

Working Paper 239

**Politics and the PRSP Approach:
Georgia Case Study**

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This paper forms part of a broader study of the political dimensions of the Poverty Reduction Strategy Paper (PRSP) approach, which was commissioned by the PRSP Monitoring and Synthesis Project, a DFID-funded project based at the Overseas Development Institute, London. The study examines how in practice the PRSP approach is interacting with domestic political processes and what this implies for the trajectory and sustainability of the approach in low-income countries. The research team on the study comprised Alison Evans, Laure-Hélène Piron, David Booth, Tim Conway, Kate Hamilton, Erin Coyle, Zaza Curran, Ruth Driscoll and Andy Norton. Professor Rob Jenkins acted as peer reviewer in the early stages of the project. The views expressed in this paper are those of the author and do not reflect DFID policy.

Acronyms

ABED	Association for Business Environment Development
CBO	Community-based organisation
CSO	Civil society organisation
CIPDD	Caucasus Institute for Peace, Democracy and Development
CUG	Citizens' Union of Georgia
DFG	Donor Framework Group
DFID	Department for International Development
EB	Editorial Board
EDPRP	Economic Development and Poverty Reduction Programme
GORBI	Georgian Opinion Research and Business International
GYLA	Georgian Young Lawyers' Association
IDPs	Internally displaced persons
IFIs	International financial institutions
IMF	International Monetary Fund
IPRSP	Interim Poverty Reduction Strategy Paper
NDI	National Democratic Institute for International Affairs
NGO	Non-governmental organisation
NHDR	National Human Development Report (UNDP)
ODI	Overseas Development Institute
PREGP	Poverty Reduction and Economic Growth Programme
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
PRSC	Poverty Reduction Support Credit
PSI	NGO Partnership for Social Initiatives
PWN	PRSP Watchers' Network
SCF	Save the Children Fund
SWAp	Sector-wide approach
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

Executive Summary

This paper reflects on the political dimensions of the development process of Georgia's PRSP – the Economic Development and Poverty Reduction Programme (EDPRP). Developing the EDPRP has been a relatively slow process, which has been through several phases achieving a near-final draft policy document by the time of this study in early 2003. The purpose of this note is, first, to present a summary of the key findings and arguments in the paper and, second, to provide a brief update in the light of significant political changes that have taken place in Georgia since the study was carried out.

Summary

The paper sets out the background to the contemporary political context in Georgia, identifying a set of issues around national self-determination and identity as recurrent political preoccupations, and highlighting the importance of corruption as a feature of Soviet rule in Georgia. Contemporary Georgia remains shaped by both factors: national issues remain prominent and problematic, and corruption has become deeply entrenched in the institutions and practices of governance. This fosters a weak state in which, despite the centralisation of powers with the President and his advisors, there is limited capacity for coordination, let alone cooperation, across government.

Poverty is a problem that has emerged rather dramatically during the post-Soviet period, with a substantial but disputed proportion of the population living below the poverty line (between 25% and 50%) and a larger proportion vulnerable to poverty (60–70%). The Georgian government has no history of acting on poverty through policy mechanisms that address the causes of impoverishment. Rather, it focuses on ameliorating the symptoms of poverty by making welfare payments to designated 'vulnerable groups'. In the post-Soviet era, these payments have been inadequate, unreliable, and poorly targeted. Meanwhile, because it is a new and socially indiscriminate phenomenon, poverty has not yet become an object of popular identification, and this – along with a generalised absence of public activism – means that there is no popular mobilisation around poverty issues, despite their increased relevance to many people. Poverty reduction has not become a political issue that rivals ongoing concerns about nationhood, or periodic preoccupations such as elections.

The process of forming the EDPRP has gone through three distinct phases: in which i) a designated Secretariat inside the President's administration unilaterally developed an interim PRSP; ii) greater cross-governmental input was solicited and obtained, resulting in the publication of 'discussion materials' covering a wide range of policy initiatives; iii) these discussion materials were opened up to scrutiny and debate by a wider set of stakeholders, including civil society, and a process was developed for rationalising and refining these policy ideas into a single strategic document, the EDPRP. The third phase included several related donor-supported initiatives to improve cross-governmental and extra-governmental inputs to the process, culminating in the publication of a draft EDPRP in November 2002. At the time of this study, this draft was undergoing a final round of approvals by different government departments: with minor revisions it was then submitted and approved as Georgia's PRSP in 2003.

The paper considers the roles played by three core sets of actors in the EDPRP process: government, donors and civil society.

Government has played a central role throughout. Decision-making has been concentrated in the EDPRP Secretariat, and the coordination of cross-governmental input has been highly problematic, reflecting the weakness of the policymaking process in Georgia in general. Ownership of the

EDPRP has rested primarily with the Secretariat, although in the third phase concerted efforts to open up the process have seen more active participation by other governmental institutions and a much enhanced role for members of civil society. As a result of the latter, the November 2002 draft has been seen as, if anything, lacking in governmental ownership, and potentially lacking in governmental commitment.

Throughout the process, and notwithstanding some specific initiatives in the third phase, the role of elected bodies – Parliament and local councils – in developing the EDPRP has been marginal.

Donors have played a driving role throughout, bringing the suggestion of PRSP development to government attention in 2000. As well as the World Bank and the IMF, a group of major donors, involving UNDP, the EU delegation, DFID, USAID and the Dutch Embassy in Georgia, has become actively involved in supporting the development of the EDPRP, particularly in the later stages. The group created a Donor Framework Group to coordinate their efforts. From an early stage, the donor approach has been explicitly ‘hands-off’, insisting on government ownership of the EDPRP over other concerns. This has had a high cost in terms of the speed of the process, and its tardiness in becoming open to participation by other stakeholders. Donors’ later and overt efforts to redirect the process by supporting civil society participation and cross-governmental coordination have greatly contributed to the improved focus and strategy encapsulated in the draft EDPRP.

Civil society became actively involved only during the third phase but has played a decisive role in reformulating the broad ‘discussion materials’ into the draft EDPRP. Civil society participation has involved two groups of NGOs which share a critique of the government’s original proposals but which have conflicting attitudes towards cooperation with the Secretariat. One group has come to play an ‘insider’ role, working alongside the Secretariat to create mechanisms for soliciting targeted expert contributions from non-governmental actors, and for rationalising diverse policy initiatives within one framework. The other group has played an ‘outsider’ role, making detailed critiques of government proposals and debating points of policy. Both have played some role in shaping the emergent EDPRP. However, both have also participated in the process primarily on the basis of expertise and technical critique, rather than by representing or arguing for broader popular interests in poverty-related issues.

This analysis considers four aspects of the Georgian context that have shaped the EDPRP process, and that may potentially be shaped by it.

- *Norms of Governance.* Governance in Georgia is shaped by the corrupt and fragmented nature of political relationships, which weaken the basis for coordination and transparency on which a rational policy process is dependent. Phases one and two of the EDPRP’s development showed how these norms foster centralised, isolated decision-making and make cross-governmental policy debate difficult. In phase three, a more coordinated, rational process has been embraced, with some positive results. This has offered a new policymaking approach to government, but one which is very far from becoming institutionalised.
- *Broadening Participation.* Participation in policymaking by non-governmental actors is not unprecedented in Georgia, but the third phase of the EDPRP process has seen a new level of involvement by NGOs, particularly the group of ‘insider’ NGOs, in framing wide-reaching policy. NGOs’ contribution at this level has been evaluated positively, by themselves and by government, and could perhaps create a precedent for future cross-sectoral collaboration. At the same time, two problems emerge. First, if greater NGO participation is to democratise the policymaking process NGOs will need to have a capacity to represent and serve the interests of citizens, in this case particularly those who experience poverty – at present

Georgian NGOs lack this capacity. Secondly, increasing ownership of the EDPRP by NGO stakeholders has been accompanied by an apparent decline in government ownership of it: this further questions the democracy of what has been achieved, and suggests that, as yet, a truly joint policy development process, involving government and civil society in partnership, has not been demonstrated.

- *Political Capital of Poverty.* Georgia is unusual among countries developing a PRSP in that poverty is not a core political issue. This has been reflected in the lack of widespread interest among political actors, including parliamentarians and the public, in the development of the EDPRP. The effect has been that forming the EDPRP has been approached primarily as a technical issue; by Secretariat members in balancing the interests of different governmental departments, and by NGO participants in focusing on the process of developing the EDPRP more than on its content.
- *The Role of Donors.* The Georgian government is heavily dependent upon international donors in pursuing reform and maintaining stability in Georgia in what is an extended period of post-Soviet economic stagnation. This has been demonstrated by the government's development of the EDPRP, which was initiated by donors and has been sustained by them throughout. Donors have been able to drive the process, in the later stages using this to force onto government new policymaking approaches that may come to have wider significance. At the same time, the government's willingness to respond to donor pressures can be read as a desire to secure ongoing access to donor resources rather than as a readiness to alter more broadly its approach to governance. The fact that the government has taken up more transparent and participatory approaches within the EDPRP process should not be read too straightforwardly as evidence that the PRSP approach alone can improve governance.

This paper concludes by arguing that the PRSP approach has not been a particularly appropriate or effective tool for dealing with Georgia's joint problems of governance and poverty. The former problems are too entrenched and specific to be manipulated through a policy that is focused on poverty, an issue which has weak political purchase in this setting. Nonetheless, having come as far as developing the EDPRP, its implementation can be used as a vehicle for ongoing change; this has the potential to be far reaching in its consequences. For this reason, the paper argues that donors and government must both commit to implementing the EDPRP and using it as a framework for their activities. It recommends that donors continue to support the government in its efforts to implement the EDPRP, and civil society in its efforts to participate. However, supply should be applied with due attention to the appropriateness and inclusiveness of the process. A pressing need in meeting both of these aims is a participatory exercise which will serve to: deepen the analysis and understanding of poverty in Georgia; identify an appropriate language for it in this context and raise public awareness of the issues; and create opportunities for more widespread participation in addressing poverty, through governmental and non-governmental channels.

Update

This paper was written in May 2003, on the basis of research carried out in February-March 2003. The intervening year to this point (March 2004) has been one of dramatic political developments in Georgia, significantly altering the environment in which the EDPRP may move forward. The EDPRP itself and poverty more generally have not been core issues in these political changes and have been rather sidelined by them. Nonetheless, it is possible to read some implications from the broader political directions that are emerging. In this section we briefly review progress on the EDPRP during 2003, before describing the political events since November 2003 and their likely implications for the EDPRP.

Progress on EDPRP

During the first half of 2003, the government and the Donor Framework Group handed the draft EDPRP back and forth several times, discussing details and negotiating amendments. Donors were particularly concerned to ensure that the document had adequate buy-in across government departments, having been substantially framed by the NGO-dominated Editorial Board process; meanwhile the government was keen to ensure donor approval and financial support in implementation. Working groups involving government, NGO and donor participants were created to discuss each major chapter of the EDPRP. Through these, a final version was developed.

This was submitted to and approved by the IMF and the World Bank in mid-2003. The Joint Staff Assessment (JSA) of the WB and IMF Boards shows that this version was a substantial improvement on previous iterations of Georgia's PRSP: it praises the more developed analysis of poverty that has been included (giving a figure of 52% under the poverty line in 2001), reasonable growth assumptions, attention given to the problem of corruption, and a detailed action plan with appropriate target dates and indicators, drawing links to the Millennium Development Goals.

It is interesting that the JSA particularly singles out the 'broad-based consultations with civil society'¹ as a strength of the EDPRP process, highlighting some statistics which significantly overstate the actual breadth and depth of civil society participation, as described by the participants in it and outlined in this paper.² It notes that one of the main achievements of this participation is that it allowed 'civil society to argue for, and secure, continued close cooperation and dialogue between government and society at large during the implementation phase':³ the implications of this should be considered in the light of the analysis of civil society participation given in the paper, as civil society's capacity to speak for 'society at large' cannot be taken for granted. Nonetheless, it is a notable achievement that broad participation is legitimised in the EDPRP, at least in principle. One concrete outcome of this is a plan to hold an annual conference and quarterly meetings for multiple stakeholders in the EDPRP to review progress. If institutionalised, this initiative has the potential to become an important forum for wider participation and for governmental accountability in implementing the EDPRP.

The JSA also points out weaknesses in the EDPRP, which reflect some of the long standing problems of the process. One of these is its continued lack of integration with the budget process and expenditure planning in Georgia, and another is a concern about the extent of cross-governmental ownership of the strategy. In addition, some specific policy areas need further prioritisation and rationalisation, to make them more manageable. Finally, corruption and internal conflict are recognised as significant risks. Nonetheless, these issues are presented as surmountable during implementation, and so the EDPRP was approved.

Political changes

November 2003 was long foreseen as a potential turning point for the EDPRP, in that parliamentary elections were scheduled and were expected to produce a majority in opposition to President Shevardnadze. In the event, the results, which gave victory to a coalition supporting Shevardnadze, were disputed by opposition parties: independent exit polls suggested that one of the latter had

¹ World Bank and IMF (2003: 2).

² For instance, it refers to a database of 750 NGOs created during the process: according to my interview with the Participation Expert who created this database, the figure includes a large number of NGOs that are only registered on paper and do not exist in practice. Actual NGO participation, as noted in the report, involved perhaps 30 Tbilisi-based NGOs. It also refers to '400 CBOs involved in community 'consultations': this is most likely an estimate of the total number of participants in the eight community workshops carried out by the Participation Expert, which each lasted one day and involved consultation over a limited number of policy options in three of the many policy areas covered by the EDPRP. There was no ongoing consultation with these participants.

³ World Bank and IMF (2003: 3).

come out ahead of Shevardnadze's party. On 23 November, as the new parliament convened for the first time, opposition supporters led by Mikheil Saakashvili stormed the parliament building, forcing the resignation the next day of President Shevardnadze. The 'Rose Revolution', as it became known, had huge popular support in Georgia, coming after several weeks of public demonstrations outside parliament, protesting the apparent manipulation of the election results by Shevardnadze's government, and expressing popular resentment about the continued hardships of life under his corrupt regime. Saakashvili, leader of the opposition party believed to have won the election, is one of several ex-members of Shevardnadze's government who earlier moved to the opposition in protest at his diminishing commitment to democratic reform. Others include Zurab Zhvania, former Chair of Parliament, and Nino Burjanadze, current Chair of Parliament, who together formed another opposition coalition. These three politicians came together to foment the revolution and have subsequently joined political forces formally.

As established in the Constitution, Burjanadze, as serving Chair of Parliament, acted as interim President from November. On 4 January, Saakashvili was elected President with some 95% of the vote (including, it is believed, Shevardnadze's vote), standing as the sole representative of the revolutionary troika. After coming to power three weeks later Saakashvili appointed Zhvania to the new post of Prime Minister; Burjanadze has returned to her position as Chair of Parliament. Because the November election results were declared invalid, the previous parliament is still sitting, but it will be replaced in fresh elections on 28 March 2004. Saakashvili, Zhvania and Burjanadze intend to unite their parties to create a single election bloc, raising fears that the new parliament will lack a meaningful opposition.

Riding a huge wave of popular support, Saakashvili has already pushed through constitutional amendments which he argues are necessary to enable dramatic, rapid reform but which critics argue are anti-democratic. The role of Parliament has been further weakened in favour of the Presidency, although the new post of Prime Minister creates an alternative locus of power, and the new President has also formed a Cabinet of 15 ministers with whom his responsibilities are shared. It is too early to judge what kind of regime will emerge: if Saakashvili follows through on his initial anti-democratic tendencies it is unlikely that his allies, Zhvania and Burjanadze, will remain loyal, in which case a significant opposition could emerge to hamper his progress.

The EDPRP under the new government

Widespread poverty was one of the realities often alluded to in media reports as a factor in the revolution. It certainly emerged as an important source of public discontent, but it was not a central slogan in either the revolution or the election campaigns that preceded it. Rather, corruption seemed to be the most powerful issue, with other problems being read as an outcome of corrupt governance. The EDPRP did not emerge as a rallying point for political or public debate. Nonetheless, the politicians who have come to power following the Rose Revolution have had some engagement with the EDPRP: Saakashvili was involved in contributing to it in 2001 in his earlier role as Justice Minister, whereas Zhvania (as noted in the paper) actively pursued information on it when he was Chair of Parliament. Most recently, Burjanadze participated in a Parliamentary Workshop on the EDPRP during February 2003, expressing her commitment to it.

The positive aspect of this is that the EDPRP is known about by the new government, and they have not rejected it out of hand as a Shevardnadze-related project. It is being mentioned in policy discussions, particularly by the Prime Minister and other ministers, suggesting that they have an understanding of its purpose and key points. However, their knowledge of the entire document is inevitably limited, as they have not been actively involved in developing it. Saakashvili seems to be striving for minimal overlap between his own and the previous government – for instance, the Cabinet includes no ministers who served under Shevardnadze – strengthening his claims to be

making a new start and rooting out old corrupt networks, but inevitably scuppering continuity and momentum in the EDPRP. Government ownership of the document has therefore suffered another setback, and is minimal compared to the ownership of the NGOs and donors who participated in developing it. The lead role in its implementation has now been handed to the Ministry of Economy, and one welcome point of continuity is that the deputy minister given responsibility for it has been involved quite intensively in earlier stages of the process.

Although apparently committed to taking the EDPRP forward, the new government wants to revise the priorities within it, creating a one-year action plan and a bigger three-year programme. This, they argue, needs to be done too quickly to permit a participatory process, a point with which NGO actors are unimpressed.⁴ A revised programme, with a different title, is therefore likely to be developed in due course, although other issues represent more urgent priorities for this government as they did for the previous one. For instance, tensions recently escalated between the new government and the semi-autonomous region of Achara, generating new fears of civil conflict. Although the situation is apparently resolved at the time of writing, the way in which this issue flared up is a timely reminder of how rapidly and threateningly such issues can resurface in Georgia, and how all other political priorities are rendered secondary at such moments.

Meanwhile, some of the NGOs that have been involved in the EDPRP process are using it as a framework within which to engage in policy discussions with government on social protection laws and the tax codes.

Broader indicators

As the government has only recently been formed, and has immediately been preoccupied with other issues – not least, preparing for repeat parliamentary elections – it is difficult to predict what its approach to implementing the EDPRP will be, beyond the points made above. However, a few points about the way in which the political environment seems to be changing are likely to prove relevant in shaping the issues discussed in the paper.

First, as noted above, some of Saakashvili's early moves have led NGOs and international organisations to wonder about his democratic intentions. As well as threatening the role of Parliament, he has been reluctant to alter the arrangements for election administration to remove the bias towards incumbent governments. He is also resisting requests from democratic watchdogs and international organisations to lower the threshold for parliamentary representation, which would allow smaller parties to gain seats. This is widely interpreted as being calculated to ensure that his own election bloc gains an overwhelming victory, crowding out parliamentary opposition, although Saakashvili justifies his stance on the grounds that it discourages the proliferation of small and fluid factions in Parliament.

Before his election it might have been feared that NGOs, particularly the most influential Tbilisi-based NGOs, would be rather uncritical in their support of him and likely to sew up elite pacts with the new government that would enhance their role in policy processes but exclude less elite NGOs. In the event, Saakashvili's controversial behaviour has already aroused a critical response from such NGOs, so a distance has been maintained. Depending on the extent to which the President moderates his stance, or succeeds in enacting reforms which would justify and ultimately redress his excessive power, there is the potential for a more cooperative relationship between NGOs and the new government, as the latter includes several historical allies of NGOs, including Zurab Zhvania. In this eventuality, sensitivities around engaging with government might be less divisive than they proved in phase three of the EDPRP process under Shevardnadze.

⁴ Personal communication with Davit Gzirishvili.

Immediately following the Rose Revolution, the international community, including donor organisations, embraced Saakashvili as the harbinger of renewed impetus for reform. After a period of threatened withdrawal, donors have renewed their commitments to Georgia and to supporting reform there. In this sense there is increased scope for a less ‘hands-off’ and more constructive engagement by donors in the EDPRP as it is implemented. At the same time, though, Saakashvili has been at pains to assert his autonomy from donors. For instance, when the IMF reinstated programmes that had been suspended in August 2003, Saakashvili maintained that, despite their conditionalities, he would not let the IMF dictate his economic policy. Although this is more likely posturing than actual policy, it suggests a rather more critical engagement with donors and a determination to be seen to be taking responsibility which donors may praise in principle but also find frustrating when trying to influence government behaviour. The new government will remain highly dependent on donor resources, but is likely to handle the relationship in a more politicised way, stressing the limits on donor ability to dictate to the Georgian government.

The pace of change under the new government is likely to be rather fast, particularly in comparison with the stagnation of recent years. The political environment is therefore likely to be a changing one. If Saakashvili is to be believed, many of these changes will ultimately move Georgia forward from its current position towards a more established democracy: for example proposals to reform and democratise local government are under development. Within the euphoria such suggestions can generate, though, it is important to keep track of the continuities that will also characterise the new regime. Issues of nation, territory and identity remain as pressing and problematic as ever: already Saakashvili has been involved in resolving tensions with Achara, battling with Russia over its military presence in Georgia, and engaging powerful symbols of Georgian ethnic identity to assert his commitment to the country – for instance, making a spiritual oath for his Presidency in an Orthodox ceremony at the tomb of Georgia’s 12th century King David the day before his inauguration, and making the first act of his presidency the restoration of an ancient nationalist flag as the national symbol. Issues such as building democracy and tackling poverty will still have to struggle to gain political capital and popular interest in the face of these persistent issues.

1. Introduction

1.1 Purpose

The purpose of this study is to explore the political dimensions of the PRSP process in Georgia, one of the 15 successor states to the USSR. As a post-Soviet state, Georgia is a non-typical setting for a PRSP, insofar as the whole PRSP project can be seen as having emerged from the IFIs' long-term engagement with 'the third world' and, in particular, African countries. The post-Soviet world comprises an environment in which problems of poverty have a very specific provenance and are generally experienced as a recent phenomenon (although their roots can be argued to extend far back into history). It has also been the site of a particular political and developmental project, the Soviet Communist experiment, which dominated public and private life for the best part of the 20th century, before collapsing spectacularly in 1991. This inevitably shapes the way in which issues around governance, participation and political agenda are shaped in the present, and therefore the ways in which a PRSP might play out in practice.

However, the Soviet inheritance is not a straightforward one, and other aspects of Georgia's historical experience play their part in shaping political agenda, the practice of government, and current socio-economic realities. The context for Georgia's PRSP is therefore complex. The process has consequently been slow and, at times, difficult. At the time of writing (May 2003) it has yet to produce a final agreed strategy.

1.2 Outline

The report is organised into five further sections. Section 2 deals with the Georgian context, looking at the formation of political issues and norms through its history and then setting out major features of social, economic and political life today. Section 3 outlines the three phases of the PRSP process to date, examining the final phase in detail as this has seen a marked change in process and participation. In Section 4 we consider the roles and perspectives of the main actors who have influenced the process, organised into government, donor, and civil society categories. Section 5 draws on the previous sections to highlight four dimensions within which the political context of Georgia and its PRSP process have interacted: the norms of governance, broadening participation, political capital of poverty, and the role of donors. Finally, in Section 6 we summarise our conclusions regarding the PRSP process in Georgia, and outline some recommendations for further intervention.

2. The political context

2.1 Background

Pre-Soviet Georgia

Prior to being incorporated into the USSR, Georgia experienced a long history of being ruled by larger neighbouring powers, most significantly Russia, Turkey and Persia. Because of its strategic importance, it was subject to repeated invasions. Together with its location on the main routes between Asia and Europe, this made it home to peoples of many nationalities and ethnicities. This diversity and the distinctive histories of different regions have fostered several sub-Georgian ethnicities, distinguished by dialect, religion and culture. Georgian history has therefore involved an ongoing struggle to assert nationhood and statehood. A distinct 'Georgian' ethnicity has long been associated with attachment to language (Georgian is an ancient language, unrelated to any other, with a unique script) and the Church (an autocephalous Orthodox Church, established in the fourth century). However, neither of these symbols has ever applied to all 'Georgians'; and meanwhile, independent statehood has eluded Georgia for most of its history. In the 12th century, a united Georgia was ruled independently by indigenous monarchs. After this golden age, Georgia's only period of independence was as a republic in the three years between the demise of the Russian empire and annexation by the USSR. Georgia's pre-Soviet history therefore built up a strong sense of historical validity and identity, and yet offered little real and unproblematic experience of its expression as a nation state.

Soviet Georgia

Georgia was annexed by the USSR in 1921. Having been part of the Russian Empire until 1918, Soviet rule was in some senses a continuation of a known relationship: Georgia was similarly positioned as a peripheral but strategically important outpost of a state based in Russia. However, Soviet rule was novel in many other respects, for example the institutionalisation of a party-state system built on Communist ideology; the sometimes repressive capabilities demonstrated by an essentially totalitarian system; and the commitment to a process of modernisation that engaged Georgia in a transition from its more or less feudal way of life.

Soviet rule served both to consolidate and sub-divide Georgia as a nation. On the one hand it concretised the boundaries of the Georgian republic, while simultaneously establishing sub-national autonomies for three regions (Abkhazia, Achara and South Ossetia), demarcating them by ethnicity as 'other' and in practice making them less directly subject to Tbilisi's control. More generally, the use of nationality and ethnicity as a tool for managing society in the Soviet Union, for instance through changing language policies, served to maintain these as problematic issues.⁵

In the social domain, being part of the Soviet Union ensured that citizens lived in a state of constant social protection. This included access to education, healthcare, housing, employment, and special provision for those unable to work. There was a level of wellbeing below which almost nobody dropped. Although by current expectations this was a very basic level, and could be seen as a form of poverty, it was nonetheless adequate in the Soviet context for ensuring that there was no generalised social phenomenon of poverty or exceptional hardship. To this extent, the state was relied upon to deliver, and by most accounts it did so effectively, if not very inefficiently.

⁵ The ethnic composition of Georgia at the last Soviet census (circa 1989) was as follows: Georgian 70.1%; Armenian 8.1%; Russian 6.3%; Azeri 5.7%; Ossetian 3%; Abkhaz 1.8%; Other 5%. 65% of the population was Georgian Orthodox; 71% had Georgian as their main language.

At the same time, Soviet Georgia was characterised by a large shadow economy, which enabled living standards there to exceed Soviet averages, despite the relative modesty of the formal economy of the republic.⁶ Soviet Georgians were therefore protected on one side by the state, and on the other by their ability to make up for the inadequacies of the Soviet economy with access to a bigger informal market.

The existence of the shadow economy was indicative of distortions within the Soviet Georgian state. Commentators in Georgia today⁷ claim that the real incentives within official Soviet structures (Party and state) were essentially about giving the impression of being in control and avoiding problems. Systematic corruption served to sustain this as the public paid off low-level officials, who transferred the benefits up the system to their bosses, keeping everybody happy. This, perhaps more than the ideological nature of governance, served to generate a governing culture in which public needs were only served where this could also be used to derive other benefits. Certainly, public needs were not the driving issue in official decision-making. At the same time, corruption was used publicly as a way of buying a certain amount of private freedom,⁸ the shadow economy being a tangible example of this.

Corruption was a feature of all Soviet governance but was particularly prevalent in peripheral republics such as Georgia. Georgian society was also (and remains) characterised by ‘clan’ structures, networks built on kinship or other bonds which involve mutual obligation. These clans served to enable and structure corruption. As local commentators observe, ‘In Georgian reality, clans are patron-client networks which...consolidate around a powerful leader and change with the ups and downs of that leader’s power and economic position. Such clans are closed structures, united and driven by the desire to avoid open legal space and to derive group benefit (usually by illegal means) from state institutions’.⁹ Local staff of USAID develop the idea: ‘This is so rooted into our mentality. If you’re well off by Georgian values you must use [it] to help your relatives – otherwise you’re a bad person and perceived to be ‘wasting’ your position’.¹⁰

The Soviet era therefore saw a consolidation of institutionalised corruption as a way of life, particularly a way of governing, and one that even had some social legitimacy. At the same time, it generated a cynical public attitude towards government because it was perceived to be non-rational and not oriented to meeting public needs. However, as long as the state continued to provide social security and well being successfully, a balance of sorts was maintained.

While it maintained a truce between society and the state, corruption also had its repressive aspects. Within those sectors most deeply organised around corruption, among which the state was paramount, each individual’s complicity in corrupt activities was understood to be used by their superiors to maintain control over them, extract favours and avoid whistle-blowing. This contributed to the lack of respectability and belief in the Party-state system. In turn, this fuelled a bifurcation among elites, in which many of those with the ability to choose their professions (in other words, the most educated sector of society) actively opted to remain outside the Party-state sphere. Instead, they favoured intellectual careers in the universities and the academies of science. These institutions were not free of corruption or political manipulation, but the situation was not so severe and individuals could insulate themselves from the worst of it. This phenomenon was significant because it fostered a particularly substantial and active intelligentsia, an elite with more popular respect than the political elite had. It was also perceived to harbour national and cultural

⁶ Lieven (2001).

⁷ e.g. an interview with Alex Rondeli.

⁸ Interview with Marina Muskhelishvili.

⁹ Darchiashvili and Nodia (2003).

¹⁰ Interview with Ketil Bakradze and Lado Gorgadze.

values, in contrast with the Party-state sphere which represented the alien and imposed Soviet Union.¹¹

The Soviet era was not uniform and changes, particularly in the 1980s, had significant impact on Soviet life. These pale somewhat into insignificance in comparison with the dramas that unfolded around attaining independence, in Georgia and elsewhere. Nonetheless, the more open environment of Gorbachev's rule allowed civil and political forces outside the Party-state system to gather. In Georgia, the earliest civil movements formed around environmental concerns but these were closely associated with a growing agenda of attaining independence. Political forces around a nationalist agenda developed in the shape of the National Movement, so that when the USSR began to fall apart it was around nationalism that Georgians rallied. Non-state activity in the late Soviet era therefore had a strong bearing on the events that followed.

Independence

Soviet rule in Georgia came to an abrupt end in 1991, when independence was achieved within the context of the disintegration of the USSR. This demise spelled the collapse of political, social and economic systems, as all were so closely intertwined with the Soviet state. In Georgia's case, the profound and negative consequences of systemic collapse were exacerbated by the eruption of internal conflict, stimulated by the radical ethno-nationalist tone of its first independent government, led by President Zviad Gamsakhurdia. Slogans such as 'Georgia for the Georgians', which had seemed innocuous in the context of Soviet rule, took on increasingly chauvinistic overtones that were deeply threatening to Georgia's many ethnic minorities.

Two of the regions given semi-autonomous status within Soviet Georgia chose to break away from the new nation-state, which they feared would render them marginal and vulnerable. Thus conflicts broke out, first in South Ossetia, then in Abkhazia. At the same time, Gamsakhurdia's autocratic tendencies saw him rapidly fall out of favour with his supporters. Within a year of independence he had been ousted by a Military Council which united the army and active paramilitaries. These failed to maintain law and order, so that Georgia descended into chaos and insecurity. It was in this context that Eduard Shevardnadze returned to Georgia, at the invitation of the Military Council. Internationally revered for his role as Foreign Minister in Gorbachev's reformist government, Shevardnadze had earlier served as Communist Party First Secretary in Georgia (effectively Head of State) from the mid-1970s. Shevardnadze therefore returned to power in Georgia in an unorthodox and undemocratic manner, but as a saviour.

Initially, Shevardnadze had little impact and the situation in Georgia worsened as his attempt to regain control of Abkhazia failed, resulting in the displacement of some 250,000 ethnic Georgians from that territory and its effective secession (although to this day it is unrecognised by any international body). However, from this low point he succeeded in bringing about some stability, bringing paramilitaries under control and restoring some law and order. Shevardnadze constructed a political agenda of pro-democratic liberal reform which was sufficiently powerful to fill the ideological vacuum left by the demise of Communism, suitably moderate to appeal to a conflict-wary public, and progressive enough to be attractive to the international community. From the many small parties comprising the Parliament of 1992 he forged the Citizens' Union of Georgia, which became a ruling party. Initially elected (almost unopposed) to the specially created position of Chair of Parliament, he was elected President in 1995. International assistance began to flow into Georgia

¹¹ Interview with Gia Jorjoliani. The historical basis of this nationalist intelligentsia function requires more attention than can be given in the scope of this paper. However, it is borne out by the role of key intellectuals in mobilising the independence movement. See Aves (1992) for further discussion.

to address both the immediate humanitarian needs created by internal conflict and the long-term development of a democratic, independent state.

2.2 The current context

Shevardnadze was elected to a second term as President in 2000. Abkhazia and South Ossetia remain effectively outside Georgian jurisdiction, despite repeated efforts at negotiation brokered by the international community. Resolution of these territorial issues remains the highest political priority. Meanwhile, independent Georgia has seen both progress and regress in its efforts to become a viable and sustainable democracy.

Economy and society

The stability attained by the mid-1990s allowed the economy to flourish briefly. According to the World Bank, growth rates were higher than 10% per annum in 1996 and 1997. However, this growth was insufficient to reverse the widespread impoverishment that had developed in the immediate aftermath of independence. In fact, this growth was unequalising in nature, and Georgia continues to see a growth in poverty year by year, despite ongoing economic growth.¹²

Precise measures of poverty are problematic, in part because much of the economy remains informal and, particularly in rural areas, non-monetised. In addition, there is as yet no agreed poverty line for Georgia among the agencies involved in assessing poverty. Nonetheless, all the available measures indicate a huge problem. The World Bank's figures for 2000 suggest that 23% of the population is experiencing poverty, according to the poverty line they recommend; it is 53% by the government's official minimum income measure.¹³ UNDP arrives at a figure of 50% and 41% for winter and summer of 2001 respectively, according to the poverty measure they recommend.¹⁴ This seasonal variation points to a high degree of fluctuation in poverty levels, which renders the majority of the population vulnerable to poverty at some point: the World Bank assesses that 60% of the population 'faces a real risk of experiencing poverty in the not so distant future' (over a three-year time horizon) (2002:2), while Save the Children finds that 'almost 70% of households throughout Georgia consider themselves food insecure'.

There are regional variations in poverty, reflecting different economic opportunities and vulnerabilities, such as exposure to climatic and environmental variations in agriculture-dependent regions.¹⁵ Notably, the capital city, Tbilisi, and the region bordering Turkey, Achara,¹⁶ are better off by most measures, although not hugely. Urban and rural areas vary in types of vulnerability, and a previous advantage for rural communities in access to land has been eroded by lack of access to monetised income and therefore to goods and services that they cannot produce.¹⁷ However, urban areas remain more food insecure.¹⁸

The economic growth that has been achieved has failed to impact on poverty because of a narrow sectoral and geographical focus without the capacity to generate new employment. Unemployment

¹² World Bank (2002); NHDR (2002).

¹³ World Bank (2002).

¹⁴ NHDR (2002).

¹⁵ SCF (2002); NHDR (2002).

¹⁶ Achara's wealth stems in part from the unique economic advantages of controlling the borders with Turkey, with which most private trade is conducted, and being a holiday resort area. However, its ability to hold onto its wealth is a product of its semi-autonomous status and the refusal of its autocratic leader to submit local tax revenue to Tbilisi. This dimension of internal Georgian politics is beyond this paper's scope, but is illustrative of the crisis of governance that is described in later sections.

¹⁷ World Bank (2002).

¹⁸ SCF (2002).

has steadily increased since 1996¹⁹ although it is difficult to measure accurately due to the informal nature of much of the economy. In any case, salaries are rarely adequate for survival, including in the public sector where even fairly senior positions are paid at a less than subsistence wage.

Poverty seems therefore to be becoming more entrenched, deeper, and more severe.²⁰ This is beginning to be reflected in public behaviour, with attitudes to education in particular becoming more and more negative.²¹ In the current climate the returns on investment in education, in terms of livelihood security, are very poor. As a result school enrolment rates are falling, and this is one factor behind the decline in Georgia's Human Development Index rating for 2001.

It needs to be noted that poverty does not, as yet, closely follow lines of ethnic, linguistic or religious differentiation in Georgia. This is in part because poverty is so widespread and relatively recent that it does not respect pre-existing differences. Most people have been affected without regard to their social standing or ethnic identification but directly on the grounds of their employment and access to material and social resources. This also reflects the complex geography and sociology of ethnicity in Georgia, which cross-cuts other divides. In some ways, therefore, poverty is adding another layer to the complexity of social stratification in Georgia rather than being bolted onto existing frameworks. Nonetheless, it would be naïve to assume that ethnicity is totally irrelevant: for example, some minority populations must realistically be seen as additionally vulnerable owing to the way access to education and employment is effectively controlled through language. Some ethnic communities are geographically concentrated in more remote and impoverished regions. Although at present the map of poverty does not fit closely with the map of ethnic diversity, the threat of poverty must be read into the politics of ethnicity in Georgia.²²

2.3 Political life in Georgia

As the economy briefly flourished in the mid-1990s, so political development also appeared to be following the desired trajectory. Elections took place periodically, political parties formed freely, and in 1995 a new democratic Constitution was adopted. Together with subsequent legislation, this established a framework of freedoms and rights, to be carried out by an apparently democratic government. The appearance of democratic progress was enough to persuade external observers that Georgia was doing well and that it continued to be worthy of support. However, the reality has been less clear-cut. Charles King has called Georgia a 'Potemkin democracy', alluding to the gap between appearance and reality (and to donors being seduced by the illusion).²³ In practice, reform has been piecemeal and is undermined by a culture of governance that is proving resistant to change.

Institutional arrangements

At the most basic level, the institutional structure of the state is half-unfinished. An upper house of Parliament and a system for defining and governing the regions are both awaiting the restoration of Georgia's territorial integrity before being implemented. The Constitution leaves these issues as 'to be resolved'. As a result, there is currently one house of Parliament and an unclear system for managing local governance. In principle, Georgia's system of governance is balanced between presidential and parliamentary types; in practice, however, under Shevardnadze, the dominant mode

¹⁹ Ibid.

²⁰ World Bank (2002).

²¹ NHDR (2002).

²² See CIPDD (2002) for further discussion.

²³ King (2001).

is presidential. It has also become highly centralised, with authority concentrated in the President's administration, the State Chancellery.

There are few clear mechanisms for Parliament for playing a very strong role in shaping government actions, in part because there is no formal Cabinet of ministers. Although Parliament has the right to approve candidates for ministerial positions, in practice the President has often continually reintroduced the same candidates until they are approved. Parliament is also responsible for approving the budget based on the President's draft submission but is unable to alter it, only to approve or reject it outright. It is not entitled to initiate bills dealing with the regulation of the executive.²⁴

A system of local administrations exists at two levels (village/town and district), and local councils have been elected since 1998. However, these institutions lack authority or resources, being largely dependent on resource transfers from the centre which are small and unreliable, and having limited capacity to raise revenue locally.²⁵ Local government departments governing activities such as health and education are strongly subordinate to their respective national agencies. Local government is further weakened by lack of clarity about the roles and responsibilities of different bodies. At the same time, a separate system of regional governorships, established by presidential decree and not envisaged in the Constitution, effectively dominates local governance. These governors are directly appointed by the President and act as his representatives. Although their power varies somewhat between regions, depending largely on the individuals concerned, their presence inevitably further confuses and disempowers the lower levels of local governance.

The President, Parliament and local council members are all chosen through competitive elections. Early on in Georgia's independence, elections tended to be positively reviewed; this was possibly an overstatement of real practice.²⁶ Either that, or elections have become less clean over time. The most recent elections – in June 2002 for local councils – were assessed by the Council of Europe as 'a step backwards rather than forward for democracy in Georgia' (reported in Nodia 2003). Irregularities, including violence, were noted across the country, and recounts and even new elections were necessary in some districts.

Apart from disruption of the electoral process, each election in Georgia has so far been subject to slightly different rules, in aspects ranging from the threshold for parties to gain seats in Parliament, to the composition of the electoral commissions, to the posts open to competition (for example, in the latest local elections most mayors were directly elected for the first time). Such changes mean there has been no continuity in the experience of electoral participation, for the equivalent body has yet to be elected twice at any level. Meanwhile, the shifting dynamics of political affiliations (discussed below) mean that different configurations of parties have contested each Parliamentary and Council election so far.

Other than participating in elections, Georgian citizens are entitled to significant freedoms according to the Constitution and subsequent legislation including the Civil Code of 1997 and the Administrative Code of 2000. The rights to form political parties and non-governmental organisations are well established and actively taken up: there are thought to be over 150 parties and more than 4,000 NGOs registered at present. Registration is only restricted for parties proposing a regional or separatist agenda, and for NGOs that threaten violence or territorial disintegration or that incite hatred. There is also a growing independent media, including newspapers and television channels. In all these respects, Georgia looks like an actively democratising country. The Potemkin

²⁴ Nodia (2003).

²⁵ Nodia (2003).

²⁶ King (2001).

analogy,²⁷ though, urges caution in interpreting this. Georgia's democratic problem is not one of restricted freedoms but one of the inability to make them manifest through effective rule of law and rational government.²⁸ Freedom 'has not led to the creation of an effective democratic system of governance' (Nodia 2003), and this is due to a crisis of governance that is increasingly described in terms of the 'weak' or 'failing' state.²⁹

The 'weak state': government in practice

The overwhelming characteristic of the weak Georgian state is its ongoing permeation by corruption. This is considered to be even more far reaching and cynical than it was under Communism, in part because of the absence of a higher authority to keep things in check,³⁰ and in part because of the dive in real value of officials' salaries. Explaining Georgian corruption as seeking a livelihood is naïve but it currently adds rationality and even acceptability to the practice. Nonetheless, corruption is popularly perceived to be a huge problem and a major obstacle to change. A recent survey placed it as second only to unemployment as a public concern.³¹ Corruption retains its earlier characteristic of being organised around clans, leading to government by crony networks, where each is subject to non-transparent incentives and agenda. This fosters an environment in which, despite the centralisation of power, the centre has imperfect control over other entities. Specifically, President Shevardnadze (who is understood to be deeply implicated in corruption himself) is unable simply to control the behaviour of his subordinates, as if only political or even his own personal agendas are at work.

Another factor contributing to unease and insecurity in government is the fragmented nature of political relationships and affiliations. Fragmentation has always been a feature of post-independence Georgia: political groupings have at best been loose coalitions rather than strong parties. This has become particularly dramatic since the collapse of the Citizens' Union of Georgia (CUG: Shevardnadze's party) in late 2001. Always an internally riven coalition, the CUG collapsed into its constituent parties, the majority of which have adopted an oppositional stance towards the President. This not only reflects a commentary on his political performance so far, although disillusionment with the slowing pace of reform was no doubt a factor, but also relates to an impending crisis of succession.

Currently in his final term as President, the race is on to claim leadership in the post-Shevardnadze era. Shevardnadze has not nominated any natural successor to his rule, thus leaving the field open for other political actors to push themselves forward. Key political actors are engaged in consolidating their own positions and gathering loyalists around themselves. In this context, Shevardnadze has rendered himself somewhat obsolete as a political rallying point: his popularity has become so low that no would-be candidate would gain by identifying themselves with him. These realities make for a nervous atmosphere in government and one where the President's control is weakening. Knowing that he lacks support, Shevardnadze identifies the strength of other individuals as threats to his authority and exercises his remaining power accordingly, moving people between positions to remove their access to power and putting his remaining loyalists into positions where they can prevent others accumulating support. It is a political atmosphere of profound mistrust, even paranoia. One NGO member described the President's outlook thus: 'if he sees three people working effectively together, he thinks – putsch!'.³² There is, therefore, great instability at the heart of government, with several overt and covert power struggles going on and a

²⁷ Ibid.

²⁸ Interview with Marina Muskhelishvili.

²⁹ Darchiashvili and Nodia (2003); Lieven (2001).

³⁰ Interview with Alex Rondeli; Stefes (2001).

³¹ NHDR (2002).

³² Interview with Niko Orvelashvili.

poor culture for developing policy and shared direction. Shevardnadze is often described as ruling by balancing multiple interests rather than by pursuing a political agenda.³³ This has become increasingly difficult to sustain as maintaining distance from him has become one of those interests.

The fragmentation of power and, specifically, the collapse of the CUG have also affected the role of Parliament. There are now some 16 'factions' in Parliament, none of which aggregate into clear political groupings.³⁴ In broad terms, most are currently somewhat anti-government, but not in any reliable or predictable way. This relates to the nature of Georgian 'parties'. Parties are barely established and lack constituency. Rather, they are gathered around key powerful individuals and are largely dependent on a few rich patrons. Even if these leaders and patrons have clear political agenda, their parties are insufficiently institutionalised to offer the back-up they would need to pursue them. More often, though, parties lack political projects of any focus. (One party represented in Parliament does have a clear commitment to a specific agenda of economic liberalisation and industrialisation but is uninterested in any wider political agenda.³⁵) Parties ally themselves with others around particular interests, on the basis of personal interests rather than political similarities. Such groupings are highly fluid and their endless coalescing and disintegrating creates a rich seam of mutual animosity which can be mined in order to discredit each other. At present, with no CUG and with elections looming in late 2003, these tendencies towards weak and contingent alliances, shifting on the basis of opaque interests and lacking connection to citizens, are all heightened. This means that Parliament is currently fairly ineffective as a political force and rarely expresses a position on anything other than a broad opposition to Shevardnadze and his cronies.

Parliament's ineffectiveness is demonstrated in its budget approval role. Lacking the ability to influence the content of the budget, parliamentarians consider it that approving it which can be used as an opportunity to bargain with government over particular interest is preferable to rejecting it. These negotiations are particularistic and driven by personal interest;³⁶ this process does not lend itself to the use of the budget as a policy device. In practice, recent budgets have been drawn up on the basis of previous budgets, with incremental changes made for specific purposes but no rethinking of overall policy direction.³⁷ In any case, recent budgets have not served as an effective guide for government spending. Government has spent substantial non-budgeted sums paying for power supplies from neighbouring countries at the expense of social expenditure (e.g. pensions and state sector salaries) and at the cost of large deficits. The government's inability to collect revenue further disempowers the budget process as a policy formation process. At present, only around 15% of GDP is raised in taxation revenues. Performance in the fundamental government function of collecting and redistributing resources can, therefore, be viewed as poor.

The weak state is therefore one that is ineffective at performing basic governmental functions, one that lacks coordination and direction despite a high degree of centralisation, and one in which internal rivalries and corruption pervert political decision-making. None of these realities is hidden, and the Georgian public responds with a profound mistrust of government and a growing lack of faith in democracy.³⁸

³³ Nodia (2003).

³⁴ The terminology of 'factions' is used widely in and about Georgia's political groupings, and reflects the lack of institutionalisation and identity which would characterise real political parties.

³⁵ Interview with Marina Muskhelishvili.

³⁶ Interview with Ghia Nodia.

³⁷ Interview with Jonathan Dunn.

³⁸ NDI (2001).

Political issues

The weakness of Georgia's government creates a poor environment for policymaking and agenda setting. This is exacerbated by the dominance of certain political issues which serve to crowd out others, including poverty. Most compelling among these are what can be called Georgia's 'national' issues, that is to say, issues which relate to Georgia's historical and ongoing problems in asserting and maintaining itself as an independent political entity, and in attaching a meaningful and specific 'Georgian' identity to this.

At present, Georgia lacks jurisdiction over Abkhazia and South Ossetia, the former remaining effectively out of bounds to Georgian citizens. Although there is little generalised lust for war (which would likely follow any assertive attempt to reclaim these territories) Georgia's claim over them and the need to restore 'territorial integrity' consistently make up the most important political issue. The repeated rounds of negotiations and frequent small events (skirmishes, attempted returns by refugees, activities of the peace-keeping forces) relating to these territories always receive priority political (and media) attention. Meanwhile, relations with Russia, which has played an ambiguous role with respect to Georgia's territorial rights, are mediated through these issues. Domestically, the plight of the displaced populations is also filtered by the need to maintain a claim on the territories. For example, efforts by the donor community to treat displaced people on a needs basis (measured alongside the non-displaced population) and to aid their integration into Georgia are always unpopular because there is a political need to maintain the distinctive 'displaced' identity, with right to return underpinning the territorial claims. Despite a lack of progress in resolving all of the issues (for reasons too complex to enter into here) these issues remain able to obscure and marginalise most other issues in the political domain.

The pursuit of 'Georgian-ness' is expressed in the political attention given to issues relating to Georgia's minorities, or to the sub-groups of Georgians who do not conform to certain ideals. For instance, an ongoing controversy surrounds the proposed return of 'Meskhetian Turks', a Muslim community deported from Georgia by Stalin and to whose right to return Georgia is committed. Although there are pragmatic concerns surrounding this return, the discussion invariably veers into questions about whether they are 'true' Georgians, and what the implications would be of them resettling an area that is already dominated by a non-Georgian ethnic group – the Armenians. Another ongoing issue is the perpetration of attacks on non-traditional Christian sects (particularly Jehovah's Witnesses) by certain Orthodox groups. Although a minority activity, this has actually attracted widespread political support, at least in the shape of increasing the importance of being seen to be pro-Orthodox. Other recent controversies, concerning the use of Orthodox symbols by political parties and restoring a 'nationality' section in Georgian passports, similarly reflect a pre-occupation with defining what it is to be Georgian and how the rights accorded to citizens should be interpreted in terms of those who seem less 'Georgian'. What is important about these issues, for the purposes of this discussion, is their potency in the political domain. These are the issues about which politicians communicate and to which the media responds, over and above such mundane concerns as poverty.

At a different level, the government is naturally wary of issues that provoke a strong negative public response. This accounts for the ability of power shortages to induce a political response, despite the negative impact of such a response on the budget (as mentioned above). Gas and electricity supplies have been problematic ever since independence, owing to infrastructural decay and dependency for supplies on neighbouring countries. In 2000, some residents of Tbilisi took to the streets to protest, facing as they did another long winter of unreliable power supplies.³⁹ Since then, the government

³⁹ This does not appear to have been orchestrated by any specific group, and is often cited as a rare example of spontaneous activism by ordinary citizens.

has been aware of the potential for public disturbance, which accounts for its willingness to buy stability by overspending the budget. A fuel crisis continues to have the power to divert governmental attention from other priorities, owing to this threat to stability.

Poverty as a political issue

The impact of the government's decision to divert budgetary spending towards power supplies at the expense of other priorities had a regressive impact on the poor. It focused on Tbilisi residents, most visible to government and yet, on balance, better off than average Georgians. Furthermore, it rewarded mostly those who consumed most power: for the poor, who use little power, it was of less relevance. This is one indication of the government's lack of attention to poverty or to poor populations as a matter of priority.

There is no history of government-sponsored pro-poor initiatives in Georgia. This reflects the relatively recent eruption of poverty as an issue in Georgia, brought about by the collapse of the Soviet economy and welfare state and by attachment to an existing system of transfers to 'vulnerable groups'. These are extremely poorly targeted: pensions are available by right, according to age, to all citizens; and another major category of assistance is that of IDPs, who again receive benefits by virtue of their status, not on any needs basis. In addition, these payments are extremely low: the value of a pension is less than US\$9 per month. As benefits are so small, some natural self-targeting goes on, in that individuals with other sources of income or support often do not bother to claim their entitlements. However, for those who are dependent on them, frequent delays in payment have tremendously negative consequences, as this group can least afford to find other ways of bridging the gap.

The lack of effective poverty policy reflects also the lack of purchase that 'poverty' has as a political and public issue. This marks Georgia out very distinctively from the other countries in this study, and poses very basic questions as to how a PRSP could be envisaged here. This is not to say that poverty is not a primary concern among the public. The statistics discussed above indicate that poverty is a threat for the majority and public opinion surveys show that it accordingly emerges as the top public priority,⁴⁰ far outweighing the importance attached to the issues deemed as priority in the political domain. For example, territorial integrity was considered a priority problem by only 20% of respondents in the GORBI study, as compared with financial/economic concerns (56%) and unemployment (52%).

It is notable, though, using these other kinds of categories (vulnerability, unemployment, income), that 'poverty' itself is not yet a label which has much meaning in Georgia, nor is it one with which people identify themselves. Consequently, there is no public mobilisation around it, which makes it of little interest to politicians. At the same time, as discussed above, political institutions are not sufficiently rooted in public constituencies to feel the need to respond to such public issues. The disconnection between political institutions and the public means that the former are under little pressure to pay attention to poverty, despite its reality being a huge problem and a proven priority for Georgian citizens. Certainly, there is no in-depth analysis of poverty in the political sphere, and those parties alluding to public 'hardships' in the run-up to the Parliamentary elections do so in a shallow way intended primarily to discredit the current government. They do not present any reasonable programme for addressing poverty, sticking firmly with the existing mode of (unrealistic) commitments to paying out benefits.

⁴⁰ NHDR (2002); GORBI (2002).

3. The EDPRP process

3.1 Phases of the PRSP process

The process of developing Georgia's PRSP has taken over three years to this point and is not yet finalised. This is a considerably longer time than was initially anticipated and reflects the problems that have been faced in trying to conduct such an ambitious process in this context. The process has been marked by three distinct phases, outlined below. The third phase is then discussed in greater detail, as this has produced the draft that is likely soon to be approved and has seen the most active efforts to involve a wider range of stakeholders.

Phase I

The PRSP process began in February 2000, when representatives from the World Bank, the IMF and UNDP met with members of government to discuss the idea of developing a PRSP.⁴¹ The President issued a decree in July 2000, establishing a structure for developing the PRSP, to be known as the Poverty Reduction and Economic Growth Programme (PREGP).⁴² This consists of a Commission, of which the President is Chair, a Secretariat based in the State Chancellery, and five sectoral sub-commissions made up of representatives from relevant ministries and departments. The chairs of sub-commissions sit in the Commission and the Secretariat's role is one of organisation and coordination, with responsibility for substance lying with the Commission and sub-commissions. Temur Basilia, the President's Economic Adviser, was assigned the role of Secretary to the Commission and thus is effective project leader.

In October 2000, an interim PRSP was published and presented to the IFIs. It was substantially criticised on the basis of both process and content. It was clear that there had been no attempt to solicit the participation of non-governmental actors, and also that there had been little significant participation by the line ministries. It appears that no timetable for the sub-commission had been established, so it had remained fairly inactive – the IPRSP was essentially the product of Basilia's team in the Secretariat. In terms of content, the IPRSP was based on a wide range of existing initiatives and reform agenda. Rather than presenting a new vision for Georgia's economic development, it reiterated existing goals and comprised an extended wish-list of projects within that broad agenda. As well as containing nothing new, the document did not embody a strategy, as it demonstrated little cohesiveness among the different projects listed and no attempt to prioritise them. Furthermore, while the document embodied a clear commitment to economic growth, the links to poverty reduction were inadequately explained and therefore poverty reduction did not appear to be prioritised.

The Joint Staff Assessment by the World Bank and IMF staffs commented on these weaknesses but nonetheless recommended that the document be approved by the institutions' Boards of Directors, in order to allow a move forward to a full PRSP process. In January 2001, the World Bank and IMF Boards considered and approved the IPRSP.

⁴¹ Interview with George Gongliashvili.

⁴² The title of Georgia's PRSP was later changed from PREGP (Poverty Reduction and Economic Growth Programme) to EDPRP (Economic Development and Poverty Reduction Programme). In addition, during two stages it had other labels: first 'Interim PRSP', later 'Discussion Materials'. We endeavour to be precise in our use of the respective labels throughout, and flag the issue here in order to clarify that all these labels refer to different incarnations of the same document, Georgia's national PRSP.

Phase II

During 2001, the Secretariat worked to produce a draft of the PREGP, and in the autumn presented this to the donors. This was a far bigger document than the IPRSP, with much more input on each sector. Efforts had clearly been made to gather ideas from the sub-commissions. Nonetheless, the draft PREGP consisted of long wish-lists of desired programmes from each sectoral sub-commission, with no attention to either strategy or coordination. As a result, the document produced lacked coherence and direction, and was even self-contradictory. The draft was felt to rest on an over-optimistic scenario for economic growth. It was also extremely long and still far too ambitious in scale, with some 35 priorities identified. In some respects it was even less focused than the IPRSP: for example, it did not contain any timetable or action plan.

By this stage a Donor Framework Group (DFG) had been formed, bringing the World Bank and the IMF together with a group of other interested donors. The draft PREGP was presented to the DFG in 2001 and rejected by them on all the above grounds. In donors' explanations, this is why the draft was then reissued under the title 'Discussion Materials', to be circulated for wider discussion.⁴³ The Head of the Secretariat presents this story a little differently, saying that the work done during 2001 was always geared towards producing Discussion Materials in order to provide a basis for the wider participation upon which the donors had already insisted. It was presented as a strategic decision, providing a concrete basis for discussion with civil society and external experts. The document purposely contained the widest possible range of programmes and ideas, so that a participatory process could then serve to prioritise and choose between these.

Whichever version of events is accepted, the final output of this stage was the Discussion Materials. These were taken forward as the basis for a wider public discussion of the PREGP in Phase III.

Phase III

The third phase of the PREGP's development began when the Discussion Materials became the subject of a fundamentally revised process, at the insistence of donors. This process actively pursued participation by a wider non-governmental community as well as greater meaningful intra-government coordination, and focused on producing a strategy rather than generalised lists of desired activities. From October 2001, vigorous efforts were made by the Secretariat to open up the process and improve coordination within it. The Donor Framework Group was relied upon to assist with this and did so readily.

The Discussion Materials were published as a brochure which was circulated throughout government, to many NGOs, and to part of Tbilisi's population in the census process. At the same time, a consultant was recruited to the Secretariat, funded through the DFG by DFID, to develop a Communication and Participation plan. Liaison Officers, funded by UNDP, were recruited to each sub-commission to coordinate them with each other and the Secretariat. Other international and local experts were hired to work on specific areas, including macro economic forecasting and costing of proposals.

The Communication and Participation plan set out a series of activities which took place in 2002. These sought to solicit broad-based commentary on the Discussion Materials and to engage this wider community in prioritising and coordinating them. The outputs of these activities were then taken forward into a drafting process, carried out by an Editorial Board made up of government officials and external experts. Also during this phase, a group of NGOs that formed a coalition

⁴³ Interview with Tevfik Mehmet Yaprak.

called 'PRSP Watchers' Network' conducted a series of discussions. These were written up into a number of reports and submitted to the Secretariat for consideration.

In November 2002, the Editorial Board produced a draft of what had been renamed the Economic Development and Poverty Reduction Programme (EDPRP). This was resubmitted for final scrutiny by each sub-commission. Again, explanations for this differ. Donors claim that they insisted on this: they had observed that the Editorial Board process was in practice NGO-led and were therefore concerned that cross-government ownership might have been lost. The Secretariat claims that Shevardnadze had insisted on this final round of approvals. Either way, the document was broadly approved and has recently been returned to the DFG for final comments.

3.2 Arriving at the EDPRP: Phase III in detail

The various processes enacted during Phase III took as their starting point the main points of criticism of the previous phases. Focus was therefore on: improving intra-governmental coordination and participation; opening the process up to a wider range of non-governmental actors; and turning the diverse and ambitious wishes embodied in the Discussion Materials into a coherent and workable strategy.

Strengthening intra-governmental coordination and inputs

Two initiatives were instituted to strengthen the contribution of different parts of government to the development of the EDPRP. The first was to recruit specific expertise to assist in the development of key aspects of the strategy. This consisted largely of hiring external consultants to advise government in making accurate macro economic forecasts and costing the suggested projects, so that the whole programme could be developed on a realistic basis, and to facilitate rational prioritisation of different policy options by attaching a cost to them and measuring them against available resources. Different members of the Donor Framework Group supported components of this work. In addition, donors and some NGOs attended sub-commission meetings in order to engage in the development of specific sectoral priorities. These meetings had always been open but in Phase III the sub-commissions became much more active and, to this extent, participation in them became more meaningful.

The second initiative was the recruitment of Liaison Officers for each sub-commission, coordinating with the Secretariat and with the other sub-commissions. In addition, they performed the basic function of improving coordination within each sub-commission and between them and the various working groups who actually carried out most of the work in developing ideas. As each sub-commission involved several different ministries and departments, as well as representatives of relevant parliamentary committees, coordination at this level had been problematic. The quality of the sub-commission process was enhanced simply by having someone organising regular meetings for them. Additionally, the Liaison Officers could help keep these meetings focused on the need for an overall strategy and direction. Liaison Officers felt that before their involvement there had been little real sense of what the purpose of the strategy was and that each government institution had been more interested in getting their special interest reflected in the proposals than in prioritising among them all.⁴⁴ Although they do not claim to have gone so far as to alter people's thinking fundamentally, the Liaison Officers express satisfaction that they managed to generate some kind of consensus in their respective sub-commissions.

⁴⁴ Interview with Otar Vasadze; David Bazerashvili; David Amaghlobeli; Victor Baramia.

The Participation Plan

To address issues around the inclusion of a wider range of actors, DFID funded through the DFG a post in the Secretariat for a Participation Expert. The person chosen was Davit Gzirishvili, who had a background in both governmental and non-governmental work and was therefore considered acceptable to all parties. In addition to his work with the Secretariat, he currently has a position in the Ministry of Environment, and co-directs a think-tank NGO: Partnership for Social Initiatives (PSI).

Having taken up the post in October 2001, Gzirishvili developed a Participation Plan, the purpose of which was to engage a wider community in considering the Discussion Materials and participating in reformulating them into a strategy. Gzirishvili's approach was to 'deconstruct' the many proposals contained in the Discussion Materials into a statement of the underlying problems and then to work upwards from that to create a strategy for tackling them.⁴⁵

The first component mentioned in the plan was a series of workshops that were already being carried out or planned by two groups of NGOs, the PRSP Watchers' Network (discussed below) and the Alliance for Business Environment Development (ABED). These workshops represented independent NGO initiatives that had developed outside the framework of the Plan (and discussed fully below). Their inclusion in the Plan reflected Gzirishvili's existing involvement in the PREGP, as his NGO was part of the ABED coalition.

The next component of the Plan was a series of topical debates starting in late 2001, organised by the Secretariat with the collaboration of ABED. Their purpose was to achieve a consensus among key stakeholders on a hierarchy of problems and appropriate strategic objectives.⁴⁶ The meetings were open to MPs, NGOs, independent experts, trade unions and other public bodies, as well as sub-commission and Secretariat representatives. The outputs of each workshop were made up of an agreed set of comments on weaknesses in the current proposals and recommendations to the relevant sub-commissions.

The next stage was planned to take place after the Secretariat and sub-commissions had done further work on the outputs of the debates. It comprised a series of Technical Workshops, still open to non-governmental participation but of a highly specialised nature. Specific experts and NGO members were therefore invited to take part alongside government participants, the criteria being their proven capacities to develop specific proposals in the relevant sectors. The intention was to develop technical assessments of the policy options.

According to participants in these Workshops, the discussions here were very helpful and unusually frank. Some put this down to the presence of good experts who were able to provide real analysis and suggestions, whereas others point out that the long-term nature of the strategy enabled governmental participants to look beyond their personal interests and engage in really open discussion. The output of the Participation Plan was therefore a series of more structured and problematised proposals for the strategy in each sector.

Finally, the Plan envisaged a series of Participation Meetings in Georgia's regions, which eventually took place as the 'community meetings' described below, and the creation of an Editorial Board (see below).

⁴⁵ Interview with David Gzirishvili.

⁴⁶ Government of Georgia (2002).

The PRSP Watchers Process

Meanwhile, the coalition of NGOs that had formed a ‘PRSP Watchers’ Network’ (PWN) conducted a separate process of analysing and commenting on the Discussion Materials. (The origins of this group are discussed in the next section.) This network held a series of workshops in which was studied the content of each part of the document; a wider community of NGOs and others were then invited to share thoughts on this. In addition, experts, including some from the government sector, were invited to present their analyses of various aspects of the proposals in the Discussion Materials. The meeting participants included government officials, NGOs, international organisations, experts, MPs, media representatives and members of the public. In the meetings they developed their critique of the proposals and made policy recommendations as to how these problems should be addressed. These were written up in a series of 12 reports which were submitted to the Secretariat. The PWN also planned to carry out a series of seven regional meetings, but this does not appear to have happened.

The Secretariat apparently complained that these submissions were too lengthy and not useful, based as they were on the Discussion Materials which were already in the process of being superseded. The PWN therefore hired a group of consultants to synthesise the main points and key recommendations from the reports, and put these into one shorter document. This was again submitted to the Secretariat.

In addition to these discussions, one member of the group, Horizonti, conducted some research into public attitudes towards the PREGP, the results of which were not published for general consumption but which were submitted to the Secretariat. By their own account, the findings were highly negative about the whole process,⁴⁷ although it has been suggested that this was inevitable, given the way in which the research was framed.⁴⁸

At the time of the fieldwork for this paper the PWN was largely inactive. It was awaiting the circulation of the new draft PREGP before deciding on further action.⁴⁹ Some individual members of PWN-affiliated NGOs had recently participated in the Editorial Board.

Community meetings

In the summer of 2002, USAID made funding available through their Georgia Community Mobilisation Initiative for an NGO to carry out community level meetings in different regions of the country, in order to solicit grassroots inputs into the development of PREGP. Through a competitive process, the grant was awarded to PSI, Gzirishvili’s NGO.

The community meetings went ahead during August and September of 2002, organised by PSI but with lead facilitation from one of Horizonti’s field office staff members. The meetings took place in eight regional centres, involving some 400 CBOs and community representatives. The meetings were structured to facilitate a focused discussion of specific policy options in three sectors covered by the Discussion Materials. The purpose of this was to enable communities to make concrete suggestions and develop detailed rationales for their choices in the context of a one-day meeting, rather than to try to address the whole scope of the PREGP, ending up with no specific recommendations.

⁴⁷ Interview with Nino Saakashvili.

⁴⁸ Interview with David Gzirishvili.

⁴⁹ Interview with Khatuna Chitanava.

The meetings are widely considered a great success and to have been useful for the participant communities/CBOs in raising their awareness of PREGP, as well as contributing another set of inputs to the Secretariat and the development process. However, as this initiative got started so late in the process, there was no scope to repeat the exercise in other places or covering other topics.

The Editorial Board

From September 2002, an Editorial Board began working to bring together the outputs and ideas from all of these processes, and to draft a revised PRSP. As envisaged in the Participation Plan, the Editorial Board comprised 20 members, of whom half were from government and half from outside. Of these, 10 formed the working group which drafted an outline of the new strategy, and the other 10 a 'revision group' responsible for contributing more substance and critique in their specific policy areas. The criteria for participation were again 'technical', revolving around the proven ability to develop strategy and contribute relevant expertise.

Although nominally equally divided between government and non-governmental representatives, several of the participants on the government side were in fact the 'independent experts', recruited into the process. Although some of these, such as Gzirishvili, do have a governmental position or background, they are also, even primarily, engaged in non-governmental activity and participated in the process as 'expert outsiders' rather than representatives of government. Meanwhile, the government component of the Editorial Board did not include senior figures from the sub-commissions or line ministries responsible for the relevant sectors, and did involve the Secretariat's less 'official' members (apart from its Head). For these reasons, an external perception of the Editorial Board is that it was dominated by non-governmental actors.⁵⁰ In November 2002, the Editorial Board finished its work and a draft of the renamed Economic Development and Poverty Reduction Programme (EDPRP) was produced.

Parliamentary workshops

A final element of Phase III was belated attention to Parliament's engagement in the PREGP. In the summer of 2002 the Secretariat hosted a workshop, funded by DFID (and implemented by NDI, the National Democratic Institute), to which Parliamentarians were invited. Its primary purpose was to inform MPs about the PREGP, rather than to invite them to become involved. In February 2003, a second workshop was held, at which the draft EDPRP was presented. Despite being open to all MPs, rather small numbers attended. The first workshop hosted just over 20 MPs, along with representatives of the Secretariat, donors and advisory NGOs, and NDI staff. At the second workshop only eight MPs were present, along with a few other parliamentary staff and eight representatives of the Secretariat/Editorial Board (six of them 'independent experts').

3.3 The current situation

At the time of writing (May 2003), the November draft of the EDPRP has been approved by the governmental sub-commissions and has been commented upon by the members of the DFG. Cross-sectoral donor-government working groups have been established to consider some of the specific recommendations the donors have made.

It has been clear since the November 2002 draft was published that the Phase III process has produced a much improved document. It is felt to be more focused, cohesive, and to – contain a

⁵⁰ Interviews with Tevfik Mehmet Yaprak; Jonathan Dunn.

more reasonable number of priorities. It is also more brief, contains an Action Plan a timetable for the first three years – and has been fully costed for that period.

On the other hand, there is little sense that the process has seen any dramatic shift in policy on poverty and economic development, or any change in the programmes envisaged to achieve these ends. From the start, the IPRSP was considered a reiteration of the government's existing ideas about the need for economic growth, and the assumption that poverty reduction would follow from it. It did not propose new programmes, listing instead existing initiatives. Now the EDPRP gives a much sharper expression to essentially the same ideas. This begs a question about what exactly has been achieved by developing a PRSP.

As the document is still under construction, it is premature to analyse it in detail. The main areas of concern to the donors include insufficient attention to contextual issues, including corruption and the potential for internal conflict in Georgia; a significant funding gap (some US\$500 million in the costed period); the exclusion of some ongoing reform processes; detachment from the Millennium Development Goals; and the EDPRP's inconsistency with current fiscal policy. They have also rejected, as expected, the original proposals in the EDPRP for institutionalising participation. The proposals gave a very strong role to a council made up of NGO representatives, and a rather weaker oversight one to a State Chancellery-based council. This was perceived to be undermining the functions of existing institutions, ultimately subject to democratic process. It would also likely have given substantial power to certain types of NGOs, which can not be read straightforwardly as broadly giving access to citizens.

Work on the EDPRP is ongoing, therefore, and is particularly focusing on the mentioned areas. In any case, it is proposed to be a 'live' document and therefore subject to ongoing revision. While this frustrates any attempt to offer a final analysis of the strategy, the process of developing it has already revealed a great deal about the process of policymaking in Georgia and the likely problems of implementation. In order to explore the political dimensions of this process fully in Section 4, we next consider the roles that have been played by different sets of participants in the process to date.

4. Roles and perspectives of difference actors

This section considers the roles played by different sets of actors in the PRSP process, grouped under government, donor and civil society categories. The description above of the process indicates broadly who was involved, when, and how. In this section, we intend to delve deeper into the actions and perspectives of different actors. This shows that ‘ownership’ is an idea that has been used to disguise actual roles played as much as to describe them. It has also shifted over time and remains problematic.

4.1 Government

The State Chancellery and central ministries

Any discussion of the PRSP in Georgia must start with the observation that it is managed by Temur Basilia, the President’s Economic Adviser, and his team in the State Chancellery, the Secretariat. This is important because it locates the EDPRP both close to the heart of power, in the President’s office, and outside those ministries that in practical terms will be most affected by it. However, the particular nature of Georgian government makes it necessary to read the significance of this location from several angles, rather than taking at face value the implication that it demonstrates centrality and authority around the EDPRP. In particular, it needs to be noted that Basilia is a powerful individual, as demonstrated by his longevity in post – while in general, important officials are moved around regularly.

The initiative to develop a PRSP appears to have come from the donors, specifically the World Bank and the IMF. The original incentives for pursuing this were not discussed by our governmental interviewees, but it would be reasonable to conclude that the Government of Georgia perceived a PRSP as something that would please the donors and commit their funds to Georgia’s development. It would also fit smoothly into the existing commitment to economic growth as a strategy for development in Georgia. The project was therefore readily endorsed by President Shevardnadze and, in turn, adopted by those he appointed to run it.

It is clear that Basilia and the Secretariat took a leading role from the start of the EDPRP’s development, almost an exclusive one in its first phase. Even in the second phase, after the IPRSP had been heavily criticised, the increased role given to ministries and departments was a docile one. Although they had the opportunity to contribute their ideas and wishes, these were fed into a process whereby the Secretariat decided which of these to include and what the overall priorities should be.

To some extent, the weakness of this process can be put down to inexperience across the Georgian Government in developing such an over-arching piece of policy and in acting in a coordinated manner, which required communication across Government rather than simply upwards to the State Chancellery. According to members of the Secretariat,⁵¹ they were aware from an early stage that a process seeking input from different parts of government could become highly unfocused and involve ministries competing for priority attention, which would frustrate coordination. To this end, they tried to develop guidelines for the sub-commissions that would put some kind of framework around the contributions from different groups and enable some cohesiveness. These guidelines were evidently either inadequate or inadequately consulted: the cross-governmental inputs were as broad as had been feared. The Secretariat’s handling of this anticipated problem was therefore

⁵¹ Interview with Otar Vasadze; David Bazerashvili; David Amaghlobeli; Victor Baramia.

shown to be ineffective. Still, the fact that, despite its effective sole authorship of the Discussion Materials, the Secretariat could not produce a focused policy document suggests that the problem was as much with forming policy *per se* as with coordinating inputs.

In any case, the process in its first two phases was such that the Secretariat had considerable control over the developing EDPRP and, to that extent, sole ownership of it. Other parts of government concerned had very little ownership and in many respects did not yet understand the nature of the undertaking.⁵² This was due both to inadequate coordination efforts in those phases, which was overcome considerably in the third phase, and to a deeper-rooted difficulty in getting different parts of Government to work towards one aim rather than to bargain for attention for their particularistic interests.

From the Secretariat's perspective, another issue that shaped the process up to this point was that donors were understood to be insisting on 'government ownership' as the priority. This was to the apparent exclusion of concerns that the process should be open and participatory.⁵³ The Secretariat may have been reluctant to interpret 'government ownership' as anything more than their direct control over the document, and must, therefore, take some responsibility for problems in that direction; however, other stories corroborate the sense that donors marginalised concerns about non-governmental ownership early on. As a consequence, the message conveyed as to what 'ownership' meant and how it sat in relation to the Secretariat changed over time.

The third phase saw the Secretariat's role change quite substantially, in that the major efforts made to strengthen cross-governmental input enabled or forced the Secretariat to retreat into its intended function: coordinating and managing the development of the EDPRP rather than executing it. At the same time, this phase involved the belated input of non-governmental actors, including a number of 'independent experts' recruited into the Secretariat to give guidance on particular issues.⁵⁴ The new approach enacted in this phase emanated from the Secretariat but was driven substantially by these new recruits, people much less centrally rooted in and identified with the State Chancellery and with Basilia personally.

This raises questions about the Secretariat's ownership of the recently drafted EDPRP. It could even be argued that the Secretariat has somewhat handed over responsibility to the Editorial Board, on which it was outnumbered by non-governmental participants. While sectoral ministries have, through the sub-commissions, played a much stronger role in this phase, the nature of the Editorial Board process similarly raises questions about their ownership of the draft.

Throughout the process, different sub-commissions have displayed different levels of activity and commitment, although all have become more active in the third phase. In particular, the Social sub-commission is singled out as having been very active and its inputs as being widely owned by the diverse membership of the group.⁵⁵ In contrast, the Governance sub-commission is considered to have been less active, particularly at first – although this was in part because it was first thought they could simply submit their existing anti-corruption strategy as their input. Only later did it become clear that they needed to come up with other ideas. The Fiscal and Monetary sub-commission has been one of the more problematic, partly in that it has had the largest amount of work to do, as it has been involved in costing the proposals of all the other sub-commissions, in addition to developing its own inputs. However, an underlying problem is that the Ministry of

⁵² Ibid.

⁵³ Interview with George Gongliashvili.

⁵⁴ It is not unprecedented for 'independent experts' to participate in specific government initiatives, particularly those funded by international donors. However, the role given in the Secretariat to local experts from the non-governmental sector was presented as new in scale and scope.

⁵⁵ Interviews with Nato Alhazishvili and Otar Vasadze; David Bazerashvili; David Amaghlobeli; Victor Baramia.

Finance is considered reluctant to get on board with the PRSP, which has implications for its connection to the budget, in addition to which there has been a change of ministers during the process, creating a loss of hard-won momentum.

Elected bodies

Parliament has largely been absent from the process of developing the EDPRP. In the initial phases this was a product of the general closedness of the Secretariat-based process. The former Chair of Parliament claims that, while in the position, he asked several times for information about the process to be shared with Parliament, to no avail.⁵⁶ As the process has subsequently opened up, there have been opportunities for participation by Members of Parliament, but these have demonstrated little interest. Many interviewees commented on the fact that the two workshops for parliamentarians were held at renowned holiday spots – the Black Sea coast in August, and a ski resort in the lesser Caucasus in February. This was seen as an overt attempt to lure parliamentarians, even if they otherwise lacked interest in the workshops. Still, this was not enough to generate high attendance figures.

Nonetheless, the presence of Nino Burjanadze, the current Chair of Parliament, at the second workshop is seen as a good sign of potentially improved parliamentary participation in the next phases of the EDPRP. At the same time, with elections scheduled for late 2003, it is difficult to foresee much substantive attention to the EDPRP over the next six months – parliamentarians' priority will be to get re-elected.

Outside of these workshops, some parliamentary involvement in the EDPRP has existed at the sub-commission level. Several sub-commissions include representatives of relevant parliamentary committees in their membership (although their attendance was poor).⁵⁷ In addition, all of the meetings and workshops held under the Participation Plan and by the PWN were open to parliamentarians, although few of them attended.

Low participation is principally interpreted as lack of MP interest, which can be explained by their lack of engagement from the start, leading to the whole project of developing the EDPRP being seen as a government-led endeavour. Given the prevailing negative attitudes in Parliament towards the Government and the State Chancellery in particular, this creates incentives to keep the whole process at arm's length. One parliamentarian, who had in fact attended the February workshop and demonstrated considerable interest in the EDPRP, revealed in a meeting that among his reasons for not supporting it was the very fact that Shevardnadze has been promoting it.⁵⁸ A presidential seal of approval is apparently enough to alienate parliamentarians in the current political climate.

At the same time, low participation reflects the current condition of Parliament, with no serious political groupings forming and an election looming. It also reflects their relative powerlessness: there is very little sense that Parliament could meaningfully impose its will on a government project of such importance and one with donor assistance, even if it could overcome its internal divisions to express a clear will. The obstacles to parliamentary involvement have been as much internal as imposed.

The role of elected entities in the EDPRP process is somewhat obscured by a language that has been adopted during the third phase of its development. In the Participation Plan, Parliament and local councils are treated as part of civil society for the purposes of participation. This designation is

⁵⁶ Interview with Zurab Zhvania.

⁵⁷ Interview with Nato Alhazishvili.

⁵⁸ Interview with Demur Giorgkheldze.

extremely interesting because of what it implies about the relationship between elected structures and how external they are to centralised governmental power. The realities in Georgia almost justify viewing elected bodies as equally ‘external’ to government as non-governmental organisations, and in this sense there is some logic to treating them similarly. Nonetheless, there is surely cause for concern when the (more or less) democratically elected parts of government are given no privileged role, and are rendered equal in legitimacy to civil society, an extra-governmental, non-elected and (as discussed below) far from neutral set of actors.

Defining elected bodies as parts of civil society is therefore extremely indicative of a deep rooted democratic problem in Georgia. More immediately, lumping them together with other civil society entities has served to obscure their lack of engagement in the process, particularly at local council level. While Parliament has in any case received some separate attention anyway, local councils have not. There is very little evidence of their participation in the mechanisms used to engage other parts of civil society, certainly not enough for them to have been identified as a persuasive element in shaping their outcomes.

As far as the rest of local government is concerned (regional and district administrations), no mention was made by any interviewee and it does not feature in the project literature around EDPRP-related activities. This can properly be read as an indication of its effective exclusion, which is unsurprising given its practical subordination to central agencies.

4.2 Donors – the Donor Framework Group

As previously mentioned, it was the World Bank, the IMF and UNDP who first approached government with the suggestion of working on a PRSP. The initiative was attractive to government because of the promise it seemed to hold of access to donor funds.⁵⁹ Indeed, once the Secretariat had been established, Basilia began approaching donors for funding to assist the process. This was perturbing to World Bank and IMF representatives, who viewed Basilia’s unilateral relationships with different donors as less than transparent.⁶⁰ The Donor Framework Group (DFG) was therefore set up both to be a forum for discussion and coordination among donors with an interest in the PREGP, and to create a single voice for dealing with Basilia and the Secretariat.

The DFG includes the World Bank, the IMF, UNDP, the European Commission Delegation, DFID, the German Embassy, the Netherlands Embassy, and USAID. UNDP chairs the group. Most members of the group have funded specific initiatives to support the process through the DFG, with the agreement of its other members, which has ensured that their support has been coordinated. Obviously, as an initiative of the IFIs, the World Bank and IMF have been involved in the PRSP from the start. UNDP’s involvement in the PRSP in Georgia stems from its mandate to address poverty issues and its global experience in facilitating PRSP processes. The other donors have been drawn into involvement in the PRSP despite having traditionally rather diverse interests, particularly in Georgia, because of a shared concern to see substantial change in Georgia. There is a sense of urgency about this: together they have contributed huge sums towards Georgia’s development in recent years and so far the returns have been disappointing. It is relevant that during the fieldwork for this research both the World Bank and USAID hosted missions from their head offices, with the apparent agenda of identifying substantial cuts in their Georgian programmes. This, of course, coincided with a tense international situation, but reflects also a loss of patience with progress in Georgia.

⁵⁹ Interview with Colette Selman.

⁶⁰ Interviews with Tevfik Mehmet Yaprak and Jonathan Dunn.

The donors in the DFG are united by their commitment to economic growth as an essential prerequisite to development in Georgia, and by their recognition that weaknesses in governance pose a fundamental obstacle to change. The PRSP process is considered to be an opportunity to address these issues in a concerted manner. Beyond these points of agreement, the different donors have to date had rather varied approaches to developing appropriate programmes. In practice, it is difficult to imagine them coming to any easy agreements on which strategies to adopt. However, this has so far proven unnecessary, because the DFG's approach has been very much a 'hands-off' one. Although this is convenient in that it enables coordination among donors with divergent ideas, the basic rationale for the hands-off approach derives from the decision to prioritise 'government ownership' as the guiding principle of the PRSP process.

The hands-off approach is in no way disguised: donor representatives interviewed for this research mentioned it as a conscious decision on their part,⁶¹ intended to press the Georgian government into taking responsibility for the strategy and its development. Recognising that developing any kind of strategy and formulating policy are rather different to the norms of governing in Georgia, they adopted the EDPRP process as an opportunity to change this. This approach was initiated by the original donors concerned, principally the World Bank and the IMF, who perceived that they had a choice between getting involved in formulating a good strategy (as has happened in other countries) or effectively forcing the government to learn by leaving it to them.⁶² Other donors who have joined the process have bought into this approach to varying degrees. The USAID participant in DFG expresses ambiguity about their situation: 'The Bank and IMF are looking for a non-donor driven document, yet we know that the government here lacks the capacity to create this kind of document, consult widely, coordinate and so on. So we needed to be supportive...without leading the process'.⁶³ The DFID representative (incidentally, the only Georgian to head a DFG agency) is more outspoken in her criticism of this approach, describing it as 'a shield for the World Bank against the world's accusation that they are imposing their agendas.... Now they just hand everything over: 'ok, you do it', and refuse to give any help [in] teaching governments how to do it successfully.'⁶⁴ (Unsurprisingly, she admits to having 'argued with the World Bank all the time through this process').

These comments are echoed by complaints from the Secretariat. From their perspective, it seems that if there were so many obvious weaknesses in the process right from the start, predictable even before the process began, it was irresponsible of the donors to let the Government go ahead and make costly mistakes. At the very least this has wasted a lot of time, meaning that the process has taken over three years even to achieve a viable draft EDPRP. In tolerating two years of work which did not fulfil their criteria, the donors allowed a process to emerge which then had to be reversed.⁶⁵ It has certainly ensured that the participation process has been a late add-on rather than being integrated from the start, as 'government ownership' outweighed 'broad participation' as an upfront conditionality.⁶⁶

At the same time, the donors at times appear to be ready to use the EDPRP, with its acknowledged flaws, as an excuse for cutting back their programmes and reducing their support to the Georgian government. This is only stated obliquely but there is an identifiable theme in donors' rationale for their approach to the EDPRP in its current state: they recognise weaknesses in the strategy and imply that the government will be forced to confront these when they find the donor community

⁶¹ Interviews with Jonathan Dunn; Kent Larson and Khalid Khan; Lali Meskhi; Tevfik Mehmet Yaprak.

⁶² Interviews with Jonathan Dunn; Tevfik Mehmet Yaprak.

⁶³ Interview with Kent Larson and Khalid Khan.

⁶⁴ Interview with Lali Meskhi.

⁶⁵ Interview with David Gzirishvili.

⁶⁶ Interview with George Gongliashvili.

refusing to support parts of the Programme.⁶⁷ If these implied threats are carried out, it seems a curiously indirect way of ‘assisting’ the government to improve governance and policymaking. More direct ways are surely identifiable, which could have a positive impact without needing donors to claim ownership of the strategy. One must therefore read these threats as reflecting an underlying wish to disengage from support to the government,⁶⁸ rather than a genuine belief that this is a rational way to change it.

The role of donors and their pursuit of ‘government ownership’ has therefore been rather ambiguous in both intention and effect. All along, it has been a donor priority to avoid driving the process, or being seen to do so. In practice, it is very hard to see the development of the EDPRP as anything other than donor driven. Clearly, donors have an interest in seeing a PRSP developed, as illustrated by their readiness to approve an IPRSP with a host of fundamental flaws. The EDPRP process would not be going on at all if donors had not initiated it, and in deciding not to intervene actively in certain aspects donors ensured that the process would take place in an entirely predictably flawed way. There is no evidence that in being ‘hands-off’ the donors encouraged the government to ‘learn’ better governance. Indeed, it was only when donors intervened much more actively that the process began to change, to produce a document that may be accepted as a real PRSP, and to make some moves towards the type of inclusiveness and openness that is supposed to characterise a PRSP process. Although the Phase III process has been far from flawless, it has been the first significant step towards a better example of policymaking and is positively evaluated by many participants, particularly those in government. Given this, and the extent to which donor decisions are implicated, there is some sympathy to be had with those who complain that the donors did not take more supportive action sooner.

Since the fieldwork for this project took place, the draft EDPRP has been resubmitted to the DFG; donor-governmental working groups are now working on amendments in key areas. The Secretariat’s Participation Specialist says: ‘though the World Bank still denies that they ‘intervene’, I told all the donors and Government that I really enjoy that finally the donor community is also getting [a] sense of ownership, and regret they had not come closer when it was more needed and would have been efficient’.⁶⁹

At present, it is not clear how the DFG will function when the EDPRP reaches implementation. As yet, there is uncertainty even about donors’ institutional commitments to tying their assistance to it. The IMF and World Bank are institutionally committed to using it as a framework for assistance; however, as the broad priorities of the strategy – liberal economic development, and growth to reduce poverty – are consistent with their institutional mandates, this does not imply much change from their existing programmes. USAID and the EU delegation were both in the process of revising their mid-term plans at the time of fieldwork and, while intending to consider the draft EDPRP in relation to these, stressed that it was too early to tie their programmes to it, as it had yet to be approved or built into fiscal mechanisms, such as the budget process. On the one hand there is some threat of the EDPRP being used as an excuse to withhold support to Georgia, but on the other there is a danger of it not being significantly binding on the donor community – which will in turn undermine its credibility with government. The donor community may have been enthusiastic about having a PRSP process in Georgia, but it does not yet seem entirely ready to buy into the outputs of this.

⁶⁷ Interview with Jonathan Dunn.

⁶⁸ Interview with Tevfik Mehmet Yaprak.

⁶⁹ Personal communication with D. Gzirishvili.

4.3 Civil society

The involvement of non-governmental participants in the PRSP process was notable by its absence in the first two phases. Indeed, until mid-2001 the NGO community as a whole was unaware that a PRSP was in development. At that point, representatives of two NGOs were invited to a Caucasus-wide meeting about PRSPs:⁷⁰ at a similar time, Oxfam GB in Georgia held a workshop on the developing PREGP. This was attended by representatives of government, NGOs and donors and generated such interest that Oxfam subsequently organised a series of roundtable meetings, to which many NGOs and others were invited.

Over time, the roundtable process fostered the development of two groups of NGOs, which adopted different attitudes to the PREGP/Discussion Materials, and later played different roles in shaping the EDPRP. The first group to emerge clearly was the ‘PRSP Watcher’s Network’ (PWN). This formed around a core group of NGOs whose stance towards the PREGP was highly critical. These included some of the more established and influential Georgian NGOs, such as the Georgian Young Lawyers’ Association (GYLA) and Horizonti, both of which are unusual in having nationwide contact networks and a relatively high public profile. This group (initially of seven NGOs, now of 16) was in large part critical of the PREGP because it was a government project: because the government was in charge of the programme it was, by definition, something they were opposed to. It may be that not all PWN members had such a strong attitude, but the fact that a few prominent members expressed it was sufficient for the group as a whole to be identified with this stance. It is worth noting that the anti-government stance reflects as much a common tendency in Georgian NGOs (and society more widely) to perceive the political realm as corrupt and ineffective, and to seek distance from it, as any specific partisan political position. However, like many prominent NGOs in Georgia, PWN’s members are often on the cusp of engaging in party politics through their public pronouncements and activities. Certainly, both Horizonti and GYLA are widely seen as sympathetic to key members of the opposition.

However, the PWN’s critique did not stop at sheer opposition. As described in Section 3, they hosted workshops from which they developed a detailed written critique of the Discussion Materials. They submitted this and, later, a summary report to the Secretariat, with the intention of giving input to the process. These submissions have been described as too critical, and lacking attention to constructive alternatives, but those who participated in forming them claim that they contained extensive recommendations.⁷¹ It is believed that these were taken into consideration during the later Editorial Board process.⁷²

The other NGO group to emerge originated from among those NGOs that had been interested in the roundtables but that were not happy with the strongly oppositional stance of the PWN. Some of these others formed an alternative coalition: the Alliance for Business Environment Development (ABED). A core member of this coalition was PSI, the NGO run by the person later recruited as Participation Expert to the Secretariat. This group also critically considered the Discussion Materials, but worked on it from a more conciliatory stance towards the government.

Once the PRSP process had opened up to civil society participation in Phase III, it was this less confrontational group that was approached to take on formal roles in assisting the Secretariat with redesigning their approach. Apart from the Participation Expert, other NGO-based experts were invited to give input at various stages, including in the Technical Workshops and on the Editorial

⁷⁰ Interview with Nino Saakashvili.

⁷¹ Interviews with Natela Sakhokia; Vano Tavadze.

⁷² Interview with Khatuna Chitanava

Board. This did not constitute a formal role for ABED as a coalition, but engaged its members preferentially in working from the inside of the process.

By the time Phase III was underway there was a clear distinction between ‘insider’ (ABED) and ‘outsider’ (PWN) NGO groups, which adopted different attitudes to the process. They shared concerns that the NGO sector should have a role, and that government was incapable of carrying out an inclusive process without their assistance.

Inevitably, the different status given the two groups generated some tension and resentment between them. The insiders perceived the outsiders to be unhelpfully critical, essentially rejecting the process. From their perspective, the outsiders had excluded themselves. Meanwhile the outsiders perceived the insiders as being rewarded for being uncritical and as having been co-opted by government, for suspect ends. It is significant that the positions adopted by each group gave them access to unequal amounts of funding: the insiders received a succession of grants from DFG members to carry out big projects; the outsiders were dependent on small grants from Oxfam and the Soros Foundation just to operate an office with a minimal staff. PWN member organisations participated in their activities voluntarily. As well as being essential to most NGOs’ survival, receiving grants is a huge arena of competition and mutual suspicion in Georgia’s NGO sector, as it is in other places where NGOs have emerged rapidly and on the basis of donor funding. Tension between the insider and outsider NGO groups needs to be read partly in this light.⁷³ At the same time, the insiders inevitably had greater access to the Secretariat, and substantial control over the emerging document. Although the Secretariat denies responsibility for excluding the PWN, it clearly had little patience for its oppositional attitude,⁷⁴ and tended to write PWN off as ‘politicised’ and therefore less valid as a non-governmental participant.⁷⁵

The dominant theme regarding NGO participation in the EDPRP’s development is undoubtedly one: of two camps of civil society, both taking different positions in relation to the government, and both in opposition with each other. This is interesting, but should not be overstated in importance. Both groups did effectively participate, one way or another, and have had some influence over the final document, including through participation in the Editorial Board. Donors and the Secretariat undoubtedly did marginalise PWN’s contribution in a way that surely served their own interests: as well as being a pragmatic response to PWN’s lack of ‘constructive’ input it insulated them from the harshest criticisms, however the PWN had a high degree of choice in adopting its approach, and also undoubtedly gained mileage and legitimacy of a kind by staying clearly outside Government’s reach.⁷⁶

Much more significant issues about NGO participation relate to underlying questions that did not get articulated: who are these NGO participants, and what kind of role did they actually play? Underlying the desire for civil society actors to participate in policymaking is a set of assumptions about their role within society, which sets them up as representatives of public interest, either as grassroots/membership-based entities, or as organisations experienced in dealing with pressing social needs. In Georgia’s case, such assumptions simply do not hold. As a starting point, civil society, as recognised by donors, government and NGOs themselves, essentially comprises NGOs. Sometimes acknowledgement is given to the theoretical importance of other entities, such as trade unions, church groups, even non-governing party structures. In practice, these barely exist, and are

⁷³ Interview with Sandro Tvalchrelidze.

⁷⁴ Interview with George Gongliashvili.

⁷⁵ Interview with Ketii Getiashvili and Max Lawson.

The actual degree of ‘politicisation’ of all NGO participants is a problematic area, one too complex to explore here. However, it should be noted that ‘politicisation’ appeared to be handled by the Secretariat in terms of threats to Basilia’s personal authority, rather than any broader loyalties or political perspectives.

⁷⁶ Interview with Nato Alhazishvili.

given no serious attention as part of civil society, for instance when it comes to donors supporting ‘civil society development’, or constructing a process for ‘civil society participation’. These NGOs are largely young organisations, of a very specific type (or small range of types), that have grown up in response to donor funding available over the past 10 years and remain extremely dependent on that funding. The incentives to create NGOs have fostered a sector that generally lacks grassroots constituencies, one which responds to changing donor priorities rather than public needs in determining its agenda. The NGO sector is also strongly concentrated in Tbilisi and has an elite dimension to it.⁷⁷

Participation in the EDPRP process is therefore stratified by the fact that the bulk of the PRSP-related processes have taken place in Tbilisi, making them significantly more accessible for NGOs based in the capital than others. This stratification is compounded by the fact that, in any case, NGOs in Tbilisi are more numerous and more well developed than those in the rest of the country. They are also rather elite, being rooted in an urban intelligentsia which has found itself well positioned to take up the rather well resourced opportunities presented by donors to those who can create ‘good’ (meaning pro-democracy, advocacy-capable) NGOs. The most established Tbilisi NGOs have been involved in policymaking for the sector, generating ‘an NGO perspective’ on social and political issues through their think-tank roles, and even participating in framing key areas of legislation (including the Civil Code, which governs NGO registration). Such Tbilisi-based NGOs are often put in a position to speak on behalf of civil society, and the EDPRP process has positioned them thus. Their participation has been considered sufficient to satisfy the basic requirement: that civil society has actually participated. In terms of the nature of the NGOs concerned, it is fair to describe their participation in the EDPRP as a very elite preserve.

The implication of this is that participation by NGOs can not be read as a vehicle for the articulation of popular and grassroots interests in the EDPRP. Although elite NGOs need not be inherently detached from the grassroots, and Tbilisi-based NGOs need not be substantially cut off from regional realities, the situation in Georgia at present is that they are, to a very significant degree. Therefore, engaging NGOs in a Tbilisi-based process, one focusing on designing policy frameworks rather than arguing the basic issues, was always going to privilege a very distinct group as agents for civil society.

The next issue to consider is the role that these NGO participants have actually played. The NGO sector in Georgia has been included in the process on the basis of its ‘expertise’. This expertise is presumed to exist partly because of the intellectual capacity within the NGO sector and partly because NGOs are assumed to have gained experience in handling certain social and policy problems. However, such assumptions are problematic. The particular expertise NGOs in Georgia have is not necessarily useful or applicable to the role they might be expected to play in a PRSP process. For example, even the most experienced Georgian NGOs have existed for less than a decade, and few have worked consistently and practically enough on issues such as poverty to have acquired experiential expertise rather than theoretical or generalised perspectives. Lack of relevant experience came up as an issue during the EDPRP process, when the grants for Community Meetings were awarded. Mercy Corps, responsible for awarding the grant, could not find among the applicants any NGO with the proven ability to carry out the kind of participatory community meeting envisaged. Instead, selection was based on identifying an organisation with the capacity to be trained to do the meetings, which were anyway facilitated by someone with more experience from a different NGO.

⁷⁷ These features, and the factors creating them, are the subject of the author’s DPhil research. See Hamilton 2000 for an earlier analysis of some aspects of this.

Despite problems identifying real ‘expertise’ in NGOs, the perception that they do have it is widespread, particularly among themselves. NGOs have premised their participation in the EDPRP process on this basis. Both the outsider and insider NGO groups responded to the process by developing an expert critique of what was being proposed. PWN’s critique focused on the content and idea of the programme, whereas ABED occupied itself more with the structure of the process and the document. Nonetheless, both applied their expertise to the process, and then fed this into it.

NGOs claiming a role in the process as ‘experts’ expresses a very different rationale for their participation than does their claiming a right to participate as non-governmental interested parties and as representatives of society. Although the elite nature of the NGOs involved in the PRSP would in any case make them poor agents of the latter function (democratising the process) it would still have been a significant achievement to get civil society included on this basis. Even those NGOs that do have extensive regional networks (Horizonti and GYLA) failed to engage them in their EDPRP-related activities, focusing instead on Tbilisi-based expert discussions. As it is, their participation has been premised on a rationale which is much harder for government to argue against but which is, at the same time much less controversial and politically meaningful. In some ways, ‘expertise’ has been used as a pragmatic device to get civil society closer to a process it needed to influence; the way the insider-led participation process engaged ‘experts’ from NGOs in the later stages of Phase III, rather than labelling them ‘NGO representatives’, can be justified in this way. However, one must ask what kind of precedent this sets for civil society participation in policymaking.

The depoliticising impact of engaging as ‘experts’ rather than through a right to participate is deepened by the emphasis that the insider-led process put on technical assistance to the process. The Participation Plan and its component elements were all geared towards turning the existing government proposals into a proper strategy by going about the process in a technically preferable way. The expert NGO contribution was therefore geared towards ‘log-framing’ the government’s unfocused ideas. Of course, in forcing choices to be made between policy options and in stimulating discussion about preferences, the process was not totally devoid of political content. Nonetheless, it is notable that NGOs were not invited, and that they did not assert themselves to challenge the Government’s proposals. This is acknowledged by the Participation Expert, who argues that he did not want to see the Government absolve itself of responsibility for decision-making.⁷⁸ However, for NGOs to participate without arguing the substantive issues casts them in a rather strange facilitative role. It is certainly a long way from the role implicitly given to civil society in the ideal PRSP process, that of serving as a voice for the ultimate stakeholders: the poor.

⁷⁸ Interview with David Gzirishvili.

5. Interactions between the EDPRP process and political context

The previous two sections, in giving a detailed account of the EDPRP process and the roles of different actors, have provided many illustrations of a distinctive political context at work. In this section we endeavour to take a step back from such detail, putting it into some kind of framework in order to lend it focus. For the purposes of discussing the EDPRP, four dimensions of the Georgian political context can be identified which have proven particularly important to the process and which are simultaneously subject to influence by it.

5.1 Norms of governance

This first dimension of the political context concerns the actual existing way in which government works in Georgia, as outlined in Section 2. The institutional arrangements of government obviously have some bearing on this but an equal role is played by the culture of governance which in many ways perverts the intentions of the former.

The process of developing the EDPRP has been profoundly shaped by norms of governance. The location of the management of the process inside the State Chancellery reflects the deeply centralised nature of government in Georgia, and simultaneously locates it as a process that is considered key to government, one that the President wants to keep a close eye on. This location has contributed to the EDPRP being identified as Shevardnadze's project, and therefore subjects it to the tendencies that currently afflict his government. For instance, interest in the EDPRP is low amongst parliamentarians, who are mostly in opposition to the government. It has also suffered from the rapid turnover of ministers that characterises this regime and its tendency towards fragmentation and regrouping. The Ministers of Health, Justice and Finance have all changed during the EDPRP's development, which has meant that the process has lost momentum and consistency.

The State Chancellery has its own authority and is also separate from other institutions; this has meant that for the first two years of the process, there were fundamental barriers to obtaining cross-governmental input, let alone buy-in, to the EDPRP. Institutionally, there were no mechanisms for such widespread consultation and coordination, and there was little basis in the culture of governance for negotiation and prioritisation at a cross-sectoral level. Furthermore, the lack of transparency in the earlier stages, evidenced by a lack of response to the Chair of Parliament's requests for information, indicate the authority of the State Chancellery to conduct activities without wider scrutiny.

The latter stages of the EDPRP process have forced new mechanisms into action, and have thus gone some way to overcoming these problems. In particular, cross-governmental participation and coordination has been enabled by the recruitment of Liaison Officers who can bridge the divide between the Secretariat's need for a coherent document and sectoral ministries' interests in their specific areas. This is perceived by those concerned as a step towards enabling coordinated government. The experience of coordination has been positively evaluated, at least by those in the State Chancellery, which allows some hope that lessons will be carried forward.

Certainly, coordination has facilitated the production of a draft EDPRP that comes closer to providing an overarching strategy for government. This in itself is a highly valued achievement. A deputy state minister points out the importance of this in the Georgian context, saying 'There has

been no such document before: a unified framework for the use of external and internal resources, with set targets'.⁷⁹ The absence of such a framework has allowed reform so far to be piecemeal, and sometimes inconsistent, with reforms in one sector being premised on entirely different values and priorities than those in another. If the EDPRP becomes a tool for more strategic government, it could change this and enable more coherent reform in the future. It could even, by establishing direction, enable a more policy-oriented government process to develop, as there would be some framework within which proposed changes could be evaluated.

These are major 'ifs', though. Positive noises from government regarding this process have to be interpreted in the light of their need to sustain donor interest, and be seen to have made some achievements. Current realities of governance give plenty of evidence that the existence of potentially positive mechanisms and frameworks is not enough to undermine a robust culture of vested interests in the *status quo*. Government's ability to resist change is proven, its ability to embrace it less so.

In any case, it should be noted that one of the donor concerns with the EDPRP in its current draft is the inadequate attention it gives to problems of governance in general and corruption in particular. Whatever new practices it might establish, these are currently not backed up with attention to the underlying issues. It is also worth noting that, insofar as it contains in its current form little in the way of new programming (in any sector), the EDPRP has focused government policy but has not encouraged any substantial revision of its ideas.

5.2 Broadening participation

A second striking feature of the Georgian political context is the lack of experience of broad-based participation in policymaking, a reflection of a very fundamental absence of attention to citizen-state relationships. This is one dimension where the EDPRP process has entailed a considerable challenge to existing norms, by forcing a change in practice that has given both governmental and non-governmental actors a new experience of participation. There are no established mechanisms for civil society input into government processes. Some initiatives in the past have allowed NGOs to influence particular debates and even legislation, but without establishing arrangements that have become institutionalised or survived changing personnel or agenda. The absence of broader participation in Phases I and II was therefore illustrative of existing norms, whereas Phase III has seen a new order of involvement by civil society.

This is perceived as a positive experience on both sides. Government actors believe it has produced a better document, thanks to the technical expertise and open discussions that the participatory process has brought to bear. It may also be that they feel a sense of relief in having handed over some of the responsibility for the EDPRP to other actors, making themselves a little more immune to any criticisms that are still to emerge about it. Meanwhile, civil society participants value the access the process has given them to high-level policymaking, and the influence it has given them over the final document. There is also a sense of a symbolic victory, of having penetrated a normally closed government. The latter sense is one that is shared by the NGOs that were outsiders to this process: these recognise that, despite their own 'exclusion', it was better that some NGOs were there than none.

Attaching significance to this experience of participation, it is important to recognise the points raised about civil society in the previous section. The acceptability of the NGOs' role from the government perspective rests perhaps more on their technical, expert contribution and ability to

⁷⁹ Interview with Akaki Zoidze.

facilitate discussion than on a real shift in belief towards open government. Although a few individuals in Government express the latter view, caveats about the culture of governance (discussed above) again apply. Many more such individual attitude shifts need to occur before this culture begins to shift meaningfully. Meanwhile, because NGOs gave such a technical gloss to their participation in this process, it may well be that this rather depoliticised role is the one ascribed to them in future engagements with government. At the same time, the elite nature of the NGO sector in general, and particularly in this process, means that there remains a huge gulf between the breadth of participation achieved in the EDPRP process and truly broad participation.

Despite these limitations, the role that civil society has been able to play in Phase III of the EDPRP process is still probably the most significant political achievement so far. This is not so much because of the direct impact on the EDPRP – which has been limited – but because it sets a strong precedent for civil society participation in policy formation at a high level. Whatever resistance government may have to this, both the NGO sector and donor community are likely to put greater pressure on them to be open to participation, having proven that it is possible and that it can be positive.

The more this becomes the norm, the more significant will become the particular nature of civil society actors that gain access and the role they choose to play. Moreover, achieving really broad-based participation rests not only on developing a more grassroots-based civil society but also on establishing more effective mechanisms for representation and participation in the political realm. Privileging a role for civil society in the absence of this could instead undermine the role of democratic institutions of government. This is a danger that has already arisen – in the shape of the original proposals for ongoing participation outlined in the November draft. Inevitably, it is tempting for NGOs to try to fill the gap currently left by an ineffective parliament and weak councils. Some might also argue that if NGOs took the initiative to get involved on behalf of citizens, this would somehow force the political system to respond. However, our analysis of the Georgian context is that the political system is resilient and self-sustaining: positive change is unlikely to be induced by NGOs usurping their roles: rather, it leaves more scope for ‘political’ and ‘public’ issues to remain separate. The Georgian situation therefore requires active attention to building up the effectiveness of elected institutions alongside a growing role for civil society institutions that can make reasonable claims to represent and serve wider citizens’ interests.

5.3 The political capital of poverty

A third dimension of the political context relevant to the EDPRP’s development is the weakness of ‘poverty’ as a political issue. This can be conceived of as a lack of political capital around the idea, meaning that in the political domain ‘poverty’ does not generate or alienate support, nor does it attach to meaningful resources.

The EDPRP in its earlier phases of development was absent from public view. Neither parliamentarians nor NGO members nor the general public had any knowledge that such a process existed. Although this was partly to do with government’s lack of transparency, once the process opened up to wider scrutiny it remained of little political interest because it was about poverty. Because poverty is politically uninteresting in Georgia, at least in relation to more compelling political issues, it is not subject to substantial political debate. As a result of this, the EDPRP has not become a politically important issue. This is unusual for a country that has a PRSP process, and has shaped that process considerably.

The irrelevance of ‘poverty’ as a political idea has kept the EDPRP process insulated from the kind of public scrutiny and interest that might be expected in a setting where, in reality, many people

experience poverty. This has enabled the government to keep the process substantially closed for a long period, and even once it was opened up, it was ensured that only a limited audience was interested. This audience was made up of NGOs, who were largely driven by an agenda of desire to participate in policymaking as such, rather than having any specific agenda relating to poverty or existing competence to deal with it. Certainly, the NGOs most prominent in the process have little background in analysing or addressing poverty.

The EDPRP has therefore been treated by the government as a primarily technical project, rather than a political one. In turn, donors and NGOs have fallen into this way of viewing Georgia's poverty problem. Although donors have complained that the links between the programmes proposed in the EDPRP and poverty outcomes are insufficiently explained, there has been no real major initiative to really problematise what poverty means in the Georgian context. There are also acknowledged weaknesses in the instruments used for determining and analysing poverty in Georgia, but these have not stopped the process from moving ahead so far. Altogether, this has allowed the EDPRP to go ahead on the basis of a very thin understanding of poverty in Georgia, which places it in marked contrast to those countries where PRSPs have been used as a vehicle for carrying out thorough reassessments of poverty such as participatory poverty assessments. It is fair to say, therefore, that poverty and, more importantly, poor people have been sidelined in the EDPRP process, despite the primary agenda of a PRSP being to address their needs. As a political outcome, this is quite perverse.

5.4 Donors and the EDPRP

An underlying factor shaping the EDPRP process has been the role that donor organisations play in Georgia, not only in relation to the EDPRP but also more generally. The relationship between the government and donors is one of considerable dependency. The fact that Shevardnadze was able to attract the interest of the international donor community to Georgia when he came to power is considered one of his important achievements. Maintaining that interest is a priority, because it is very difficult to see how Georgia can achieve further development and thus maintain some kind of stability without it. The relationship between the government and donors is therefore an important aspect in the political context, and one that is being played out through the EDPRP process.

The focus on 'government ownership' could be interpreted as donors envisaging the PRSP process as an opportunity to begin to lessen the dependency, by persuading the government to take responsibility for determining the priorities for development, even if subsidising this means the dependency remains for the time being. Our foregoing analysis of the donors' role suggests a more downbeat dynamic to this as well, in that they are losing patience with the Georgian Government as an aid recipient. In any case, our view that the donors have in fact played a driving role in the development of the EDPRP suggests that it has not proven such an opportunity. From the government side, indeed, the EDPRP is perceived to be important *because* it is a way of continuing this relationship.

The EDPRP process has therefore not altered the underlying relationship between donors and the government but it has given focus to it. It has fostered the development of the Donor Framework Group which offers a somewhat more unified front to the government (although it would be a mistake to see it as unitary). This offers the government more effective assistance, insofar as it is coordinated and strategised. At the same time, it empowers the donors *vis-à-vis* the government by enforcing more transparent relations. The process has also produced the EDPRP document itself, which forms a basis for negotiation between donors and government and which will provide some kind of framework for managing their relationships once it is finally approved. Assuming both

parties buy into the EDPRP wholeheartedly this could foster a more productive relationship, if not a less dependent one. This assumption, though, is not one to be taken for granted.

6. Conclusions

This report opened with the observation that Georgia was a non-typical setting for a PRSP. This implies a question: is it really possible or desirable for an effective PRSP to be developed in Georgia? Having looked at the process in detail we find the question remains. On balance, it appears to have been misguided; having come this far, however, we believe there is nonetheless potential for Georgia's PRSP to be used as a positive tool for change.

Evidently, Georgia has major observable problems with poverty and governance. It is beyond question that it therefore needs to be engaging in a process of change which tackles both of these issues, and is also clear that such change had not been initiated by either the Georgian Government or international donors before the PRSP process began. To this extent, the initiative was a good and appropriate one. However, a closer analysis of the Georgian context should have raised questions about Georgia's readiness for a PRSP or, more precisely, its need for a different approach.

What distinguishes the PRSP approach from other poverty reduction initiatives is its attention to the relationships between poverty and politics, and its insistence on therefore addressing poverty with the help of political mechanisms, at the same time aiming to democratise those political mechanisms and so improve governance. To be successful, therefore, it has two fundamental requirements: that poverty forms a core political issue, and that the government has some capacity to respond to incentives around it. Georgia displays neither of these features, and the process has therefore been one in which few of the distinctive devices of the PRSP approach have been able to come into play. Rather, the PRSP process has so far proven a rather blunt tool for addressing deep-rooted but poorly understood problems.

On the one side is 'poverty', something that increasingly characterises Georgia but which has yet to acquire the political capital and social identification to turn it into an agenda with widespread buy-in. The problem goes beyond the lack of public interest in relevant policies such as the EDPRP and the absence of party political positions on poverty. The lack of political capital around the idea of poverty has fostered a process in which poverty itself has been marginalised and depoliticised as a concern. It seems that even donors, who have successfully insisted on much else, have not really pushed to put poverty at the heart of the process, for example by insisting on participatory inputs on the dimensions of poverty in Georgia, or adequate analysis of how to achieve poverty reduction outcomes in the strategy. As long as the government and civil society do not have a developed insight into poverty or even an active interest in it, and as long as citizens do not identify with it, it will be preferable to have a process that has been designed around ideas and terminology that *do* have some purchase in Georgia. These could be 'vulnerability' or 'welfare': these fit less neatly into the established discourse of donors and the international community, but then, post-Soviet and Georgian poverty does not really fit that neatly into global models either.

On the other side is governance, Georgia's primary problem ever since independence (and possibly before too). We do not need to re-exercise the problems that fundamentally undermine the practice of government in Georgia. This is a state in which agreed procedure and democratically established legislation shape actual process to a worryingly small degree. In this context, a PRSP is an entirely inadequate tool for bringing about the scale of change needed and yet, without such change, there is very little scope for a PRSP to be meaningfully implemented. The head of the World Bank in Georgia acknowledges this: 'There's no Government in this country...Government doesn't exist. The PRSP can't change this. Can it be a real PRSP without this? I doubt it'.⁸⁰ This was expressed as a personal opinion but it is one that is widely shared. Were Georgia's governance problem limited to adapting effective institutions to perform new roles in a democratic system, a PRSP might have

⁸⁰ Interview with Tevfik Mehmet Yaprak.

given some useful impetus by fostering attention to best practice in various policy areas. However, it turns out that Georgia's political problems go far deeper than this, into entrenched norms which fundamentally undermine any attempt to democratise power and weaken the state's capacity to govern at all.

Our conclusion therefore is that Georgia and a PRSP process were never destined to be an easy match: better policy outcomes would have been reached through a different process, one specifically designed to accommodate the particular features of governance, public participation and poverty in Georgia. Nonetheless, given that the process has gone this far, has structured relations between some major donors and the centre of government, and has latterly engaged the interest of a wider non-governmental community, it may yet become an opportunity for positive change. There are constraints on what it can achieve but there are also ways in which its achievements can be maximised; here we will, therefore highlight a few recommendations concerning ongoing intervention to support the PRSP in Georgia.

First, if the strategy is to have any purchase, it is essential that both government and donors commit to the EDPRP as a guiding framework for development in Georgia. Although obtaining cross-government buy-in will remain a big challenge, there will be a stronger basis for this if the donors are clear and consistent in their commitment. This can be achieved if individual donor organisations in the Donor Framework Group use the EDPRP as the basis for their own programming. It may take some time before the EDPRP evolves sufficiently to allow this (becoming clear and realistic enough to meet donors' own criteria and mandates) but achieving this consistency must be a clear goal in the meantime. The alternative scenario, with donors continuing to pursue their own agenda with no, or only partial, consideration of the EDPRP, is one where it is very difficult to imagine the Georgian Government using the programme as a guiding framework. This would render wasted the effort that has gone into the process, and would, in turn, undermine the credibility of future donor initiatives.

The Donor Framework Group does not constitute the entire donor community in Georgia but it does encompass the biggest donors. It is, therefore, powerful and could, potentially, attract others into the coordination group over time, thus strengthening the positive impact of donor commitment to the EDPRP.

A related need is for the Donor Framework Group to consolidate and build on the support it has given to the Georgian Government in this process. Obviously, there is a need for government to take ultimate responsibility for national development and dealing with poverty. However, the attempt by donors to be 'hands-off' in this process has been unsuccessful: it has sanctioned some of the weakest aspects of the process to date, while their active support has produced the better outcomes that have been achieved. The tangible exhaustion donors express towards the Georgian Government should therefore not be used as an excuse to disengage from it and instead focus exclusively on support to the non-state sector. Our analysis of the Georgian political context is that such a strategy would be dangerous. It would further entrench ideas about the irrelevance to citizens of the political arena to citizens, something which is fundamentally disempowering, and meanwhile absolve the state of responsibility for development. The state would be allowed to become more inward-looking and self-serving. The potential outcomes at best lead to stagnation, at worst to further crisis and collapse.

Instead, we would argue that this is a critical moment at which to work on establishing as many arenas for state-society interfaces as possible. It is at such interfaces that relationships of mutual accountability can begin to develop.

It is important to continue to give support to civil society participation in the EDPRP, premised not just on their ability to lend expertise but also on a right to get involved. An immediate priority is to find ways to unify the NGOs that have already become involved. This could be straightforward as the differences between the NGO coalitions are in fact relatively shallow and as there are obvious shared interests, such as simply ensuring the EDPRP is open to scrutiny. Although the divide seems not that convincing, it will become significant if it is allowed to persist, because it will provide a weakness which government actors will be able to exploit. Members of the Secretariat have already used this divide to marginalise the contributions of one group of NGOs, and to play the coalitions off against each other.

More fundamentally, a priority for support to civil society participation is to foster a much more inclusive process, actively encouraging input from less elite and more regional civil society organisations. The elite and prominent Tbilisi-based NGOs have an important role to play, and their experience so far will be valuable for informing how best to move ahead. However, their ascribed role as representatives of civil society needs to become genuinely rooted in a nationwide and multi-level process in order to avoid becoming exclusive. As well as improving input into the EDPRP and its implementation, this would empower those elements in civil society that might have the potential to defend the interests of marginalised groups more generally.

A broader civil society process can go some way towards widening participation. However, it remains the case that the NGO sector remains a very poor vehicle for active citizen participation on a large scale. This is unlikely to change rapidly. There is, therefore, a clear and pressing need for some kind of large-scale public participation process to take place. This could be initiated around any issue in Georgia but the EDPRP seems to me a particularly appropriate vehicle for such a process. The EDPRP addresses poverty, an issue that is known to trouble the majority of citizens (despite the absence of a shared political language for it) and is (assuming it is really implemented) a big enough and central enough programme to justify the investment in a participatory process. A participatory poverty assessment may be a good starting point for this, although an appropriate terminology would need to be developed. This would also go towards improving understanding of poverty in Georgia, another pressing priority.

Whatever the vehicle for stimulating it, it is clear that popular participation is the missing link in Georgia's problems with governance and with poverty. Despite widespread poverty there is no popular mobilisation around it; as long as citizens are not generating any demand for good governance there are few meaningful incentives for political actors to move towards it. This is not an attempt to make disempowered citizens responsible for Georgia's ills but one to suggest that, without their participation, no top-down initiative, such as Georgia's PRSP has been, is in a position to have the profound impacts that are needed.

Annex 1. List of persons consulted

Name(s)	Institution/role	EDPRP role
Nato Alhazishvili	UNDP, Programme Analyst	DFG
Keti Bakradze and Lado Gorgadze	USAID: Office of Democracy and Governance	
Tamara Berekashvili	Centre for Social Studies	
Mary Ellen Chatwin	Horizonti/Social Policy Unit	
Khatuna Chitanava	PRSP watchers network, Executive Director	PWN
Jaba Devdariani	UN Association of Georgia	
Jonathan Dunn	IMF, Resident Representative	DFG
Marshall Fischer	Consultant to Armenia's PRSP process	
Keti Getiashvili and Max Lawson	Oxfam GB, Country Manager and Policy Advisor	(PWN)
Demur Giorgkheldidze	MP (Christian Democrats)	Parliament
George Gongliashvili	President's Administration, Head of the Secretariat	Secretariat, EB
David Gzirishvili	Participation Expert/Director, Partnerships for Social Initiatives	Secretariat, EB, ABED
Gia Jorjoliani	Centre for Social Studies	
Gabriel Labbate	Consultant to UNDP/Author, NHDR	
Kent Larson and Khalid Khan	USAID, Office of Humanitarian Response/Social Transition	DFG
Lali Meskhi	DFID/British Embassy, Head of Development Section	DFG
Marina Muskhelishvili	Centre for Social Studies	
Ghia Nodia, CIPDD	Caucasus Institute for Peace, Democracy and Development	
Niko Orvelashvili	Georgian Economic Development Institute	PWN
Steve Power	Mercy Corps, Chief of Party	
Alex Rondeli	Georgian Foundation for Strategic and International Studies	
Natela Sakhokia	Strategic Research Institute	PWN, EB
Nino Saakashvili	Horizonti, Director	PWN
Colette Selman	EU Delegation	DFG
Gia Tarkhan Mouravi	Institute for Policy Studies, co-Director	EB
Vano Tavadze	Horizonti	PWN
Tamuna Toria, DFID	DFID	
Sandro Tvalchrelidze	Georgian Resources and Sustainable Development	Secretariat, EB
Otar Vasadze; David Bazerashvili; David Amaghlobeli Victor Baramia	Secretariat, Liaison Officers and Basilia's Assistant	Secretariat
Tevfik Mehmet Yaprak	Country Manager, World Bank	DFG
Zurab Zhvania	MP (United Democrats), ex-Chair of Parliament	Parliament
Akaki Zoidze	President's Administration, Deputy State Minister	

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