSOs do engage in politics, but what differentiates them from political parties and movements is that they do not seek to take control over or share in the governance of a state. To focus on organizations primarily engaged in advocacy, policy formation, implementation, and monitoring, we further excluded academia and media outlets from CSOs.

4. Political and Socioeconomic Context

The 2012 Parliamentary elections marked an important milestone in Georgia's democratic transformation; this was the first time since Georgia's independence that the change of government took place through elections. At the same time, the new constitution put the country firmly towards becoming a Parliamentary republic, changing the decades-long tradition of Presidential governance.

The country made significant strides in terms of state-building under the United National Movement – Georgia's ruling party since the Rose Revolution in 2003. From 2007 onwards, however, until the change of government in 2012, Georgian democracy suffered setbacks, particularly in light of the government's crackdown on opposition protests in November 2007 and May 2011. Partisan competition has seen a significant surge since 2011, when the billionaire philanthropist and businessman, Bidzina Ivanishvili, declared his intention to run in the 2012 Parliamentary elections, which he eventually won. The next six years were eventful: the country gradually transitioned to the Parliamentary model of governance, and the government pursued closer integration with the EU, securing visa-free travel in 2017. The Georgian Dream-Democratic Georgia, senior partner in Ivanishvili's GD coalition, ran

independently in the 2016 Parliamentary elections and obtained constitutional majority. The next two years saw an unprecedented level of political polarization, increased anti-western propaganda, and slower economic growth. This led to a closely contested Presidential vote in 2018, where the second round irregularities marked a decline from the standards attained in previous elections. Georgia's democracy rankings of the last few years show that the country's democracy has been slowly stagnating, particularly in light of the poorly-conducted Presidential elections in 2018.¹ According to the Freedom House's (FH) Freedom in the World report, Georgia's rating has remained stable at 3.0 in 2013-2018.² This has placed the country in the partly free category. Freedom House also provides a closer focus at 29 post-communist countries in its *Nations in Transit* report.³ Here, Georgia falls into the hybrid regime category, and its scores have marginally declined from 4.61 in 2016 to 4.68 in 2018. The Democracy Index by the Economist Intelligence Unit's lists Georgia in the hybrid regimes category as well.⁴ According to this measure, Georgia's democracy score was the highest in 2013 (5.98), but declined to 5.5 in 2018.⁵

Economic growth has been slower than in previous years.⁶ In 2010-2012, the economy grew by 6.6 %

1. OSCE/ODiHR. Presidential Elections Final Report 2018. Available at: <https://www.osce.org/odihr/elections/georgia/412724download=true>

2. Freedom House. Freedom in the World: Data and Resources. Available at <https://freedomhouse.org/sites/default/files/Country%20and%20Territory%20Ratings%20and%20Statuses%20FIW1973-2018.xlsx>
The index rates countries from one to seven, where 1-2.5 denotes free countries, 3-5 partly free countries, and 5.5 and above places the countries into the not free category.

3. Freedom House. About Nations in Transit. Available at <https://freedomhouse.org/report-types/nations-transit>.

4. Economist Intelligence Unit. Democracy Index 2018. Available at https://www.eiu.com/public/topical_report.aspx?campaignid=Democracy2018

5. Economist Intelligence Unit. Democracy Index 2017. Available at http://dagobah.com.br/wpcontent/uploads/2018/02/Democracy_Index_2017.pdf

6. World Bank. World Development Indicators. Available at <https://databank.worldbank.org/data/source/world-development-indicators#>

on average, compared to 3.7 percent in 2013-2017. According to official statistics, the population living under the national poverty line declined from 30 percent in 2012 to 22 percent in 2017, but Georgia is still far from eliminating the problem. According to UNICEF's Welfare Monitoring Survey (WMS), an estimated 5.0 percent of the population, 6.8 percent of children and 3.7 percent of pensioners, lived below the extreme poverty line (USD 1.25 per day threshold) in 2017. As stated in the research report, "from 2015 to 2017, the number of households, population, children, and pensioners below the extreme poverty line increased by 2.6, 2.9, 4.3, and 2.0 percentage points, respectively".⁷ Overall, Georgia remains a lower-middle income country – with a GDP Per Capita of USD 10,674 (based on purchasing power parity). The economy is heavily dominated by large businesses and government, with small and medium-sized enterprises playing an insignificant role. Most of self-employed, 43 percent, is employed in the agricultural sector, which generates only seven percent of the overall GDP. 43 percent of all employed (including self-employed) is employed in the public sector, highlighting the excessive importance the state plays in the economy.⁸ The dominant sector in terms of revenue generation is services, which accounts for around 60 percent of the GDP.

In general, Georgia has a very open economy, with liberal taxation and investment regime. The

Heritage Foundation has consistently ranked the country's economy as free,⁹ placing it 16th in the world ranking in 2019. Georgia has also been in the top tier countries of the World Bank's Ease of Doing Business; this year, the country was listed 6th in the global list.¹⁰ Yet, Georgia has struggled with uneven and unstable economic development, and this is well-captured by the World Economic Forum's Global Competitiveness Index, where the country is ranked 67th. This is a marked improvement from 77th in 2012-2013,¹¹ but unemployment or underemployment remains a big challenge, if one considers that around 50 percent of the population contributes to about seven percent of the economy. Education remains a challenge as well; according to the Organization for Economic Cooperation and Development (OECD) Programme for International Student Assessment (PISA) rankings, Georgia is close to the bottom, occupying 60th place out of 70 countries.¹²

Effective governance is another feature that distinguishes Georgia from its neighbors. The Worldwide Governance Indicators (WGI) of the World Bank show that in recent years, the country has been significantly ahead of other lower-middle income countries in terms of effective governance.¹³ Georgia's progress is especially pronounced in the areas of corruption control, regulatory quality, and government effectiveness. At the same time, the country lacks progress in the areas of rule of law, accountability, and political stability.

7. Unicef. The Wellbeing of Children and their Families in Georgia - Fifth Stage 2017. Available at:

<https://www.unicef.org/georgia/reports/wellbeing-children-and-their-families-georgia-fifth-stage-2017>

8. Data provided by the National Statistics Office of Georgia. 9. Heritage Foundation. Economic Freedom. Available at

<https://www.heritage.org/index/images/book/2013/region-web-map-E-large.jpjga>

10. World Bank. Doing Business 2019. Available at <http://www.doingbusiness.org/en/rankings>

11. World Economic Forum. Global Competitiveness Reports. Available at <https://www.weforum.org/reports/the-global-competitiveness-report-2017-2018>

12. OECD. PISA Database. Available at <http://www.oecd.org/pisa/data/>

13. World Bank. World Governance Indicators – Interactive Data Selection. Available at

<https://info.worldbank.org/governance/wgi/index.aspx#reports>

One of the key challenges facing the political system remains to be the uneven electoral playing field. The incumbents have traditionally enjoyed an unmatched electoral advantage against their opponents, due to their control of all branches of government. And as significant part of the population is employed by the state, the incumbent can – and at times does – exert pressure to mobilize public servants during elections. The private sector has been reluctant to support the opposition, and as a result, the campaign financing has been highly skewed in favor of the ruling party.¹⁴ A mixed electoral system with proportional and majoritarian representation has also heavily favored the incumbent parties. In 2016, for instance, the GD coalition received just under 50 percent of the nationwide vote, but was able to secure more than 76 percent of the seats in the Parliament.¹⁵ Recently-announced electoral changes will dramatically transform the political environment for the 2020 Parliamentary elections; fully proportional representation without a zero threshold creates much bigger incentives for political forces - old and new - to redouble their efforts for the upcoming contest. At the same time, media pluralism is likely to be weakened further as the main pro-opposition television station, Rustavi 2 has changed hands following a lengthy legal process. If the new management decides to restrict airtime for the opposition, their chances of reaching out to the public will be seriously curtailed. The judiciary independence came under increasing suspicion as well, as the selection process of the Supreme Court judges demonstrated lack of transparency.¹⁶

Generally, the political environment is highly polarized, and the dividing line seems to be the same as before – the incumbent and the opposition. This level of political polarization decreases the incentives for inter-party cooperation and affects the ability of CSOs, in general, to seek consensus and focus on crosscutting interests.

Russia continues to occupy around 20 percent of the Georgian territory, and has been gradually reinforcing the administrative boundaries of Abkhazia and Tskhinvali regions – a process described as “borderization” by the Georgian authorities. Freedom of movement of local residents has been continuously breached, with frequent kidnappings of Georgian citizens for “illegal crossing of state border”. There have also been instances of the tragic murders of Georgian citizens in the two territories. At the same time, the GD government’s rapprochement with Russia has substantially lowered the overall interstate tensions and has increased commercial exchange between the two countries. This has been coupled with the government’s more relaxed attitude towards Russia’s involvement in Georgia’s domestic politics; as a result, there has been an upsurge of Kremlin-funded public and political groups in recent years. These groups are active promoters of pro-Russian and anti-western messaging. Oftentimes, they also target CSO, presenting them as alien, foreign-driven actors. The Georgian Orthodox Church remains the most trusted civic institution in the country, and the government, at times, has yielded to its influence on various policy issues.

14. The State Audit Office of Georgia. 2016. საარჩევნო პერიოდის ჯამური დეკლარაციები. Available at <https://monitoring.sao.ge/files/statistika-2016-clis-archevnebis-shejameba.xlsx>

15. The Central Electoral Commission of Georgia (CEC). Summary Protocol on the Final Results of the 8 October 2016 Parliamentary Elections of Georgia. Available at <http://cesko.ge/res/docs/shemajamebelieng.pdf>

16. The Coalition for Independent and Transparent Judiciary. Statement on New Rules for Nomination and Selection of Supreme Court Justices. Available at http://coalition.ge/index.php?article_id=207&clang=1

The Deep and Comprehensive Free Trade Agreement with the EU still has much to prove to the general population, as the unemployment rate remains high and the economic growth is slower than desired. The inordinate amount of influence that the GD coalition leader, Bidzina Ivanishvili holds over the government without holding any public position has cast doubts about Georgia's democratic credentials. Opposition parties are fragmented and weak, with illiberal right-wing movements gradually increasing their popular support. Recent events concerning the Rustavi 2 TV station and the TBC Bank highlight the precarious nature of media and business environment. And in this light, maintaining a vibrant and effective civil society carries a paramount importance, not least for ensuring the country's successful democratic consolidation.¹⁷

4.1. Legal Framework

The state of the civil society sector in Georgia depends, fundamentally, among other things, on the regulatory and legal framework that enables CSOs to operate freely, independently and under conditions that do not inhibit their activities. Although the legislative context in this regard is generally favorable, it still lacks a comprehensive basis for encouraging further growth of the civil society sector.

Legislative acts that lay the foundation for CSO activities are the Constitution, the Civil Code, the Tax Code and the Law on Grants.

The Constitution guarantees the freedom of association and the right of citizens to create or join unions.¹⁸ It also stipulates that closure of such associations is only possible by a court decision. The relative difficulty of dissolving a CSO has resulted in a total of 27,380 non-entrepreneurial non-commercial legal entities (hereinafter "NNLE").¹⁹ Most of them, however, exist in name only, with an estimated three percent being truly active.²⁰

CSOs do not have any special status under the legislation of Georgia; they are registered as NNLEs under the Civil Code, and are treated as such in all matters concerning the legislation.²¹ The Civil Code establishes specific grounds for forming CSOs and provides mechanisms for registration procedures.²² The registration itself is quick, easy and reasonably priced. The process takes one working day only and costs 100 GEL, although a fast-track service is also available, allowing for the same-day registration for 200 GEL.²³ This efficient registration procedure creates incentives for informal CSOs to go formal.

Under the Tax Code, CSOs do not receive any special treatment, and are taxed as all other NNLEs. The NNLEs have traditionally been free to engage in economic activities, but before January 2019, the income received from such activities, as well as the property and the land used for that purpose, was fully taxable. This meant that they were treated in the same way as commercial organizations.

17. Transparency International. Investigation against TBC Bank founders: A timeline. Available at <https://www.transparency.ge/en/blog/investigation-against-tbc-bank-founders-timeline>;

One More Lawsuit Endangers Editorial Independence of TV Company Rustavi 2. Available at https://www.transparency.ge/en/post/one-more-lawsuit-endangers-editorial-independence-tv-company-rustavi-2/?custom_searched_keyword=Rustavi+2

18. Constitution of Georgia, a. 22, a. 26.

19. National Agency of Public Registry. Available at <https://enreg.reestri.gov.ge/>

20. CSO Georgia. Available at <http://csogeorgia.org/organisationArchive/geo>

21. Civil Code of Georgia, a. 25.

22. Civil Code of Georgia, a. 29.

Under the new regulations, however, which entered into force in January 2019,²⁴ profit tax no longer applies to expenses borne from pursuing the activities that are in line with the goals outlined in the organization's charter, as well as from charitable activities and/or for the purposes outlined in grant agreements.²⁵ Some CSOs can also claim VAT refunds,²⁶ based on the bilateral treaties between Georgia and some donor states, such as the ones with the EU and US.²⁷ In addition, corporate donors are allowed to deduct up to 10 percent of their taxable income for charitable contributions²⁸ - an important incentive for corporate donations. CSOs, however, cannot make use of this opportunity since they do not have a legal status of a charitable organization, even if their activities essentially are of a philanthropic nature.²⁹ Furthermore, since anonymous donations are not mentioned in the Georgian legislation, these types of donations are effectively not available for CSOs; anonymous contributions are not directly prohibited, but CSOs prefer to refrain from accepting such donations.

It certainly stands to reason to demand financial transparency, but these rules need to be modified to accommodate crowdfunding activities. The Law on Grants has provided a framework for government ministries to issue grants since 2011. Municipal authorities, however, cannot issue grants, according to the same legislation.³⁰ Instead, they use programmatic funding for supporting CSOs, with the difference between state grants and programmatic funding being only nominal. Typically, ministries and municipal authorities allocate finances to CSO activities that are directly tied to their policy responsibilities.³¹ State funding cannot be used for entrepreneurial activity of any kind.³² In general, the Georgian legislation offers an enabling environment and is tolerant towards the CSO activities, but it lacks further incentives for encouraging the growth and the financial sustainability of the civil society sector.

23. National Agency of Public Registry. Available at <https://napr.gov.ge/p/617>

24. CSO Georgia. Interview with Levan Paniashvili, 12.02.2019. Available at <https://csogeorgia.org/ge/post/levan-paniashvili>

25. Tax Code of Georgia, a. 97 (2).

26. Tax Code of Georgia, a. 63.

27. Tax Code of Georgia, a. 168.

28. Tax Code of Georgia, a. 98 (3), a. 117.

29. Tax Code of Georgia, a. 32.

30. Law on Grants, a. 3.

31. Civil Society Institute, Civil Society Organizations' State Funding Reform. 2018. Available at http://civilin.org/pdf/State_funding_Reform_Policy_Eng.pdf

32. Law on Grants, a. 2.

5. Civil Society Indices

According to official sources, there are more than 27,000 registered CSOs in Georgia. This would amount to an extremely vibrant civic life in the country, but the numbers are misleading as many of these organizations exist in name only; procedures for closing the legal entities in Georgia is a cumbersome and time-consuming affair, and many prefer to avoid the hassle of officially disbanding their organizations. CSO Georgia, a website developed by the Tbilisi-based Civil Society Institute (CSI), and co-financed by the Open Society Georgia Foundation (OSGF), lists 891 active non-governmental organizations (NGOs).³³ Yet, the majority of our respondents believe that the actual number is much lower, around 100. State of the civil society sector in Georgia is measured by several annual assessments, including the one by USAID, which has been publishing the CSO

Sustainability Index for more than 20 years. The index measures the CSO sustainability against seven dimensions, and does so on a scale from one to seven, with one being the most developed and seven being the most challenged. According to Table 1, there has been little change in terms of Georgia's scores during 2012-2017.

The overall index scores place Georgia in the category of *evolving sustainability* (as opposed to *impeded sustainability*³⁴ and enhanced sustainability). Financial viability seems to be the most pronounced challenge for Georgian CSOs, followed by organizational capacity. That financial sustainability is regarded as highly problematic, is also confirmed by our survey results. (For details, see the chart below).

Table 1. CSO Sustainability Index, measured on a scale from one (most developed) to seven (most challenged)

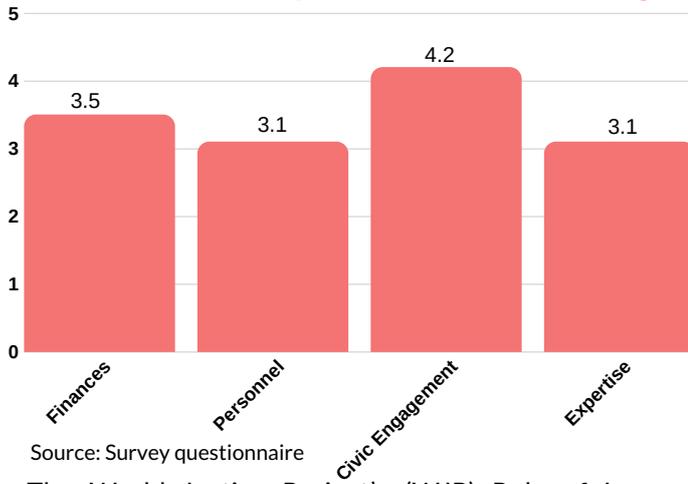
DIMENSIONS/YEAR	2012	2013	2014	2015	2016	2017
Legal environment	3.3	3.3	3.3	3.3	3.3	3.3
Organizational Capacity	4.2	4.2	4.3	4.3	4.3	4.4
Financial viability	5	5	5	5	5	5
Advocacy	4.2	4.1	3.9	3.9	3.8	3.7
Service provision	4.1	4.1	4.1	4.1	4.1	4.1
Sectoral infrastructure	4.3	4.3	4.3	4.3	4.3	4.3
Public image	4	3.9	3.8	3.8	3.8	3.8
CSO sustainability	4.2	4.1	4.1	4.1	4.1	4.1

Source: USAID

33. CSO Georgia. Available at <http://csogeorgia.org/organisationArchive/geo>

34. USAID. CSO Sustainability Index Methodology. Available at <https://www.usaid.gov/what-we-do/democracy-human-rights-and-governance/cso-sustainability-index-methodology>

Table 1. CSO Sustainability Index, measured on a scale from one (most developed) to seven (most challenged)



The World Justice Project’s (WJP) Rule of Law Index shows a notable improvement in terms of civic participation in Georgia – an indicator measuring how amenable the political environment is for CSO activities.³⁵ The country received 0.35 (scores range from zero to one, with one being the highest) in 2012 and 2013, and was placed close to the bottom of the list, but its position improved in the next few years, reaching 0.62 points in 2019. This confirms our finding that Georgia has an enabling legal environment for CSOs, and that they can operate freely and without impediments.

Bertelsmann Transformation Index (BTI), a country-to-country assessment of the degree of democratic transformation, includes two CSO-related indicators – the breadth of cooperative associations and interest groups, and the level of social capital in the country.³⁶ According to its 2018 report, Georgia had a score of five in the interest group category and four in the social capital category. The figure for the interest groups was similar in 2012, and the one for the social capital was slightly lower. This means the country has a narrow range of interest groups/associations, and exhibits a low level of societal trust, where CSOs are small in number, unevenly distributed, and unstable.³⁸ The report also characterizes Georgia as having high “bonding”, but low “bridging” social

capital³⁹ which is in line with our findings that civic engagement remains one of the most important challenges facing Georgian CSOs (see Table 1).

Georgia is also included in the World Giving Index, an annual publication by the Charities Aid Foundation, which measures the degree of charitable behavior using three separate indicators - helping a stranger, donating money and volunteering time.⁴⁰ According to the index,⁴¹ 47 percent of Georgians said they helped a stranger, and 17 percent reported that they volunteered in the past month. This puts the country in 90th and 83rd places, respectively. The figure for volunteering was similar in 2012, but the one for helping a stranger stood at a significantly lower number, 32 percent. Interestingly, Georgians are especially unwilling to donate money compared to other countries; both in 2012 and 2018, Georgia was at the bottom of the list. While much of this has to do with poor economic conditions, no less important is the sense of skepticism towards civic activism and volunteerism that Georgia has inherited from its Soviet past.

35. World Justice Project. Rule of Law Index: Current and Historical Data. Available at https://worldjusticeproject.org/sites/default/files/documents/FINAL_2019_wjp_rule_of_law_index_HISTORICAL_DATA_FILE_0.xlsx

36. Bertelsmann Transformation Index. Available at <https://www.bti-project.org/en/home/>

37. Measured on a scale from one (worst) to ten (best).

38. Bertelsmann Transformation Index. Methodology: Codebook. Available at https://www.bti-project.org/fileadmin/files/BTI/Downloads/Zusaetzliche_Downloads/Codebook_BTI_2016.pdf

39. Bertelsmann Transformation Index. Transformation Atlas: Georgia Democracy Status | Political and Social Integration 5.0. Available at https://atlas.bti-project.org/share.php?1*2018*CV:CTC:SELGEO*CAT*GEO*REG:TAB

40. Charities Aid Foundation. World Giving Index 2018. Available at <https://www.cafonline.org/about-us/publications/2018-publications/caf-world-giving-index-2018>

41. The 2018 report includes data from 146 countries that was collected throughout 2017.

Finally, the Varieties of Democracy Database (V-Dem) of the University of Gothenburg measures several important aspects of the civil society sector in Georgia, including entry and exit barriers, public engagement, gender restrictions, etc.⁴² (For details, see the table below). These indices confirm our findings, most notably, with respect to the legal environment – according to our interviews and questionnaire responses, there are no restrictions to free entry and activity of CSOs,

and that there are no impediments to women’s participation in the civil society sector. We also share the assessment that CSOs have some influence over the policy formation process (see Table 3). Unlike the V-DEM, however, we found very little evidence that there is regular public engagement with civil society; 80 percent of our respondents said CSO engagement is either limited or non-existent.⁴³

Table 2. Select V-Dem indicators for Georgia, measured on a scale from zero (lowest) to four (highest)

AREAS/YARS	2012	2013	2014	2015	2016	2017	2018
Entry and exit barriers	3	3	3	4	3	4	4
CSO repression	4	4	4	4	4	4	4
Consulting CSOs	1	1	1	1	2	1	1
Public engagement	2	2	2	3	3	3	3
Gender restrictions	4	4	4	4	4	4	4
Anti-system movements	2	2	2	2	2	2	1
Religious freedoms	4	4	4	4	4	4	4
Influence of religion	2	2	2	2	1	1	2

Source: V-Dem Institute

Table 3. Responses to questions seven and two (percentage of respondents)

Q7: What influence do CSOs have on government policy?		Q2: What is the level of engagement of public in civic activities?	
Significant	15	High	0
Some	55	Moderate	4
Limited	28	Partial	17
None	2	Limited	65
		High	15

Source: Survey questionnaire

42. V-Dem Institute. Codebook V9. Available at <https://www.v-dem.net/en/data/data-version-9/>

6. Assessment Findings

6.1. Public Trust and Legitimacy

The degree of responsiveness of CSOs to societal needs and challenges, as well as their level of outreach and constituency building. Possible underlying causes influencing public attitudes towards CSOs

According to the latest edition of the Caucasus Barometer, in 2017, the number of people trusting and distrusting CSOs stood at 23 each.⁴⁴ This is lower than in 2012, when those who trusted CSOs outnumbered their counterparts with a ratio of three to one (27 percent to 9 percent). The recent research by the Georgian Civil Society Sustainability Initiative (CSSIGE) offers a more promising picture; 28 percent of respondents said they trust CSOs and 18 percent gave a negative response to the question. Still, CSOs rank lower than other institutions: 3rd from the bottom among 12 institutions, surpassing only the Eurasian Economic Union and political parties. While much of this can be attributed to the decreasing levels of trust in general, there are definitely more factors at play.⁴⁶

Most of our respondents agreed that the absence of effective communication with the general public is a major factor that adversely affects their public standing; CSOs spend limited time and effort for direct engagement with their constituents, and lack regular channels of communication with their beneficiaries and constituents.

As a result, the language they employ is often tailored to the government and the international community than to the general public. As one of the respondents noted: ***“the language of communication is different and leaders of larger CSOs look like parliamentarians speaking from pedestals that are detached and distant from the people.”*** This is partly due the nature of operational activities of the civil society sector; since the overwhelming majority of CSOs subsist on international donors, they are inclined to use the language that is amenable for their international partners. Additionally, as most CSO leaders tend to communicate with citizens through television stations and other media platforms, they also lack experience in direct, in-person engagement with the public.

Recent instances of criticism of CSOs by the Parliamentary leadership have also affected public confidence towards CSOs. The CSO-government friction is not a new phenomenon; ruling parties have traditionally viewed CSOs as their rivals in the opinion formation process. They have also considered that CSOs have undue influence on the assessments of Georgia’s western partners and international organizations. As a result, their criticism has been regarded seriously, and ruling parties have made every effort to diminish the credibility of CSOs in the eyes of their international partners, but more so in the eyes of the general public. Some respondents pointed out that the previous government used a different strategy with respect to CSOs; since they

44. CRR. Caucasus Barometer. Georgia time-series 2008-2017: Trust towards NGOs. Available at <https://caucasusbarometer.org/en/cb-ge/TRUNGOS/>

45. Georgian Civil Society Sustainability Initiative. Attitudes of the Population of Georgia towards Civil Society Organizations, European Integration and Business Entities. 2018. Available at http://csogeorgia.org/uploads/library/252/Attitude_of_Population-eng.pdf

46. CRR. Caucasus Barometer. Georgia time-series 2010-2017: Most People can be Trusted? Available at <https://caucasusbarometer.org/en/cb-ge/GALLTRU/>

controlled almost all national broadcasters, civil society voices were not heard and there was little need for criticizing the sector.

Although most of our respondents argued that the language and communication channels used by CSOs are important contributors to their low level of public trust, 60 percent of them said that CSOs play a significant role in opinion formation. The seeming contradiction may be explained by the fact that civil society leaders frequently feature in prime time programs of television broadcasters, the most important source of information about current affairs in Georgia.^{47 48}

In most cases, however, it seems that it is the media that sets the agenda for public discussion rather than the civil society sector.

Trust towards CSOs has also been eroded by growing anti-western, pro-Russian propaganda campaigns, where CSOs have been portrayed as only concerned with the rights of sexual minorities

They have also been accused of being oblivious to “traditional” values - family, nation, and religion, and have been presented as alien, foreign-driven actors.

Another contributing factor is that some policy areas have been insufficiently covered by CSOs. Since most of the donor funding in the past decades has focused on human rights, elections, and rule of law, other areas have been inadequately addressed by CSOs, including social and economic issues - both among the top priorities for the Georgian public, according to the National Democratic Institute’s (NDI) opinion survey (see Tables 4/Q2 and 5).

This seems to be clearly at odds with our survey results, where 47 percent of respondents said CSO agendas are tailored to public priorities, but a closer look at the issue reveals that respondents interpreted the question not only in terms of what the public demands are, but also in terms of what the public needs are.

Table 4. Responses to questions one and nine (percentage of respondents)

Q1: How the CSO's agendas and activities address priorities for the public?		Q9: Which sphere of state policy is affected by CSOs?	
Very much so	2	Judiciary	42
Mostly	45	Human rights	93
Partially	45	Politics/elections	53
Less	4	Economic and social issues	22
Not at all	4	Environmental protection	38
		None	2

Source: Survey questionnaire

47. IRI Georgia. Public Opinion Survey: Residents of Georgia, April 2018. Available at http://www.iri.org/sites/default/files/2018-5-29_georgia_poll_presentation.pdf

48. NDI Georgia. Public Attitudes in Georgia, December 2018. Available at https://www.ndi.org/sites/default/files/NDI%20Georgia_Issues%20Poll%20Presentation_December%202018_English_Final.pdf

Table 5. Most important national Issues (percentage of respondents)

ISSUES/YEARS	2012	2013	2014	2015
Jobs	3.3	3.3	3.3	3.3
Inflation	4.2	4.2	4.3	4.3
Poverty	5	5	5	5
Territorial integrity	4.2	4.1	3.9	3.9
Pensions	4.1	4.1	4.1	4.1

Source: NDI Polls: issues

In the political party theory, this is described as an issue-structuring – or a strategy where it is the political party that informs the public about policy priorities and solutions, and not the other way around.⁴⁹ While issue-structuring may seem arrogant to some, Georgian CSOs continue using this strategy to help curb the rising populist tendencies and maintain human rights and democracy-related issues in the public spotlight. The relatively recent emergence of informal, grassroots movements is an undoubtedly positive development for the civil society sector.

These organizations are different from traditional CSOs in several ways, but what differentiates them most is their public engagement strategy; informal civil society groups are in much closer communication with their constituents than traditional, established CSOs. Some of their representatives said that older and larger organizations have lost touch with the people – their agendas have become entirely donor-driven and their activities have become “elitist”.

49. Richard Gunther and Larry Diamond. Political Parties and Democracy. Johns Hopkins University Press, 2001.

6.2. Policy Impact

CSO engagement with the authorities and their influence on the policy formation and decision-making processes. Areas where such cooperation has been more successful

Most of the respondents reported that CSOs have some influence over policy (see Table 3), particularly through their monitoring efforts. Yet, most of them also noted that CSOs exert little influence over the actual decision-making process. According to our questionnaire responses, CSO participation in policy implementation remains very limited, with only four percent of the respondents saying CSOs have a significant influence over policy implementation. This falls in line with our argument that the authorities are unwilling to delegate/outsourcing responsibility, even in areas where civil society can play a more prominent role (e.g. educational sector). The respondents also believe that CSOs have a substantial role in the opinion-formation process.

The respondents' overall assessment of the level of CSO engagement with the government appears to be rather skeptical. When compared with the previous administration, most of the respondents reported that CSOs now have wider and more open platforms to voice their ideas on a range of issues. However, they also agree that even though there are more

platforms for discussion and collaboration, very little actually gets done. Cooperation between the two is believed to be often ineffective as policy decisions that are agreed upon rarely see the light of day. The Freedom of Information Act is a case in point here; the draft bill was elaborated by the Ministry of Justice in 2017 in close cooperation with CSOs, but it has yet to be submitted to the Parliament.

Most respondents agree that cooperation with the legislative and local branches of government has been positive compared to cooperation with the executive. The Parliament has traditionally enjoyed better relations with CSOs since many of its members have had a background in civil society, and since the nature of its operation is more transparent and susceptible to public demands. However, recent instances of vicious, and at times, inappropriate criticism of CSOs by the then Parliamentary Chair, Irakli Kobakhidze,⁵⁰ cast a shadow on their cooperation. Nevertheless, if one discounts the factor of personal animosity, the Parliament will still be the most cooperative state institution for CSOs.

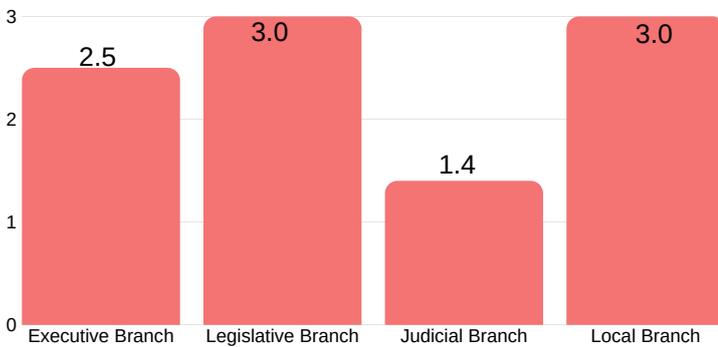
Municipal authorities lack the capacity of independent action, and heavily rely on central administration in terms of resources and decision-making power; nonetheless, they tend to be generally open for cooperation. Our respondents listed three reasons for their relative openness: first, local CSOs usually address the issues that are less politically controversial;

50. Netgazeti. „კობახიძე გვარამიას ხელმოცარულ ფაშისტს უწოდებს და ისევ აკრიტიკებს არასამთავრობოებს“. 08.10.2018. Available at <http://netgazeti.ge/news/309666/>

Table 6. Responses to question eight (percentage of respondents)

Q8: CSOs have a significant influence on:	
Forming public opinion	60
Policy formulation	40
Policy implementation	4
Policy monitoring	74

Chart 2. Level of CSO-government cooperation, measured on a scale from one (least cooperative) to five (most cooperative)



Source: Survey questionnaire

second, these CSOs can easily build trust with local administration due to their already existing connections; and third, there are so few opportunities available for Georgia’s regions, particularly the rural areas, that local officials are more open to CSO initiatives.

Cooperation with the executive seems to be dependent on personalities – government officials in charge of their respective ministries. This relationship is not institutionalized and is based on the goodwill of individual ministers.

In general, the majority of respondents believe that the ruling party has become more inflexible in recent years, at times, openly defying the recommendations of Georgian CSOs and international partners. This will likely continue as elections draw near and the stakes grow higher.

In terms of specific policy areas, 93 percent of respondents reported that CSOs have significantly influenced the government’s human rights policy (See Q9 in Table 4). At the same time, topics such as security, environment, and socioeconomic affairs are only somewhat affected or unaffected at all by the CSO efforts.

This can be partially explained by the donor-driven agenda of the civil society sector; international partners have long considered human rights as the most important pillar for democratic consolidation, thus spending significant resources and efforts in the area. As a result, Georgian CSOs have developed skills, reputation, and knowledge necessary for affecting the government policy in this area. That being said, there are many opportunities to engage with the authorities on social and economic issues, since the government may see more benefits of cooperation on issues that are highly sensitive to the public. This will necessitate significant efforts from the donor community, particularly in terms of building the CSO expertise in these areas.

Some respondents also emphasized that the success of their efforts in influencing government policy depends on the nature of their activities; watchdogs, for instance, are believed to have less chance of affecting policies compared to other organizations that do not criticize the government. They may also lack expertise to do both – some of our respondents said CSOs that criticize specific government decisions often fail to offer alternative solutions.

6.3. Viability and Sustainability

CSOs' financial viability, availability of material and human resources, capacity to attract and retain talent. Other key areas that contribute to sustainable growth and development of the sector

General assessment of the CSO viability was rather negative, with respondents identifying low engagement of the general public as the most important challenge, followed by financial sustainability. According to the interviewees, many of the well-established CSOs lack serious, continuous, and consistent efforts to engage the general public. This does not mean that they are not carrying out outreach activities; to the contrary, their coverage is sometimes surprisingly high – the legal aid center of the Georgian Young Lawyers Association, for instance, appears to handle 35-50 thousand email, telephone, and in-person communications annually. What they lack is not the number of beneficiaries, but the number of people willing to act as active participants and implementers in various CSO activities. Lack of membership-based organizations and volunteer networks speak to the same problem as well; informal civil society groups seem to be more advanced in this area, but their impact has been limited.

Financial sustainability is a major concern for most of the respondents. CSOs prefer core funding opportunities, but such opportunities have been gradually shrinking in the last decade. The project-based funding usually does not deliver lasting outcomes and most of the organizations change focus as one project ends and another begins – that is if they are fortunate enough to secure more funding. This does not contribute to building the CSO expertise, and most of the staff members are

forced to struggle with several functions at the same time. Additionally, as several respondents noted, international donors prefer to fund well-known, established CSOs, and sometimes request that they expand their activities beyond their core area of expertise to match donors' priorities.

This adversely affects the chances of new and smaller CSOs to fundraise, and enhance their experience in various policy areas. As donors prefer to fund well-established organizations to minimize project-related risks, those with much less experience end up struggling financially. This enhances oligopolistic tendencies in the civil society sector, and limits opportunities for newer organizations. Some respondents from informal civil society groups, complained that they find it difficult to compete with more experienced organizations, even in the areas where they may be potentially more effective, particularly in the regional context.

According to the respondents, most CSOs spend little or no effort in diversifying their sources of funding; as one of our interviewees noted, most CSOs do not even try to establish relations beyond their usual circle of international donors. CSO leaders are skeptical of crowdfunding; they believe the combination of dire socioeconomic conditions and low public confidence towards the civil society sector, create serious obstacles for crowdfunding efforts. Cooperation with the business sector carries reputational risks for them, according to the respondents, as business practices and values are believed to be in conflict with those of CSOs.

The recent spread of Corporate Social Responsibility (CSR) principles in the private sector seems to have created new opportunities for CSO-business partnership in the country. Some organizations have already started capitalizing on this trend and have achieved some results, including in the areas of promoting gender equality, employing persons with disabilities, empowering youth, etc. Although the CSO-business cooperation is still at a very nascent level, if businesses continue adopting the CSR principles, this partnership will inevitably deepen.

The emergence of informal, grassroots movements is an undoubtedly positive development for the civil society sector. Some of these organizations grew from spontaneous civil protests/movements and some were established by civic activists who saw the benefits of having a somewhat formalized organizational structure.

These organizations are different from traditional CSOs in several ways: first, they rely heavily on the support and engagement of their constituencies; second, they lack hierarchical structures and their leaders communicate with the public directly; and third, they are more open to seeking diverse sources of funding, including from the private sector and the general public. At the same time, these groups lack institutional capacities and well-articulated development strategies. Many of them also resist change, as they fear that further institutionalization will detach them from their constituencies. As a result, this restricts their ability to secure the amount of funding compared to what the traditional CSOs receive; only a handful of donor organizations work directly with grassroots organizations.

6.4. Cross-sectoral Cooperation

The nature of CSO engagement with businesses, as well as between formal and informal civil society groups

As noted earlier, CSO-business cooperation is considered to be limited, according to our respondents. Businesses do not want to be associated with CSOs because of their “political”, watchdog activities, while CSOs believe that cooperation with the business sector carries reputational risks.

Representatives of the business sector complained that watchdog CSOs are always critical of businesses, irrespective of the nature of their activities and the level of their corporate social responsibility. CSOs, in general, seem to be more reluctant to engage with businesses than the other way around. This is particularly true for leading CSOs. They are financially stable and consider that cooperation with the business sector might be costly for their public standing. Business representatives, on their part, are more interested in partnering with leading CSOs than with the ones that are less known.

Some of our business respondents emphasized that CSOs have limited understanding of the business perspective; they said when CSOs reach out to businesses, they tend to ask for donations without offering specific mechanisms for reporting and accountability. They also criticized CSOs for spending much of their time on putting out fires as opposed to generating holistic solutions to complex problems and getting businesses interested to invest in such solutions. Others noted that they found it difficult to identify specific CSO partners on issues of their interest (e.g., development of the CSR strategic plan). Some business representatives said if CSOs find ways to

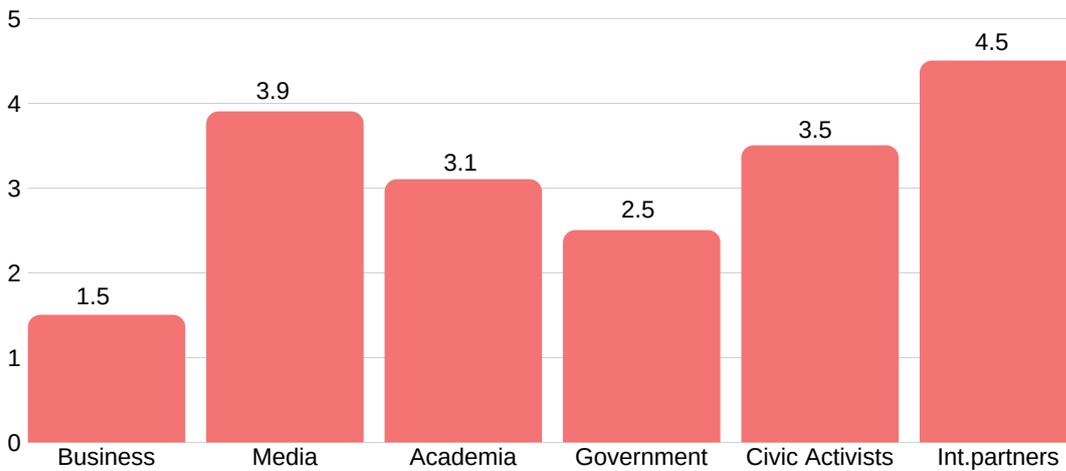
make their work mutually beneficial (.e.g. focus on the issues that affect Georgia’s business environment), they will be more likely to provide material support.

In spite of the problems in this area, the recent rise in the use of the CSR principles opens up new opportunities for closer CSO-business partnership. The business-CSO cooperation platform, established and operated by the Civil Development Agency (CiDA), has already delivered some tangible results, particularly in terms of promoting workplace gender equality and youth engagement.

Businesses also stressed one of the ways to increase their cooperation, is for CSOs to join business associations so that there is more interaction between the two sectors and hence a better understanding of each other’s’ priorities and actions.

Another major challenge identified by our respondents is weak cooperation between traditional and informal CSOs. Although there have been some individual cases of successful partnership, the overall level of cooperation has been unsatisfactory for establishing a mutually beneficial environment. The cooperation is not regular and institutionalized, and has at times been exclusionary and competitive. Some of this has to do with ideological differences; leading CSOs prioritize individual liberties and limited role of government, while new grassroots movements put more emphasis on positive freedoms and community values.

Table 5. Most important national Issues (percentage of respondents measured on a scale from one (least cooperative) to five (most cooperative))



Source: Survey questionnaire

Yet, traditional and informal CSOs can learn a lot from each other; leading CSOs, for instance, can empower informal civic groups in organizational management, while grassroots organizations can help their counterparts in constituency mobilization, citizen engagement, and alternative funding strategies.

The respondents had mixed assessments of the level of communication among established CSOs; some said internal communication mechanisms are effective, while others said there is a lack of information sharing, resulting in duplication of efforts. CSO communication with international partners was evaluated as highly efficient; the two have regular platforms for discussion, and share information and feedback on a routine basis. Still, it seems the feedback is primarily obtained from leading CSOs, and voices of smaller and organizations new activist groups are not heard adequately.

This has been gradually changing as donors become more interested in informal, grassroots and regional CSOs, but forming regular channels of communication with them will prove challenging as it is difficult to establish the precise number of such organizations.

Media outlets are generally amenable to CSOs, and promote their visibility by inviting the civil society representatives as experts and opinion makers. This contributes to the importance of the civil society actors, but the media tends to prioritize the CSOs that are already well known to the public, and this, in turn, reinforces the ambience of elitism around CSOs in the eyes of the wider public. Apart from that, as Georgian media is polarized across partisan divides and CSO opinions are usually sought on highly politicized issues, this makes it easier for the government to discard the CSO opinions as politically-driven.

7. Conclusions

CSOs have been instrumental in safeguarding and advancing Georgia’s democratic achievements, particularly through their advocacy and monitoring efforts. Yet, problems persist. First and foremost, this relates to the low participation of the wider public in the CSO activities, which can be partly explained by limited involvement of CSOs in addressing the issues that concern the general public, such as the education, health, economic development, and social welfare. Effectiveness of CSOs is also highly contingent upon support from donor organizations and the international community.

Low public trust towards CSOs is a particularly salient problem for the civil society sector, according to our findings. While much of this can be attributed to the decreasing levels of trust towards state and civic institutions in general, CSOs themselves have had a role in it as well. Most of our respondents agreed that the absence of effective communication with the general public is one of the major factors that adversely affects their public standing; CSOs spend limited time and effort for direct communication with their constituents, and the language they employ is often tailored to the government and the international community. At the same time, trust towards CSOs has also been significantly eroded by recent instances of criticism by the government leadership and conservative groups, as well as by growing anti-western, pro-Russian propaganda campaign in the country.

Most respondents agreed that the civil society sector plays an important role in terms of policy monitoring, particularly in the areas of elections,

human rights, gender equality, and corruption. CSOs have also influenced the government policy through advocacy efforts, but their success has often been curtailed by ineffective communication strategies; most campaigns concentrate on media appearances, rather than direct, in person engagement with the public. According to our respondents, CSO participation in policy implementation remains very limited. The current government is considered to be more cooperative than the previous administration, but its willingness to take the CSO contributions into account has decreased in recent years. The respondents also emphasized that cooperation has generally been more productive with the legislative and local branches of government, and that partnership with the executive seems to be driven largely by personalities.

General assessment of the viability of CSOs is rather negative, with respondents naming low engagement of the general public in their activities as the most important challenge. Many of the CSOs spend little or no effort to engage the general public; they also lack membership-based networks and regular channels of communication with their constituents. Emergence of new, grassroots movements and community-based organizations leaves room for optimism, but their impact, as well as the donor support to that end, has so far been limited. Financial sustainability is a major concern as well, according to our respondents. A handful of leading CSOs do not ordinarily face financial problem, but an absolute majority of other CSOs reported that they have struggled with the issue. Many of them work from project to project, or go defunct once funding expires.

Lack of sectoral expertise also remains a challenge, according to our respondents. Leading CSOs specialize in human rights, governance, elections, rule of law, etc., but areas such as education, pension reform, healthcare, and social issues have been largely overlooked.

Inter-sectoral and intra-sectoral cooperation is very important for the work of CSOs, and the donor community has to spare no efforts to promote such partnerships. Strengthening relationships between CSOs and businesses are especially important, even if initially no funding is involved. Collaboration opportunities are more likely to emerge if the two gain greater understanding of each other. CSO representatives

noted in their interviews that the most problematic in their relations with external actors is that with the business sector, closely followed by relations with the government. They also stressed improvement of cooperation with the two sectors would be highly important.

CSOs have traditionally had close ties with the media and international partners, but have lacked cooperation with other civil society groups. Closer cooperation among CSOs, particularly between new grassroots movements and the more traditional CSOs is of crucial importance.

8. Recommendations

Since the goal of this assessment was to help CSOs and donor organizations in assessing their work and enhancing their future programming, we have devised several recommendations for both actors. The recommendations are not all-inclusive, but do point at general steps and measures that CSOs and donor organizations can use to improve their work

8.1. Recommendations for international donors/partners

Support initiatives improving CSO communication with constituents and the general public

Donor organizations should encourage and support CSOs in reaching out to and engaging their constituents directly, including through establishing regular feedback mechanisms with citizens. One way to accomplish this could be through including specific project requirements and funding for such activities. Using external expertise would also be helpful to that end.

Train CSOs in public engagement strategies

Donor organizations should provide CSOs with the necessary skills and knowledge for sustained engagement of the general public in their activities. Most CSOs admit that they lack experience in public participation; they acknowledge having received trainings in strategic planning, organizational management, project planning, and proposal writing, but rarely on sustainable public engagement strategies and tools.

Increase funding for all areas important to the public

Donor organizations should pay more attention to issues that concern large segments of the population, such as social welfare, labor rights, education, and health. While funding for these areas has been slowly increasing in recent years, more needs to be done to help new CSOs catch up with their counterparts that specialize in human rights, governance, rule of law, and elections. This will require sustained and comprehensive donor effort, as well as an emphasis on the principle of “learning by doing”.

Offer flexible funding schemes for CSOs

Donor organizations should introduce more flexible funding mechanisms, allowing CSOs to pursue broader goals. Unlike the traditional, project-based approach, this will enable CSOs to change their programmatic activities mid-course, and transfer funds to new approaches not envisaged in the initial proposal, as appropriate. The project assessment, therefore, should be based not on pre-agreed set of outputs, but on the invested efforts and actual outcomes.

Support higher risk, higher impact initiatives

The traditional, project-based approach secures tangible outputs, but, oftentimes, these results cannot be sustained in the long run - as projects end, so do the results. To complement the project-based funding, donor organizations can also use a cascade type approach, which would incentivize the CSOs to achieve more ambitious goals at all stages of their projects. More specifically, this would mean that funding will be contingent upon past performance; delivery of the next, increased funding will depend on successful implementation in the preceding project stage.

Provide funding opportunities for informal CSOs

Donor organizations should support new grassroots and community-based organizations and social movements. Most of these groups lack necessary organizational capacity and are unable to cope with extensive proposal-writing, reporting and accountability procedures. To secure their proper access to funding opportunities, donor organizations should provide them with relevant skills and resources, as well as targeted and flexible funding schemes.

Promote inter-sectoral and intra-sectoral cooperation

Donor organizations should encourage CSOs to engage businesses, academia, and media outlets in their activities, including through devising special funding opportunities for such partnerships. Donor organizations should also encourage leading CSOs to partner with smaller, less institutionalized organizations. Particular emphasis should be drawn to regional and community-based organizations.

Sustain financing for “traditional” policy areas

Donor organizations should continue funding CSO activities in the fields of human rights, rule of law, elections, and democratic governance. Against the backdrop of current political and socioeconomic situation, it is highly unlikely that alternative sources of funding will emerge and will be sufficient for substituting the donor support in these areas in any meaningful way.

Provide funding for civic engagement of young people

Efforts need to be made to reform the educational system in such a way as to promote greater youth involvement in civic activities. It is extremely important to encourage civic activism in schools as early as possible. This, too, will require concerted efforts of the donor community.

Encourage CSOs to seek alternative sources of funding

Donor organizations should provide incentives for diversifying the sources of financing, including through running grant competitions that require co-financing from local community, business, and/or private individuals. Sectoral service providers should deliver regular assistance for CSOs for that purpose.

Support CSO efforts in developing international partnerships

Donor organizations should help CSOs establish partnerships with their foreign and international counterparts. This will help them diversify their approaches, build up their profiles and recognition, and acquire funds from donors that do not specifically focus on Georgia.

8.2. Recommendations for Civil Society Organizations

Increase communication effectiveness to reach out to wider public

Traditional CSOs should revisit their communication strategies and become more conscious of the language they use in public appearances. To increase public accountability, they should use less formal engagement schemes, and introduce citizen-friendly formats that encourage frank and interactive exchange. This will contribute to increased public trust and legitimacy, as well as greater bargaining power vis-à-vis the authorities.

Increase efforts to engage citizens in their activities

CSOs should devise ways and means to involve ordinary citizens in their initiatives, including through establishing and strengthening volunteer networks and setting up regular channels of communication. Advocacy and outreach campaigns should focus more on direct and meaningful public engagement, rather than distributing information to passive audiences and speaking to the media.

Increase intra-sectoral cooperation

Traditional and informal CSOs should share their experience on issues where they have strong expertise and experience; leading CSOs, for instance, can empower informal civic groups' organizational management, while grassroots organizations can help their counterparts in constituency mobilization. They should also plan and implement joint initiatives and divide up roles based on their key strengths.

Increase efforts to diversify financing

CSOs should search for alternative sources of funding, such as crowdfunding, business contributions, and membership fees/donations to ensure continuity of operations and sustainability of achieved results.

Increase efforts to engage with the private sector

CSOs should engage with businesses by making efforts to understand and meet their needs, as long as no conflict of interest arises. Businesses and CSOs should work together to establish mutual understanding of the red lines where the interference of the former would compromise the CSO integrity.

Increase activities in all areas important to the public

Donor organizations should pay more attention to issues that concern large segments of the population, such as social welfare, labor rights, education, and health. While funding for these areas has been slowly increasing



Find innovative solutions and initiatives through increased use of the co-creation / Social Lab approach

CSOs should open up to diverse societal actors beyond their usual set of partners, including the academia, the private sector, informal networks, international partners, arts community, and other interested individuals. CSOs should discuss, analyze, plan, and implement activities that benefit from the contributions of wider segments of society, including those directly affected by these activities.



Increase capacity for policy formation

CSOs should deepen and institutionalize their cooperation with academia and research institutions; this will allow them to engage the government more effectively in the policy formation process, and enable them to offer solutions to some of the pressing policy challenges facing the country and the society.

Annex 1.

Interview respondents	
1. Nana Bagalishvili	Founder of the Knowledge Cafe in Tsnori
2. Gela Mtivlishvili	Founder of the Mtis Ambebi
3. Dato Subeliani	The White Noise movement
4. Tsira Elisashvili	Tiplis Hamkari
5. Mikheil Benidze	Director, ISFED
6. Eka Gigauri	Director, Transparency International, Geo
7. Sul Khan Saladze	Chair, GYLA
8. Ghia Nodia	Professor, Ilia State University
9. Giga Zedania	Professor, Rector, Ilia State University
10. Tornike Sharashenidze	Professor, GIPA
11. Tinatin Khidasheli	Director, Civic IDEA
12. Vazha Salamadze	Director, CSI
13. Davit Aprasidze	EU Civil Society Project
14. Ketevan Khutsishvili	Director, Open Society Fund Georgia
15. Nino Khurtsidze	Europe Foundation
16. Zviad Koridze	Media Expert
17. Giorgi Gabunia	TV host, Rustavi 2 Channel
18. Nino Japiashvili	Radio Free Europe
19. Giorgi Isakadze	Editor in Chief, Forbes Georgia
20. George Welton	Executive Director, AmCham
21. Sopho Balavadze	Business PR/Communications Specialist
22. Giorgi Margvelashvili	Former President of Georgia
23. Tamar Chugoshvili	1st Deputy Chair of Parliament
24. Ketevan Khutsishvili	EU Delegation
25. Nino Lomjaria	Public Defender/Ombudsperson
26. Sopho Verdzeuli	EMC

Annex 2.

Targeted interviews

1. Ketevan Bakradze	Team Leader, DG, USAID Georgia
2. Tamuna Karosanidze	Chief of Party, ACCESS
3. Irina Khantadze	Director, CTC
4. Salome Zurabishvili	Director, CiDA

Annex 3.

Interactive Workshop Participants

1. Ketu Khachidze	Orbeliani Georgia
2. Elene Kharazishvili	EMC
3. Alla Parunova	Equality Movement
4. Nana Pantsulaia	Women's Fund
5. Ekaterine Danelia	CSI
6. Otar Kantaria	UNAG
7. Eka Datuashvili	CSRDG
8. Nina Khatiskatsi	NCCE
9. Giorgi Tchanturia	GCEFA
10. Eka Tsereteli	WISG
11. Tamar Tatishvili	CTC
12. Irma Pavliashvili	GYLA
13. Nino Tsereteli	Tanadgoma
14. Rusudan Tskhomelidze	IREX Georgia
15. Salome Gorgodze	Liberali
16. Nino Gelashvili	Radio Tavisupleba
17. Ketevan Mskhiladze	GPB
18. Nino Zuriashvili	Studio Monitori
19. Nino Zautashvili	GPB
20. Nata Dzvelishvili	Journalistic Ethics Charter
21. Khatuna Gvelesiani	Iare Pekhit

Interactive Workshop Participants

22. Tamar Amashukeli	Activist on urban issues
23. Sopio Tskhvariashvili	Activist
24. Beka Gadabadze	LGBT activist
25. Rusudan Gotsiridze	Baptist Church
26. Ida Bakhturidze	Women's rights activists
27. Nino Dolidze	Ilia State University
28. Tamar Koberidze	GIPA
29. Nino Ghonghadze	UNDP
30. Tamar Karaia	TSU
31. Nani Matcharashvili	GIPA
32. Ana Natsvlishvili	GIPA
33. Aleksandre Svanishvili	UNDP,, GIPA
34. Nino Gogichashvili	Ajara Group
35. Tamta Aslanishvili	MBC
36. Ketevan Zhvania	Natakhtari
37. Mariam Khokhobaia	GSBA
38. Nona Mamulashvili	GSBA
39. Tsisana Kiguradze	Bank of Georgia
40. Ekaterine Zhvania	GEPR
41. Kakha Magradze	GEPR
42. Archil Bakuradze	CFO Crystal
43. Tinatin Stambolishvili	GPI Holding
44.. Tamar Tskhadadze	Ilia State University

Annex 4.

Peer-review

by Prof. Giga Zedania, Rector, Ilia State University

The purpose of this peer-review is to comment on the Assessment of the Civil Society Sector in Georgia. In the 1980ies, civil society became a priority in two dimensions – on the one hand, as a subject of political study and on the other hand, as an object of international donor aid and support. Since the 1990s, analyzing civil society has been a key element for interpreting democratic transition in Georgia. Consequently, number of studies has focused on broad analysis of the civil society sector in Georgia and for that reason; the given publication comes as neither the first nor the sole endeavor aimed at providing such assessment. Number of earlier studies on the Georgian civil society sector are worth mentioning in this review, in particular: *Civil Society Development in Georgia: Achievements and Challenges*, 2005, (by Ghia Nodia); (i) a *CIVICUS research State of Civil Society 2011*; (ii) and a more recent research *Situation Analysis of Civil Society in Georgia* (Gemma Pinol Puig, 2016).(iii) Furthermore, the Georgian civil society sector has been covered in the academic literature (for example, articles by Stephen Jones (iv) and Jonathan Wheatley (v)).

The fact that the topic of civil society is relatively well-studied in Georgia, it does not diminish the added value of the given Assessment. Firstly, the Assessment is concerned with the specific time frame and covers the years from 2012 to 2018 – the period of the Georgian Dream rule. This time frame allows analyzing the trends of the civil society sector in the specific political and socioeconomic context. Secondly, the Assessment successfully identifies the new directions for the civil society development. These directions had largely been largely overlooked in the past.

The Assessment builds on mixed research methods, including the review of existing literature, analysis of the public opinion polls and surveys, face-to-face interviews, and interactive workshops. The text demonstrates that the study employs knowledge of existing specialized literature. However, the report lacks bibliography section that would allow interested readers to further explore the topic.

Key findings of the Assessment are based on interviews and interactive workshops. As part of the interactive workshops, 45 participants have filled out a semi-structured questionnaire, specifically designed for this research. For exploring the public attitudes towards the civil society sector, this Assessment mostly relies on the results existing public opinion surveys.

This Assessment brings to light the issue of civic activism and emergence of new civic movements. This should be viewed as a significant added value of the study. Civic movements and civic activism are relatively fresh phenomena in Georgia. The emergence these phenomena coincides with the time frame of the Assessment. In the publication, the phenomenon of civic movements/civic activism is referred to as an informal civil society. Notably, the impact of this type of activism is increasing over time. This is making irrelevant the widespread, two-decade-old criticism of Georgia’s civil society as of the Georgian “NGO civilization” that is distanced from the interests of the people. Without any reservation, currently the civil society in Georgia is no longer made up of NGOs only; it represents a unity of NGOs, nascent social

movements, converging networks, and individual activists. This is closer to a normative essence of civil society than the reality we had for almost 15-20 years after the emergence of the civil society sector in the post-Soviet Georgia.

Furthermore, the Assessment accurately describes the existing and well-known challenges that the civil society faces today. This includes weak sustainability (particularly, financial sustainability), limited expertise, insufficient links between NGOs and citizens, and not very high public trust. However, several conceptual phenomena that, in my opinion, are no less important for fully grasping the current dynamics in the Georgian civil society sector, are left out.

One of such issues is the issue of organizations and groups linked to religion. In the specialized literature, there is an ongoing debate about whether or not to consider the religious groups with fundamentalist views as part of civil society. Regardless of our personal position in this debate, religious groups have significantly influenced the Georgian society in the Assessment period. This influence needs to be studied and interpreted accordingly. For example, May 17 of 2013 was one of the most dramatic dates in the recent history of civil society in Georgia. The May 17 developments were the direct results of conflicts of values between religious groups and the normative civil society.

Growing ideological crystallization within the civil society is another important topic that is left out. Earlier, in 2005, the civil society could be described as a homogenous entity. In 2019, ideological splits became apparent. These splits have derived from the overarching left and right leanings and can be easily observed even among the leading NGOs.

Therefore, we can no longer talk about the civil society as a homogenous unity. The third important issue is the Russian influence. The Assessment offers the analysis of this influence only in the prism of the Russian propaganda directed against civil society. In reality, the key strength of the Russian influence lies in its material support or the substrate consisting of the groups and organizations on the ground. There should be a different study regarding the influence of the Russia-funded organizations and networks in the civil society sector.

The fourth missing issue is the emergence of new fields of work within the civil society. One may view the environment protection becoming a leading issue as a return and a replica of the Green Movement of the 1980ies, but the emergence of the LGBT activism of this scale is a new phenomenon and deserves proper acknowledgement. This is especially important as the new issues take difficult roads to fit into the existing organizational structures and discourse regimes; they even go further and strive to review and question such structures/discourses.

The Assessment describes its primary focus/goal in the theoretical framework in which it prioritizes a *bridging* social capital over the *bonding* one and studies the former. But this provides only partial answers to the question of the reasoning behind discounting the four issues. In any society, bridging and bonding social capitals co-exist as a communicating vessel – the more one type is, the less another type becomes. Therefore, if we want to properly understand the prospect of developing the civil society as a conglomerate of bridging links, we must drill into the impediments that are specific to Georgia.

The four issues described above clearly demonstrate that the civil society in Georgia is more diverse than it used to be, but it is also more fragmented and divided.

Nevertheless, the recommendations that are provided in the Assessment and are designed to support increased sustainability, effectiveness, and impact of the Georgian civil society sector are all valid and will be useful for both donors and the sector itself.

I. Nodia, Ghia (2005): "Civil Society Development in Georgia: Achievements and Challenges." Available at <<http://www.csogeorgia.org/uploads/development-Trends/56/CivilSocietyDevelopmentinGeorgia-eng.PDF>>.

II. CIVICUS (2012: 198): "State of civil society 2011." Available at <https://www.undp.org/content/dam/undp/documents/partners/civil_society/miscellaneous/2011_CIVICUS_State-of-Civil-Society-report.pdf>.

III. Puig, Gemma Pinol (2016): "Situation Analysis of Civil Society in Georgia." Available at <<http://www.epfound.ge/wp-content/uploads/2016/12/Situation-Analysis-of-CSOs-in-Georgia.pdf>>

IV. Jones, Stephen (2000): "Democracy from Below? Interest Groups in Georgian Society", in: Slavic Review, 59, 42.

V. Wheatley, Jonathan (2010): "Civil Society in the Caucasus: Myth and Reality." Available at <www.laender-analysen.de/cad/pdf/CaucasusAnalyticalDigest12.pdf>.

VI. Let me note here that I have reservations about the added value of quantification of results in the assessment. Since the assessment does not explain the selection criteria for those 45 respondents and how representative is this sample of the entirety of stakeholders. I consider it less important stating that in the opinion of 60% of the respondents, the influence of civil society is significant on public opinion while in that of 40 %; the influence is significant on policy formation. These figures are nominal and expressing opinion without referring to these figures would not have diminished the worth of reasoning provided in the assessment, thus freeing it from, in my view, not fully justified claim of mathematical accuracy.

