Caucasus Institute for Peace, Democracy and Development

Citizens Advocate! Program

Civil Society Development in Georgia: Achievements and Challenges

Policy Paper

Ghia Nodia

Tbilisi
2005

Contents

1. Introduction

1.1 Nature of the Document, Its Goals and Expected Audience

The document was prepared in the framework of the USAID-supported *Citizens Advocate!* Program (CAP) which is implemented by Save the Children-Georgia and a coalition of Georgian NGOs including the Caucasus Institute for Peace, Democracy and Development, Partners Georgia, the Civil Development Center *Alternative*, the Civil Society Institute, the United Nations Association – Georgia and the Georgian Center for Strategic Researches and Development.

The goal of the policy paper is to assess the present state of civil society development, summarize ongoing discussions on relevant issues and offer recommendations for the next steps to foster the development of civil society in Georgia.

Based on the above goals, the audience targeted by this policy paper first and foremost consists of civil society organizations, their staff, activists and volunteers. The summarized self-assessment of the civil society sector will enable civil society organizations (CSOs) to use this more or less comprehensive picture to assess their own place and role with regard to problems facing society and will stimulate further discussion of the main problems of the civil society sector itself.

Apart from that, we hope that the paper will attract the attention of all parties who are concerned about the development of civil society in Georgia. These include the Georgian government, the international community involved in democracy support programmes, as well as the media and business and religious organizations functioning in Georgia. Researchers who take an interest in civil society development in Georgia may find the information useful as well.

The paper aims to draw a general picture, without trying to make this picture too detailed or complete. This, however, does not relieve the author of responsibility for any specific mistakes that may occur. The topics of each chapter might be expanded into substantial, individual research. Some readers may think that significant areas have been omitted, or consider some assessments too subjective. But this will only validate one of the main goals of the paper – to encourage further discussion on the subject, and the author will gratefully accept all comments and remarks.

1.2 Methodology and Sources

Research undertaken within the framework of the CAP by the UN Association – Georgia and the Center for Strategic Researches and Development has served as an important source for this paper. In particular, the research conducted by the UN Association in 2004 provided the basis for Section 4: *The Present Level of Development and Resources*, and subchapter 6.3: *Civil Society Organizations and Business*, while the research undertaken by the Centre for Strategic Researches and Development in November 2002 , *Sociological Study of the Attitudes of the Population, Professors and Businessmen towards NGOs*, served as the main source for subchapter 5.3: *The Social Environment of the Civil Society Sector*. Subchapter 6.1 draws on the findings of a monitoring study of how the print media depicts NGO activities, conducted by the Civil Development Center *Alternative*.

In addition, a series of discussions on civil society development held within the project framework by the CIPDD has served as an important source for the document.

Interviews with experts and representatives of stakeholders, as well as analytical articles published in the media, constituted additional sources for this paper.

Ghia Nodia is responsible for the overall text of the policy paper. At the same time, the document's individual parts are based on analytical reviews by individual experts. In particular, Chapter 4: *The Present Level of Development and Resources*, and subchapter 6.3: *Civil Society Organizations and Business* are based on a paper prepared by Marina Imerlishvili and Keti Kharatiani, which summarizes the findings of research conducted by the UN Association – Georgia. Subchapter 5.2 *Legislative Environment: How does the State Regulate the Development of Civil Society* is based on an analysis provided by Levan Mosakhlishvili. Subchapter 6.5: *Civil Society Organizations and Religious Organizations* is based on research conducted by Irene Sulkhanishvili.

The author is solely responsible for the evaluations and recommendations given in the paper, as well as for all possible errors or bias that may be found in the document. However, he has attempted to draw as much as possible on the assessments and visions that have been shaped within the civil society sector over recent years.

1.3 The Definition of Civil Society

The term *Civil Society* may be defined in different ways. It often refers to a community of NGOs. This is the narrowest understanding of the term, which has become universally popular since the 1990s. Political and social theory, however, use wider definitions of the term. Classical liberal theory, namely, such authors as John Locke and Adam Ferguson, define civil society in opposition to the state of nature whereby people act without any restrictions. In this regard, the "civility" of society is related to those restrictions that human beings institute for themselves in order to make their own lives more secure and productive, and free from unrestricted violence: in other words, more "civilized". In this sense the notion of civil society is close to the notion of a liberal state which is built on the principle of "social contract", i.e. the principle of voluntary agreement between people. Today this term is no longer used in this very broad meaning, though it is still worth noting that the term "civil society" has been linked to liberal philosophy from its outset and has never lost this link. The main idea of liberal philosophy is that any association of people (including the state) is only legitimate if it is based on the consent of its members. Likewise, the general principle of civil society is that it constitutes a voluntary association of individuals.

At present, the term *civil society* more often refers to those forms of social relations and activities that are beyond the spheres of family, business, and the State. Civil society cannot be accommodated within the family domain as the family is built on personal and natural ties. Civil society lies in the public domain, that is, it transcends the borders of kinship and personal relations. On the other hand, within the public domain too it is demarcated from the two spheres of social relations and activities that would fall under the Lockesian definition: one is the state, i.e. the set of institutions that exercise political power; the other is the domain of entrepreneurship or business, in which individuals come together in order to gain profit.

However, the full demarcation of civil society from the other two spheres is still quite hard: significant overlap remains. Namely, civil society is linked to the domain of state power through political parties. Groups of people create political parties in order to get hold of the levers of state power, but by their nature they are civil

society organizations. At the crossroads of business and civil society, there is an important civil institution, the media, which as a rule is profit-oriented, i.e. a business. However, it is largely through the media that civil interests and values are articulated and publicized. Social groups can hardly be mobilized around these values and interests without the media, but this is what constitutes the core of civil society. Therefore, the media are often considered part of civil society.

There are other public actors that fall formally under a wider understanding of civil society and have a special place within it; for instance, faith-based, confessional organizations and churches. Their special position is defined by the fact that they may not be particularly happy to be included in the civil society realm. As it was said, the notion of civil society takes its root in the liberal tradition – but some religious organizations may have an ambivalent or negative stance towards it. Trade unions also have a rather special place within the civil society system. These organizations promote the economic interests of employees and usually act as opponents to businesses (or the state where the employer is the state). Therefore, their interests also create special bonds between themselves and their employers. The notion of civil society also covers various types of private associations that are united only around their members' interests and may not strive to make any impact on the general public environment. Among these are, for instance, various interest clubs. This does not necessarily mean that societal actors listed in this paragraph do not consider themselves part of civil society and do not interact with other civil society organizations; however, this is not a necessary condition for their functioning.

Definition of civil society is also linked to consideration of *values*. While the notion of civil society may be rooted in the liberal tradition, people may also unite voluntarily around completely non-liberal goals and values. May, for instance, fascist, extreme left, religious fundamentalist or violent groups be considered within the notion of civil society? There is no straightforward answer to this question. Some authors use the term "uncivil society" to denote such associations that oppose civil and liberal values. Such a demarcation may look completely natural; however, it creates a number of practical problems. Non-liberal associations exist within the civil society realm and often fully meet the formal requirements for civil society organizations. Moreover, some of their activities may resemble closely the activities of liberally oriented organizations. For example, the Ku-Klux-Klan, a racist American organization, or Hezbollah and Hamas, contemporary Islamic organizations, are notorious for using violent and terrorist means. But they have also carried out social work that might be useful for their target groups. These might be extreme examples, but a question still arises: where is the borderline between "civil" and "uncivil" associations and who decides where exactly to draw it? A risk emerges of certain social groups exercising ideological censorship when defining who should be included in "civil society".

Definitions of terms are largely determined by practical considerations: in which contexts are we going to use the term and what do we need it for? For modern political science, civil society is especially significant because it underpins a sustainable and balanced democratic political system. Without a developed civil society, a democratic system will be superficial and difficult to consolidate. If we hold our discussions within this context, we should use the wider meaning of the term as it is the *diversity* of civil society that serves as the foundation of a democratic political system. Using too rigid restrictions based on value will not be justified either: if an organization does not pose a clear and direct danger to the environment of liberal pluralism (basically, that it is not mainly a terrorist and violence-oriented organization)

7

and it represents the interests of a segment of society, then it should be considered part of civil society, whatever values it espouses.

However, the present paper is not a study of democratic theory or a study of the fundamentals of democracy building in Georgia. Rather, it is aimed at discussing certain practical problems and identifying ways of tackling them. It would be very difficult to consider such general problems and the strategies for their solution with regard to the whole diversity of civil society. Therefore, the following text will focus on civil associations that are non-political (in the sense that they do not participate directly in the fight for political power), do not strive to gain economic profit for their members or shareholders, and whose goal is to create public benefit at a local, regional or national level.

Thus, the paper will not focus on the media, religious organizations or trade unions. We will speak about NGOs, business associations and community based organizations (CBOs). We will make an assumption that these organizations are essentially liberally oriented, but keep in mind that in the public domain they have to interact with other groups that may have differing values.

We will use the term *civil society organizations* (CSOs) to denote them. We prefer using this term instead of the term "non-governmental organizations" that has been widely used in recent years, as the latter has a predominantly negative meaning: NGOs are not part of the government (by the same token, profit oriented businesses are NGOs as well). Apart from that, this term is usually less appropriate with regard to CBOs and business associations.

2. Summary of Main Findings

Over the past 10-15 years, the civil society sector in Georgia has developed in many important respects. There is a pool of qualified and experienced personnel in the sector; organizations have been shaped whose management practices are close to modern standards and they possess the internal resources for sustainable development. Greater specialization has developed within the sector – more advanced organizations have developed skills to provide useful services for the public. Traditions and a culture of cooperation and collaboration have been established. The groundwork has been done to create a system of corporate self-regulation: both "unwritten" rules and a formally defined code of conduct are now followed by some organizations.

CSOs operating in Georgia, which have proved to be consistent advocates of democratic values and human rights, have accumulated a degree of moral capital in a certain segment of society. A network of CSOs active throughout Georgia has become a platform for the dissemination and protection of liberal values; many activists of civil society organizations have become well-known public figures and are in a position to influence the public discourse. Particularly since the 2003 Rose Revolution, the civil society sector has become a pool for selecting high- and middle-level government personnel. During the rule of both Eduard Shevardnadze and Mikheil Saakashvili, civil society organizations have influenced important political decisions. Their representatives are included in different advisory councils under government bodies that perform significant consultative or other functions. The sector has gradually acquired skills to publicize its activities, and has cooperated with the media to this end.

The Rose Revolution, the most significant social and political event of recent years in the country, is an illustrative example of CSOs' considerable influence. The civil society sector had a considerable input in formulating and disseminating the agenda on which the revolution was based, and facilitated the mobilized, organized and peaceful nature of the protests; it was the civil society organizations that presented the clear evidence of mass fraud during the November 2003 parliamentary elections, which served as the basis for the democratic legitimacy of the revolution. Therefore, both experts and the public consider the civil society sector to be one of the co-authors of the revolution.

At the same time, the development of civil society in Georgia has been associated with deep-seated problems and difficulties. Some of them are profound and structural and are analogous to the problems characteristic of countries with similar political experiences. First of all, the civil society sector has failed to provide a platform for wide public participation. It is not adequately "embedded" in society. Genuinely membership-based associations are very few. As a rule, organizations have a limited number of staff who get salaries or royalties. Voluntary participation is limited and the prospect of future recruitment onto an organization's staff often serves as a major incentive for volunteers. People involved in CSOs are mainly relatively young and well-educated city residents. This gives the sector an air of elitism and corporatism. The clannish, closed relations within the civil society elite have become a matter of discussion. The majority of developed organizations are in Tbilisi, whereas outside Tbilisi civil activity remains less developed despite targeted actions by donors (one has to note, however, that this correlates with the general structure of Georgian society and the economy). Only a small portion of society gets

services from CSOs or has experience of cooperation with them. The majority has a vague understanding of the essence of CSO activities.

The sector has failed to become a platform for the expression of diverse and pluralistic ideas and interests. Nor has it developed a space where a culture of dialogue and mutual respect for difference is the norm. In this regard, the sector is excessively homogenous. It is true that the organizations differ in the scope and forms of their activities, target groups, etc., but the sector has failed to turn into a public forum, where alternative ways of tackling problems faced by the country are debated, and balance between diverse interests is found. Inside the sector, emphasis is placed on the unity of values and common vision: NGOs or "the third sector" are often regarded as a single uniform actor both within the sector and beyond it. Attitudes towards ideas and sentiments outside the sector are largely confrontational, ideas and sentiments that are not shared by CSO actors are often marked as "uncivilized", corrupt and the like. Likewise, within the sector, the emergence of genuinely differing opinions is likely to lead to mutual political accusations and the severance of contacts rather than to debate.

Another structural problem is that of financial sustainability. The civil society sector has been shaped the way it is thanks to western donor assistance. Presumably, civil activity and corresponding institutions and organizations would still have existed in Georgia even without such assistance; but one can only speculate what specific shape such activities would have taken. Western assistance brings many important benefits – relative organizational sustainability, the opportunity to attract qualified staff, freedom from government pressure and the opportunity to learn from international experience. However, such assistance also creates fundamental problems: first is the dependency effect, that is, excessive reliance on external assistance. Although the sector is well aware of the relevant dangers and is seeking alternative sources, so far it has not succeeded in this regard. In the course of seeking alternative sources, emphasis is again made on grants, but this time from other sources, Georgian business or the government. While this effort is completely legitimate, little consideration is given to other forms of fund-raising such as membership fees or fund-raising campaigns, a wider use of volunteers, etc.

Linkage to foreign donors also creates problems with regard to the substance of CSO activities. Donors often change their priorities; these changes depend on their views and assessments, whereas Georgian organizations' capability to influence these choices is quite limited. Thus they are forced to adapt their programme priorities to these changes from without. This has a negative impact on their organizational and professional development and feeds opportunistic attitudes.

Against this backdrop, it is not societal groups that may be considered the major partners of CSOs but donors, on the one hand, and the government and (in some contexts) political associations on the other. Arguably, the main priority of the activities of the sector is to influence the behaviour of the government. It is in these terms that the sector's effectiveness is gauged in the discussions within the sector. Often donors too encourage this. But the inadequate capacity to mobilize wide public support diminishes the social "weight" of CSOs and, accordingly, their potential influence on other societal actors. The question may be posed: why should the government pay attention to civil society actors if the latter are not backed by considerable public interest and support?

Apparently, today CSOs' influence on Georgian society, particularly on the government, is disproportional to their social weight. This influence is predicated by a

number of factors. The resources of CSOs include their competence, and their su-perior skills of self-organization and articulation, which makes them superior to other interest groups. The major resource is the link with the West; this implies not only their association with western donors but also with western ideas and values. The government attaches a great deal of importance to western support and declares a strong orientation towards western values, though quite often there is a discrepancy between its actions and the declared values. Overall, this orientation is popular with the public and there is near consensus on this matter among the majority of political groups. CSOs are the most consistent advocates of this declared strategic orienta-tion, and owing to that the government and other public actors find it difficult to ignore their opinion.

The above deliberations about the structural problems of the civil sector should not give rise to excessive pessimism. As was said, these problems are typical to many countries and compared to them Georgian CSOs fare quite well in terms of their development and public influence. Protecting liberal values, influencing the government so that its practices better correspond to its declared principles, gradually developing and expanding networks of supporters, and at the same time providing useful services to specific target groups are indeed very significant social functions that this sector plays in today's Georgia. By performing these functions successfully the civil society sector is preparing a social environment where more independent and diverse CSOs, which will be based on wide public participation, can emerge.

3. The Trajectory of Development: How has Civil Society Become What It Is Now?

3.1 The Pre-Soviet Period: Interrupted Development

The development of a modern-style civil society in Georgia can be traced back to the middle of the 19th century. Some authors find rudimentary forms of civil society in the artisans' and merchants' guilds that existed in Tbilisi since the medieval period, and which facilitated a relatively high level of public participation in the 19th century.[1] If the development of civil society in Georgia were based on the tradition of such institutions, we would be able to argue that it was close in type to the classical Western European model of civil society. But it is obvious that the tradition of city life considerably lagged behind the corresponding Western European experience. However one may assess this social tradition in Georgia, it is hardly relevant to the present situation, as there is no evidence that it has influenced in any way the modes of existence and activity of the social groups and institutions that are referred to as "civil society" today. Civil society development in Georgia is closer to a model developed outside the classical West and present in Eastern Europe, where the leading role in the institutions referred to as civil society is played not by groups (or guilds) united by economic interests but groups of people who have "progressive" liberal ideas, the "intelligentsia" or "intellectuals".

Under this model, it was the activities of the "tergrdaleuli" (literally "those who have drunk from the River Tergi", on the border between Georgia and Russia), young Georgians who returned to Georgia having been educated at Russian universities, that gave a major boost to liberal ideas and along with that the development of a kernel of civil society in Georgia. Ilia Chavchavadze was most outstanding figure in this group. It was then that the print media emerged in Georgia as a forum for discussing vitally important public issues. The first civil society organizations also emerged: the Society Promoting Georgian Literacy is the most noteworthy of them. Initial civil associations were mainly cultural and educational in their activities and goals, but since the end of the 19th century political organizations started to develop as well.

The independent Georgian Republic in 1918-1921 is the final stage of this period of civil society development. Although this state existed for less than three years and its main concern was self-preservation, political life there was based on democratic foundations, and this would have been impossible without a certain degree of civil society development.

The communist system established following the invasion of Georgia by Soviet Russia developed into a totalitarian political regime, which denied people the chance of private initiative in the public arena. During this period, so-called civil ("public") organizations existed that constituted imitations of civil organizations in democratic countries (trade unions, the Komsomol, the peace committee, creative artists' associations, etc.), but they did not meet the most basic criteria of CSOs – they were not voluntary and independent from the state. Under such circumstances, any exercise of genuine and independent civil activity was as a rule tantamount to openly challenging the political regime. This contained the risk of severe punishment such as death or

---

[1] See paper by Gigi Tevzadze, "Public Image of the Third Sector" , Discussions at the Caucasus Institute 2(8), Tbilisi, Caucasus Institute for Peace, Democracy and Development, 2003, p.18-19.

lengthy imprisonment. During the final period of the Soviet regime, from the 1960s to the 1980s, the relative easing of the regime made possible the establishment of a dissident movement. The dissident movement in Eastern Europe considered itself a form of "civil society" and actively promoted this very notion. In Georgia, however, the dissident movement never became strong. Moreover, small groups that did emerge were mainly inspired by the idea of national independence, attaching lesser importance to the dissemination of liberal ideas. On the other hand, within the permitted quasi-civil institutions, particularly among the artistic intelligentsia, mild and disguised deviations from the official ideology were more or less accepted. Still, the state never allowed the creation of any alternative independent civil associations. Therefore, one cannot speak about even the rudimentary institutions of civil society in this period.

3.2 Against the State: the National Liberation Movement

The rebirth of civil society in Georgia is linked to the liberalization of the Soviet Communist regime in the late 1980s, brought about by the *perestroika* and *glasnost* policies of Mikhail Gorbachev, the last Soviet leader. The first results of these policies in Georgia were the establishment of independent political groups and the gradual decrease of control over the media. The new public discourse introduced by these groups drew on nationalist and anti-communist ideas. Its goal was to establish an independent Georgian state generally based on western standards. Other groups were also established whose agenda was not prima facie political, but their activities had apparent political implications as well. The two broadest and most successful public protest campaigns organized in this period were targeted against the construction of the Trans-Caucasus railway and Khudoni power station. Both were formally motivated by environmental concerns. The third important public protest campaign opposed the Soviet army's shooting practice near the historical David Gareji monastery, which caused damage to the latter. In all these cases, however, mobilizing mass opposition against the Soviet Communist regime constituted the core motivation.

CSOs established in this period may be characterized by several features. There was no demarcation line between political parties and non-political organizations. In terms of values, the guiding value was nationalism and anticommunism. The values and the agenda of liberal civil society were of lower priority, though they were generally declared as well. New associations were little developed organizationally and depended on small groups of volunteers and, sometimes, sporadically, received contributions from the embryonic entities of private or semi-private business. This gave an air of "authenticity" and romanticism to this period of civil activity, but made it very unstable as well.

Private armed groups emerged as an important form of civil activity, of which the Mkhedrioni became the most well-known. These, according to the above-discussed terminology, are typical examples of "uncivil society". Their story can be used as an illustration of this term's ambivalence: The Mkhedrioni started as a patriotic movement; at least some of its founders were driven by idealistic motives, namely, the maintenance of ethnic peace in Georgia. But this movement became criminalized very fast and extortion at gunpoint became its main method of "fundraising".

3.3 Civil Society as Non-Governmental Organizations: a New Paradigm

Since Georgia gained independence in 1992, European and American democratic countries started taking an interest in promoting civil society in Georgia as

well as in other post-communist states. For their part, active people and groups in Georgian society gained access to new resources for their initiatives. This changed drastically the environment for civil activity in Georgia. NGOs were established that mainly depended on financial aid from western foundations. They became the main form in which civil society existed: this can be described as the "NGO-zation of civil society". For several years, in 1992-1995, the number of NGOs in Georgia reached several thousand. At this stage, foundations such as Open Society-Georgia (funded by well-known American philanthropist George Soros), Eurasia and ISAR-Georgia (later known as the Horizonti Foundation) – both funded by the US government – played a particularly important role in the development of the nongovernmental sector.

The new type of civil society had a number of new traits. A clear demarcation emerged between political parties and NGOs. In terms of *value orientation*, the promotion of western-type liberal principles took clear priority. The spheres of their activities diversified with time: groups of NGOs were involved in advocating democracy and human rights, peace and conflict resolution, civic education, environmental protection, etc. The *professional level* as well as *organizational sustainability* of CSOs rose too: although some organizations existed only nominally on paper or were set up to implement a project or two and ceased functioning thereafter, dozens of others, owing to the prudent use of western financial aid, managed to develop a core permanent staff and sustainable, modern management systems. Cooperation and synergy mechanisms between NGOs developed as well: the new organizations created a milieu called the *Third Sector* and learned to unite their efforts to achieve specific goals. More developed CSOs gained a certain level of public and political influence. Society learned about the Third Sector and identified it with the protection of certain values. CSOs developed international contacts as well: Georgia's Third Sector became part of the global civil society network.

At the same time, the "NGO-zation" of civil society had its drawbacks. The Third Sector became clearly dependent on western foundations' aid, which turned its financial sustainability into a long-term and unresolved structural problem. This dependence also causes problems for the sector in terms of its legitimacy. Part of society, particularly those who, based on political or ideological motives, are apprehensive of the influence of western values on Georgia, criticize the NGO community for promoting interests and values foreign to Georgia and, on the other, call them unprincipled wasters of western money ("grant-guzzlers"). The latter accusation is not totally without grounds: against the background of a general lack of economic development, western grants provide an opportunity for a relatively high income to their recipients and it is only natural that some organizations transform civil activism into some sort of business. At the same time, Georgian organizations have little opportunity to influence the general directions of western foundations and, therefore, they often have to change their activities in line with a change in founders' priorities.

Summing up the above, we can argue that the creation of sources of western financial aid gives a significant boost to CSOs' sustainability and by doing so, promotes their public influence as well, but at the same time it raises second thoughts about their "authenticity" or "embeddedness" in their own society and their genuine devotion to their declared values. The real issue here is not that the civil society sector is in fact staffed with unprincipled opportunists. Rather, under the circumstances it is difficult to make a convincing case against such accusations.

3.4 Civil Society Organizations and the "Rose Revolution"

The Rose Revolution, as well as its preceding and following periods, highlighted both the strengths and the weaknesses of civil society in Georgia. Since around 2000-2001, the government's popularity started to fall drastically, which coincided with a rift within it: a younger and more reformist wing of the government, represented by leaders such as Zurab Zhvania, Mikheil Saakashvili and, partly, the New Conservatives, distanced themselves from it and became the leading force of the opposition.

This led to important changes in the relationship between the CSOs on the one hand and the government and political parties on the other. Prior to this period, the Third Sector tried to distance itself from the political struggle. But under the new circumstances, in which the Shevardnadze government increasingly tilted to authoritarianism, whereas the leading opposition parties declared an orientation towards western democratic values, some activist organizations (of which the Liberty Institute was the most well-known) chose a policy of explicit opposition to the government. Formally this did not imply support for any individual opposition party, but as a matter of fact most of the Third Sector appeared to be an ally of the pro-western opposition, especially that of Mikheil Saakashvili and the National Movement. This part of civil society, with the facilitation of the Open Society-Georgia Foundation, set up a coordination council, the main goal of which was to mobilize public resources to secure fair elections and to oppose the government's undemocratic behaviour. The establishment of the *Kmara* youth organization, specialized in organizing peaceful rallies against the government, proved to be particularly significant.

Some other organizations (namely, Former Political Prisoners for Human Rights) deemed the politicization of the Third Sector unacceptable and called for NGOs to play the role of neutral arbiters. They believed that politicization would turn NGOs into puppets of political parties. However, the proponents of this idea found themselves in a minority. The coalition of NGOs who took the "neutralist" stand successfully collected signatures for the conduct of a referendum on the reduction of the number of MPs to 150.

In November 2004, a peaceful, albeit unconstitutional, change of government took place in Georgia. Mass protests of citizens continued for about three weeks, resulting in Georgian President Eduard Shevardnadze's resignation on 23 November. The protests were triggered by massive fraud during the 2 November parliamentary elections, the results of which, according to the widely shared view, were rigged for the benefit of the ruling parties – the Citizens' Union and Revival.[2] Such an evaluation was confirmed by the differences between the preliminary results of the election and exit polls, as well as the parallel vote tabulation. This episode of government change went down in history by the name of the Rose Revolution. The vast majority of Georgia's population and the international community deemed the Rose Revolution a significant landmark, demonstrating Georgia's turn to democratic values.

The decisive role in the Rose Revolution was played by the new political opposition, first of all by Mikheil Saakashvili and his National Movement, also by the New Democrats led by Nino Burjanadze and Zurab Zhvania, and some other political groups. The independent media, particularly Rustavi-2, played a very important role. Yet, according to the commonly accepted view, CSOs contributed significantly to the

---

[2] The Revival Party, which in reality was the party of the Ajarian leader, Aslan Abashidze, claimed the status of an opposition party in the 2003 elections. However, further developments demonstrated that the party's interests coincided with those of the ruling party with regard to the pro-western parties.

success of the Rose Revolution, though there may be different assessments of the extent of their contribution. The role of civil society in the Rose Revolution can be defined in a number of points:

- *Civil society contributed to a great extent to the de-legitimization of the Shevardnadze regime and to the definition of the agenda for democratic reforms*. CSOs became a point of concentration of important intellectual resources, therefore their renowned and popular representatives were able to exert significant influence on public opinion. The cooperation of civil society institutions with the media was especially significant, as the media often invited representatives of the Third Sector in order to elicit independent expert opinion. A group of the most active CSOs regularly reacted to the inappropriate actions of the government and promoted the idea that democratic reforms were needed. To sum up, the CSOs had a significant influence on the discourse that underpinned the Rose Revolution.

- *The organized and peaceful nature of the protests.* Thanks to ten years of work by CSOs, certain forms of civil activism developed that were linked to the promotion of democratic values and institutions. A Georgia-wide network of democratic activists was established around this activism. Shortly before and during the Rose Revolution, this network transformed into a significant pool of human and institutional resources for public protests. Not only did its presence foster the mobilization of protests, it also helped to make them sustainable, organized, controlled and peaceful.

- *Making a case that election results were fraudulent*. The inability of Eduard Shevardnadze's regime to tackle the problems facing society can be deemed the ultimate determinant of the Rose Revolution, whereas the immediate cause was the necessity to prevent the government from rigging the elections, that is from undermining a particularly important democratic institution. It was the latter that ensured the democratic legitimacy of the revolution. Although the opinion that Georgia's elections were characterized by mass fraud had been voiced before as well, it was only during the 2003 elections that convincing evidence was obtained showing that the scale of rigging cast doubt on the legitimacy of the whole process. The credit for this should go first and foremost to the non-governmental sector. The above-mentioned council of civil society organizations ensured the inclusion of reputable international agencies in the organization of exit polls, which increased the credibility of the latter's results. The International Society for Fair Elections and Democracy (ISFED) conducted parallel vote tabulation, thus creating particularly strong evidence of election rigging. When the Georgian Supreme Court nullified the results of the 2 November parliamentary elections from the party lists, evidence provided by the NGOs played the decisive role.

3.5 After the Revolution: New Tasks and Challenges

One consequence of the Rose Revolution was that the public view associated part of civil society with the new government. To some extent this was the perception of the donor community as well. This perception was then strengthened by the fact that CSOs became one of the important pools of human resources used by the new government.

Such association has turned into a challenge for the Third Sector. How should they build their relationship with the new government on the one hand, and with the wider public on the other, if the public perceives no difference of principle between

the government and the CSOs in terms of their values? Can the civil society sector fulfil the function of an objective commentator on public developments, if the government is composed of their friends (often their personal friends)?

The post-revolutionary period was marked with an obvious diminution of the importance of the civil society sector in public perception. The government believed that it had already absorbed a large part of the best human resources that had been available in the Third Sector and listening to those left outside was less important, especially as the government did not lack public support. Within the donor community an opinion prevailed at some point that the funding flows should be diverted to the new government, as that would be the shortest and more effective way of achieving the goal of the country's democratic development. The media paid less attention to CSO-organized events, as it no longer considered this community an important independent actor.

Those organizations that had not supported the revolution, for their part, expressed fear that they would be marginalized by the bulk of civil society that supported the revolution, or even become the target of repression by the government.

There were positive expectations too, however. If there was no essential difference between the values professed by the government and the CSOs, a more productive and cooperative relationship could be established between them in the course of the implementation of specific democratic reforms. In this regard, CSOs would not play the role of an opposition to government or of pressure groups, rather they would focus on specific projects bringing about public benefit.

From today's perspective, a general assessment can be made that the changes in the status and activities of CSOs have proved to be less profound than expected in the months immediately following the revolution. In the first place it should be noted that, in contrast to many expectations, the new Georgian government prioritized the strengthening of state institutions in general rather than the advancement of democratic institutions and protection of human rights. The very first important decision by the government, the constitutional changes passed in February 2004, was strongly criticized by civil society actors because these changes significantly weakened the parliament and gave a more authoritarian, super-presidentialist nature to Georgia's political system. Personal contacts with the new government did not help the most active segment of civil society to convince the former that such constitutional changes would be undemocratic. Moreover, the adoption of the changes was not preceded by a proper public discussion.

The practice of the new government attracted the Third Sector's criticisms in many other respects too. This concerned the violations of human rights and legal norms in the process of the campaign led against organized crime and corruption, the pressure on the judiciary and the independent media by the new leaders, the government's intolerant rhetoric against its opponents, etc.

Therefore, since around the autumn of 2004, the relationship between the government and CSOs returned to its previous mode whereby cooperation and opposition take turns. On the other hand, the migration of personnel from CSOs to the government has not caused a serious decrease in the organizational potential of CSOs. The focus of attention returned to the issues on which the civil sector used to dwell before the revolution: identifying priorities for action, developing organizational capacity, seeking sustainable resources, and expanding the social base and public participation.

4. Current Level of Development, Resources and Priorities

4.1 General Facts and Statistics

For the last ten years, the number of CSOs in Georgia has constantly been changing. Though it is hard to determine the exact number of organizations, there are grounds to assume a tendency for growth. Since 1997, in accordance with the Civil Code, unions have been registered by district courts while foundations by the Ministry of Justice (these are the two legal forms in which not-for-profit organizations may register in Georgia). Thus, information regarding registered foundations has accumulated in the Ministry of Justice, which made it easier to obtain it, while the data about unions has been scattered throughout the country's regional courts, making the collection of data difficult. In 2001, the Business Law Centre (currently the Civil Society Institute) made a comprehensive register of all unions in Georgia. Due to the dynamic changes in the NGO world, the existing database is already outdated while there is no new one. According to current expert opinion, the total number of registered organizations amounts to approximately 8,000 of which only 10-15 percent may be active.

In accordance with the law of Georgia *On Amendments to the Civil Code* (24.06.2004), the registration of unions will also be carried out by the Ministry of Justice, which will make it easier to have a comprehensive database. Currently, the Ministry of Justice is preparing a complete database of the existing unions.

The lack of sufficient information makes it difficult to determine the exact number of organizations per region in Georgia. According to the information provided by the UN Association of Georgia, the approximate number of organizations in most regions is as follows (the second column on the right shows the number of organizations interviewed during the study):

Region	Number of registered organizations	Number of interviewed organizations	Total number of population based on 2002 census (in thousands)
1. Ajara	312	14	376.0
2. Guria	150	19	143.3
3. Kakheti	200	17	407.1
4. Samtskhe-Javakheti	150	8	207.6
5. Imereti	500	18	699.7
6. Shida Kartli	128	10	314.0
7. Samegrelo – Upper Svaneti	293	30	466.1
8. Tbilisi	4,000	67	1,081.7

The above statistics reflect the difference between Tbilisi and other parts of Georgia when it comes to organized civil activity. It is noteworthy that, according to the 2002 census, Tbilisi's population makes up 24.7 percent of the country's whole population (Abkhazia and South Ossetia excluded).

According to our assessment, only 10-15 percent of the organizations registered in each region are active in reality. The number of active organizations as compared to registered ones differs from region to region. The biggest percentage of "live" organizations lies in Samegrelo while the smallest in Ajara. The reason behind it is

the authoritarian government, which curbed all kinds of civil activities in Ajara for years despite the willingness of the population. Most of the currently active organizations there have been formed since the Rose Revolution.

The fact that the largest percentage of active organizations is in Samegrelo can partially be explained by the concentration of donor organizations near the conflict region (Abkhazia).[3]

Civil activity is rather small in Shida Kartli, the neighbouring region of another conflict zone, due to two reasons: one is the unstable environment and the other, donors' relative lack of interest in this conflict.

It is hard to find political reasons for the obvious difference in the level of civil activity between Tbilisi and the regions. The main reason lies in the general imbalances in development between different parts of the country: they are rooted in the Soviet past but have become even worse during independence. Opportunities for economic and social advancement are mainly accumulated in the city which attracts more socially active people.

The comparatively small number of CSOs in the regions, such as in Samtskhe-Javakheti and Kvemo Kartli (the Table does not contain data for the latter region but, according to our assessment, civil activity is not well developed there) populated mainly by ethnic minorities, is rather noteworthy. A widespread lack of knowledge of the Georgian language is an impediment to the population's active participation in the region's public life. However, growing attention from donors over recent years has had a certain impact on the situation in these regions.

4.2 Institutional Development of Civil Society Organizations

In terms of their level of institutional development, CSOs can be categorized by eight criteria:

- *activities and experience*: the number of projects implemented, geography of activities, various types of activities
- *external relations*: cooperation within the sector, cooperation with different government bodies and the media
- *structure*: differentiation between the organization's structural units, division of functions, rights and responsibilities
- *procedures:* existence of planning and performance evaluation procedures, traditions of practising them, practice of documenting/recording
- *mission and strategy:* clearly formulated mission of the organization and a strategic plan of action
- *technical base:* the equipment and infrastructure necessary to carry out the organization's current and future activities
- *funds:* the size and continuity of funding, diversity of financial sources
- *human resources:* number of paid personnel, capacity to select and maintain qualified personnel.

---

[3] This section of the paper draws on the findings of the study conducted by the applied research group of the UN Association of Georgia in January-March 2005 in Tbilisi and 13 towns of seven regions. Two different approaches were used for the sampling in Tbilisi and the regions. In the regions, the study aimed at including all the representatives of the civil sector who were active in one way or another during the course of the study. In Tbilisi, the aim was to study more developed organizations. Because of that, the number of organizations studied in the regions corresponds more closely to the actual number of active organizations than in Tbilisi.

The organizations that have been studied can be categorized into four levels in terms of their institutional development.

4.2.1. First tier organizations

Such organizations have effective upper, middle and lower structural units. The board is a decision making as well as a supervisory body; its functions are separate from the executive unit. Few organizations have an entirely independent (unpaid, non-executive) management. Decisions are made jointly (on a co-participation basis) according to the decision-making procedures. The functions and responsibilities of the personnel are defined in accordance with their contracts of employment and attached terms of reference (TOR).

Such organizations have clearly formulated mission statements relevant to their activities. Future activities are defined through strategic planning.

Organizations at this level of development have gained substantial experience. They have implemented a considerable number of projects since they started working. Some of them have a large budget (equivalent to $100,000 and more annually). The geography of activities encompasses most of the regions of the country and at times extends beyond its borders. They often have regional offices in different parts of the country. The majority of them have resources to provide services in a continuous manner, as well as effective mechanisms to get feedback from their target groups. Target group needs are studied and the effectiveness of the work done is evaluated.

Information on the activities of the organizations is regularly disseminated through annual reports, periodicals/bulletins, web pages, mass media; some CSOs have a public relations person working for them.

They cooperate with other NGOs on a regular basis and have implemented joint projects with them. They are members of functioning network(s) or have experience of collaborative activities, cooperate with state agencies (participate in developing/ discussing draft laws and working out state concepts in different areas).

These organizations act according to short-term and long-term strategic plans. They have internal evaluation and monitoring procedures. All the activities and programmes of the organization are assessed; the documentation is sorted and filed.

Organizations at this level as a rule rent offices for lengthy periods of time or own them, have a good technical base and means of communication; their staff have access to the Internet.

Funding of such organizations is effectively continuous. Their annual budget in recent years averaged between the equivalent of $100,000 – $200,000, and in some cases reached the equivalent of $500,000. Among their funders are donors who have offices in Georgia, as well as those acting outside the country. In some cases, 5-15 percent of the budget is made up of income received from paid services. Along with project budgets, the organizations' annual budgets are also planned; financial books are regularly audited.

Organizations of this tier have a personnel system with seven to 35 permanently paid employees. Job vacancies are publicized and competitions are held according to established selection criteria.

According to our assessment, of the organizations studied, only 38 fall in this category. Based on the methodology of the study, it can be assumed that their total number is between 40 and 50 in Georgia.

4.2.2 Second tier organizations

In these organizations, executive and decision-making functions are partially separated. They have middle executive units, such as programme managers who as a rule make current decisions within the framework of their programmes. Personnel rights and responsibilities are usually defined by the contracts of employment.

The organizations have definite goals which may often not exist in the form of a mission statement but are integrated into various formal or informal documents. A strategic planning procedure is not in place; instead, there is a general outline of future goals and areas of interest.

Organizations falling into this group carry out their projects with small intermissions. On average, they implement six projects in two years. Their activities do not spread beyond one city or region.

Dissemination of information about the organization's activities is sporadic. They actively cooperate with other civil organizations and have experience in the implementation of both joint and coordinated projects. Their contacts with the media are not regular.

They have definite long-term goals. Performance evaluation is confined to project reports and the internal reporting system.

These organizations may rent offices, though often they do not have enough office space for all the employees. Their equipment is very often outdated or inadequate for current activities; they have access to the Internet.

As a rule, there have been no gaps in the financing of such organizations during the last two years, or, if there were any, they did not exceed six months. Their annual budgets have never gone above $50,000. The annual budget of the organizations is not pre-planned; they draw up only budgets for individual projects; they employ three to seven permanently paid staff. In some of the organizations an audit has been conducted only once.

The number of second tier organizations (covered by the study) is approximately 80. It can be assumed that this is close to the total number of organizations of this level in Georgia.

4.2.3 Third tier organizations

Organizations of this level do not have a middle executive unit. The head of the organization personally makes the decisions. Mainly, the board combines executive functions and most of the project staff are members of the board. The division of personnel rights and responsibilities takes place on the basis of oral agreements. In most cases there are no signed contracts.

Long-term plans only exist as lists of general directions and spheres of activities.

Such organizations have implemented one or two small projects with budgets not exceeding the equivalent of $5,000. The activities are limited to the areas where they are legally registered (city, administrative district). The organizations cannot offer regular services to their target groups. Interaction with target groups is mostly of a spontaneous nature.

Dissemination of information happens spontaneously, mainly through disseminating leaflets. Their activities are seldom covered by the media.

Interaction with other public organizations is restricted to information exchange. They rarely participate in meetings with other organizations unless they are members

of a wider or more active network. Relations with state agencies are also restricted to information exchanges. Contacts with the media are sporadic.

Activities are planned in the form of individual events, without a strategic perspective. Evaluation is limited to general discussions.

The organizations cannot afford to rent offices independently. They are located at an employee's or the director's apartment, or share premises with a more developed civil organization.

Their office equipment is minimal (one PC, a printer) and they use the host organization's equipment.

For the last two years, the gap in funding may have reached a year at most; their average annual budgets do not exceed the equivalent of $10,000. They get their funding from one or two donors that have offices in Georgia.

The organizations do not have staff who are paid on a permanent basis. When funds are available, the chairman and some members of the board get unstable incomes from projects. There is no need to hire new staff; hence, no practice of vacancy announcements. If there is a need for new employees, the latter are selected from a group of volunteers.

According to our findings, 70 of the interviewed organizations belonged to this tier.

4.2.4 Fourth tier organizations

The structure of these organizations is defined by the charter only; there are no separate structural units within the organizations. The founders, board members and employees are very often the same persons. There is no division of rights and responsibilities, or if there is, the divisions are rather nominal.

Mission statements have not been formulated. There is a general vision of the goal. Activities are not planned.

These organizations have no experience in implementing donor-funded projects. Small-scale activities are performed by volunteers. Information on activities is not made public. There are no planning and evaluation procedures in place.

Relationships with other public organizations are limited to personal contacts. Relationships with representatives of other sectors cannot be observed.

The organizations have neither offices nor technical equipment. They have not received any financing at all, or have received an amount of about $1,000.

Human resources mainly include the board chairperson and members who consider themselves volunteers.

It was not our objective to study the organizations of this level, as we were focused on more active organizations. Therefore, of the interviewed organizations, only 23 were categorized as organizations at the fourth tier of development.

4.3 Financial and Human Resources

Another indicator of the level of civil society development, in addition to the organizational development level, is its financial and human resources. This will be discussed in the following section.

4.3.1 Sources of income

The main source of financing for NGOs is grants received from donor organizations. Fifty to 100 percent of the annual budgets of about 80 percent of organizations

are comprised of grants. Only one-third of the organizations have membership fees and for the majority of them the respective revenue does not exceed 5 percent of the total income. There are only a few organizations (such as the Federation of Businessmen, the Federation of Accountants etc.) the membership fees of which make up 15 to 50 percent of the budget.

For the last two years, donations from the business sector as well as individuals have been received only by one fifth of the organizations. Such donations are mostly one-off occasions that finance individual low-budget projects. Even fewer is the number of the organizations that have succeeded in obtaining funds from the state (13 percent of the studied CSOs).

Approximately one-third (31 percent) of the organizations receive income from entrepreneurial activities. However, barely half of them manage to make a significant contribution to their budgets in this way. The forms of paid services offered include Internet cafes, computer service, training and seminars, business and legal consulting, printing services, making video-clips, preparing business plans, psychological rehabilitation and medical services.

4.3.2 Budget

The annual budget of one-quarter of the organizations studied in 2003 and 2004 was above the equivalent of $50,000, while the budget of approximately one-tenth (10-13 percent) oscillated between the equivalent of $100,000-$500,000. Very few (3 percent) of the organizations have had an annual budget of more than half a million for the last two years.

As for the continuity of funding, 40 percent of the organizations have actually had stable financing for the last two years. Approximately the same percentage had two- to six-month gaps in financing. The rest of the organizations had about a one-year interval in funding.

4.3.3 Human resources

Attracting and maintaining human resources by a CSO is largely dependant on its financial capacity. In 50 percent of the organizations, the total number of employees (both permanent and temporarily hired) has increased in the last two years. Six percent of the organizations were unable to maintain the same number of employees, while in the rest of the organizations the personnel number has not changed at all.

The most frequent reason for employees to leave was getting a new job (in business, another CSO, an international agency or a State agency). The most frequently cited reason was a transfer to a State agency. It should be pointed out that in a similar study conducted in 2003 this reason was almost never referred to. The new trend in the personnel policies of the government, which came to power as a result of the Rose Revolution, is evident here: being short of qualified and uncorrupted staff, it tries to attract people from CSOs. Representatives of CSOs outside the capital fear that the situation might lead to the weakening of the sector. Empirical data show that although the personnel drain has not affected the organizational development of the sector as a whole, the changes have proved to be painful for some organizations outside the capital whose activities entirely depended on the initiatives of their leaders who have now moved to the government.

Two-thirds of the organizations could afford to hire permanently paid personnel in the last two years; however, the number of employees is different in organizations at

different levels of development. The number of permanently paid employees in the first- and second-tier organizations fluctuates from five to 120, whereas in the less developed ones the number does not exceed five people.

4.4 Activities and Targets

The spheres of activity of CSOs in Georgia are rather diverse. The most widespread among them are the following: human rights, support of democracy and civil society, environmental protection, women's issues, child and adolescent issues, youth problems, health care, state reform support, conflict resolution and peace-building, support for local self-government and IDP problems. Regions differ in the sphere of activities. Most of the organizations in Tbilisi are involved in human rights protection, support of democracy and civil society, conflict resolution and women's issues. Groups focused on human rights are active almost in all regions. Local government issues are often a priority for organizations functioning outside the capital.

4.4.1 Target groups by region

The study has revealed that in different regions organizations tend to be more active in different areas. Here is a list that shows these variances:

- Ajara – human rights and monitoring agencies of State
- Samegrelo – child and adolescent problems, conflict resolution and peace-building, health care, IDP and women's issues
- Samtskhe-Javakheti (mainly Akhaltsikhe is implied) – environmental protection
- Kartli – support for reforming State agencies, child and adolescent problems, local self-government support, IDP problems.
- Guria – human rights, civil society development, health care
- Kakheti – youth problems, environmental protection, local self-government development
- Imereti – human rights, local self-government development, small and medium-sized business support, women's issues.

4.4.2 NGO target groups and types of services

Only one-tenth of organizations do not have a definite target group that defines the specific character of their activities. Twelve target groups fitting into three major categories were identified.

1) Target groups by social strata. The following social groups fall into this category:

- *IDPs.* Organizations focused on this stratum give priority to health care problems, organize different types of educational seminars, and assist refugees in employment matters or in launching economic activities.
- *Disabled persons.* The types of services in this case include psycho-social rehabilitation, health care, assistance in employment matters, social integration.
- *Children/adolescents.* The focus within this group is on children in difficult circumstances and children in need. The target group of the organizations supporting educational reform is comprised of schoolchildren. Their objective is to organize children's spare time (setting up summer camps and Sunday

schools), to popularize a healthy way of life (sports events, outings), to develop creative skills (hold exhibitions).

- *Senior citizens.* The main services provided to this group are health care and social assistance.
- *Women.* The priorities for the organizations working in this sphere are gender equality, the prevention of domestic violence, advancing women's participation in society, the eradication of human trafficking, assistance in employment (through training), health care.
- *Youth.* Organizations focused on youth assistance are small in number; however, half of the organizations interviewed claim to be involved in youth issues as well. Presumably, this attitude has been affected by donor policies – in 2004 youth issues constituted one of the priorities for the donors. Organizations hold various types of educational seminars, recommend the organization of cultural, educational and sports events for young people.

2) People whose rights are abused, i. e. those in need of legal assistance. This pertains to the human rights' area. Some of the organizations offer educational seminars, legal advice and legal assistance to those requiring it. On the other hand, there are several organizations focusing on legal services for specific social groups by gender, ethnicity, religious denomination, or income.

3) *Sectoral groups.* This includes organizations focusing on providing services to various sectors of society or certain social institutions. To this end, the following targets may be distinguished:

- *Local self-government bodies.* In this case, CSOs' services are directed at improving local self-government and government skills: for example, developing leadership skills, ensuring transparency within these bodies, etc.
- *Civil Society Organizations.* Groups working in that domain provide services to CSOs with the aim of ensuring the effectiveness of organizational development, relations within the sector and cooperation between the state and the public sector.
- *Business organizations.* A number of organizations try to assist small and medium-sized business development through providing micro- and medium-sized loans. A small number of organizations offer educational and consulting services in finance and staff management as well as in business plan development to businesses.
- *Mass media.* The goal of some organizations active in this sphere is the protection of journalists' rights and the upgrading of their professional skills. Some of the organizations produce content for the media themselves – TV programmes, newspaper articles, radio programmes, cartoons.

4.4.3 Directions and forms of activities of developed organizations

In this context it is important to focus on the areas of interest of the most developed (first and second tier) organizations. These are the following: civil society assistance, human rights, conflict resolution and peace building, state reform support, local self-government support, health care, child and adolescent issues.

These organizations offer their target groups various kinds of services, such as training in human rights, legal assistance and consulting to certain groups, health care assistance, psychological rehabilitation, correction and social integration.

A comparatively small number of developed organizations focus their attention on refugee and women's issues. Quite impressive is a group of organizations engaged in environmental protection, which work on studying the problems of environmental protection, enhancing environmental consciousness and protecting biodiversity.

A small number of financially strong organizations have specialized in small and medium-sized business development. Their activities are directed at issuing loans and protecting entrepreneurs' rights. Such organizations are mostly located in western Georgia. In Tbilisi, such activities are performed by the Constanta Foundation which has branches outside the capital as well. Initially they functioned with the assistance of international donors, but gradually managed to create a considerable financial base and have become self-financing.

One or two developed organizations can also be identified in other areas, such as cultural activities.

Organizations working on youth and ethnic minority issues, as well as those working with journalists' unions and scientific and research organizations, are comparatively less developed.

Organizations of this tier are also involved in different kinds of research, publishing, training and workshops, consulting on business and legal issues. It should be mentioned that the research as a rule is conducted solely for internal reasons, i.e. to plan subsequent activities, and is seldom made available to the public.

4.5 Intra-sectoral cooperation and synergy

The kinds of relations existing within the third sector and their degree of development constitute important indicators of civil sector development. For the last ten years, forms of cooperation among CSOs have developed considerably in Georgia and comprise both simple interactions and complex structured relationships.

Personal relations and contacts can be considered the simplest form. CSOs acting within the same geographic area possess basic information about each other: they know how to find each other, are aware of each others' activities, have met leaders of other organizations and know what projects they have implemented. The above type of relations is the main form of contacts for CSOs at the lower stages of development.

CSOs at a higher level complement personal contacts with information exchange. This is not only an attempt to coordinate activities, but a significant component of fundraising as well. Due to different reasons (shortage of electricity, lack of access to telecommunications and the Internet, lack of experience in fundraising) most organizations outside the capital have scarce information about donor activities in Georgia or beyond its borders, about their priorities, grant programmes or grant competitions announced by them. Only a few, more experienced ones have access to such information. These then pass this knowledge to others and help them fill out grant applications. At the same time, some regional organizations point out that in an attempt to reduce competition, CSOs very often prefer to share the information only with those with whom they have friendlier relations, especially when it comes to information concerning grant programmes targeted at their regions. Consequently, the activities of most organizations outside the capital are mostly determined by donor priorities within their region. In this regard, the situation is better in Tbilisi where more developed organizations have much better access to information about potential sources of financing.

Highly developed CSOs are forming effective conglomerates. Quite often they become a part of different international networks, and actively cooperate with other CSOs. Sixty-four percent of CSOs have experience in the implementation of joint projects.

Organizations in Samegrelo (20) and Tbilisi (12) are more experienced in terms of the implementation of joint projects. The indicator is low in Samtskhe-Javakheti (3) and Ajara (2).[4]

Joint projects are mainly implemented in the spheres of civil society development, local self-government, women and children's issues, people with disabilities, education and health care, environmental protection, monitoring agencies of State and supporting their reforms.

Region	Number of joint projects	Inter-regional included
Ajara	2	0
Guria	15	4
Imereti	9	5
Kakheti	4	2
Samtskhe-Javakheti	3	0
Samegrelo	20	3
Shida-Kartli	7	2
Tbilisi	**12**	**1**

The most developed forms of intra-sectoral relations are effective networks, stable cooperative relationships and coalitions. The more developed an organization, the more it desires to cooperate with other CSOs and the stronger its capacity for collaborative activities. The effectiveness of collaborative activities is backed up by the funds, human resources and technical capacity (office, means of communication, etc.) of the participating organizations. Consequently, the majority of coalitions are active in Tbilisi and Samegrelo. Most coalition members represent the first and second tiers of organizational development. Such organizations constitute about 80 percent of coalition members in Tbilisi and 40 percent in Samegrelo. At the same time, 60 percent of the third tier organizations in Samegrelo that enter associations are relatively passive members of various networks or coalitions.

The practice of coalition-building was largely initiated by the donor organizations. While CSOs had made their own attempts to unite over an idea, problem or activities, due to the shortage of resources this did not go beyond coordination meetings and seldom took the shape of a specific project. The policy of support for collaborative projects carried out by international organizations triggered the implementation of many collaborative projects. Short-term (created for one project) as well as long-term coalitions were formed. Through collaborative activities, CSOs get a qualitatively different kind of experience: stable partnership relations are maintained even after the funding ends and they may play a role in planning further activities; objectives set for the future are mostly coordinated. At the same time, some discern a trend for coalitions to turn into something like closed clubs. Coalition members mainly interact with each other. Other CSOs, especially underdeveloped ones, have a meager chance of establishing partnerships with them.

It is no longer essential for the highly developed CSOs to take advantage of any grant programmes they hear of to raise the funds necessary to finance their basic activities. They already have a well-established fundraising system; some of them even have independent sources of financing and are not fully dependent on donor initiatives.

At this stage, CSOs feel they are in a position to take a lead in offering the public, State agencies and international organizations their own priorities that they

---

[4] Figures in brackets indicate the total number of joint projects implemented in the regions.

deem important for society and the third sector. These goals can effectively be reached through different kinds of coalitions where experience, knowledge, contacts and resources are accumulated and properly focused.

An important precedent for CSOs' joint activities is the development of a Code of Ethics for civil organizations. It was obvious that at the current stage of development of the third sector there was a need to establish common standards for the functioning of the civil sector, which would be reflected in the Code of Ethics. It was a joint effort of eight CSOs working within the framework of the USAID-supported *Citizens Advocate!* Program. It was coordinated by the *Alternative* Civic Development Centre. The Code of Ethics is meant to be a self-regulatory mechanism of civil organizations; its main idea is the declaration of minimal standards of behaviour for Georgian CSOs. The standards mainly relate to organizations' relations with the government, political parties, donors and society in general, as well as the democratic nature of their internal management and accountability, including transparency in their financial activities.

Meetings with CSOs were held throughout Georgia during the preparation of the document. As a result of the meetings, the organizations agreed upon the present version of the Code. The presentation of the Code was held on 27 September 2004 in Tbilisi. On the same day, about 30 NGOs signed the Code. Along with the Ethics Code, they also signed "five silver principles" which deal with civil organizations' activities such as publishing annual reports, conducting regular financial audits, practising collegiate-style management, developing mission statements and internal regulations, and ensuring the openness and transparency of activities. Any organization sharing the principles of the Code of Ethics is free to join it. Ceremonies to welcome additional signatories and presentations were held in the regions as well. To date, 100 organizations have joined the Ethics Code.

The leaders of the civil sector express their hope that adherence to the Code will help to enhance the professionalism of the organizations, improve management, develop mechanisms for getting feedback from society and establish partnership networks.

A large, umbrella-organization uniting the whole sector has not been established in Georgia so far. Initiatives of the kind have been put forward from time to time; frequently they would come from an international organization but were met with scepticism from the local groups. The reason behind it was a fear of a small group of organizations using the association for the promotion of their interests. It was even mentioned that the association might increase the chances for the government to influence the third sector. Others had difficulty in understanding what specific functions such an organization would have. Possibly, the formulation of CSOs' behaviour and development standards in the form of the Code of Ethics, as well as the establishment of a system of monitoring its adherence, may be considered a core function that will revitalize the idea of creating a nationwide association of CSOs.

4.6 Values and Priorities

CSOs may differ from each other in terms of their values. In countries where civil society development is a gradual process stretched over time, CSOs normally represent a variety of public interests and values. The Georgian case is different: initially, civil society as a notion and a reality was closely related to those forms of social self-organization and social or political values that were associated with western-type liberal democracy. This connection was identifiable in the case of civil as-

sociations, political parties and media agencies created in the period of the national movement, although the term *civil society* was seldom used in Georgia with regard to them. Although it is also true that among the entities of civil society of the time nationalist values predominated and their preaching often took illiberal forms, in general, the western way of life and western political ideas still constituted the chief point of reference for the movement. In that period, the environmental protection movement could be considered a notable alternative to ethic nationalism-dominated ideology, as it had more in common with the present liberal values of the democratic West.

The connection between new civil associations and western values became stronger since the early 1990s when western foundations became active in Georgia. From this time, when the term *civil society* came into wide usage, CSOs have mostly been identified with the NGOs that received financial aid from the West for the support of democracy. Such a strong link determined their value orientation too: their activities were by definition supposed to spread and strengthen, in one form or another, the values of the modern democratic world in Georgia. This implies the rule of law, good governance, protection of human rights, support for democratic reform, the strengthening of the position of women and minorities, etc. Organizations dealing with social issues get western assistance as well; however, they are not in the limelight and stand somewhat apart within the sector (which does not, of course, diminish the importance of their efforts at all).

This kind of dependency on western donors, apart from the financial sustainability issue which can be put aside here, evokes two kinds of problems. On one hand, CSOs – especially those that are publicly visible and active in promoting their positions – get permanently accused by their opponents of pursuing interests and agendas determined by foreign countries that are alien to Georgian society and confront traditional national values. The CSOs' response to the argument is that the values adhered to by them are universal and their advancing is strongly in the interests of Georgian society. To reinforce their argument, CSOs sometimes refer to an outstanding Georgian public figure of the 19th century, Ilia Chavchavadze (sometimes calling him their ideological predecessor), the founder of the modern system of Georgian national and patriotic principles and values and a follower of European liberal ideas who, when necessary, also confronted certain traditional ways of life.

On the other hand, critics often accuse CSOs of not being committed to any values at all and being mostly motivated by the desire to attract foreign funding. A special term, "grant guzzlers", has even been coined to describe them. The CSOs' response to this point may be summarized as follows: by all means this may be true for certain organizations, but at the same time, it is hardly possible to establish a stable, effective organization without financial means; seeking grants for specific projects is a worldwide practice; the performance of organizations should be assessed by the effectiveness and transparency of the funds spent.

When it comes to values, there is no essential difference within the main core of CSOs. Both the political parties and CSOs seldom discuss the main principles of organizing the social and political space in Georgia. Certainly, there is a diversity of opinions and discussions within the CSO community with regards to specific issues, but these do not lead to debating general ideological principles. If we position ideas predominant within the CSO community in the context of ideological discussions in western societies, these are a kind of mixture of some right-wing and some left-wing ideas. Arguably, the views shared by the CSOs represent a Georgian version of the western centrist-liberal consensus whereby the centre-right and the centre-left converge.

The lack of debate on vital issues within the sector can be explained by the widely shared belief that liberal-centrist values are not deeply embedded in Georgian society; therefore, the chief point of contention within the public discourse is the conflict between liberal and illiberal ideas. Against this background, the difference between the centre-right and centre-left interpretations of liberal consensus appears insignificant.

CSOs in Georgia can be grouped not by values but by priorities in their activities. Firstly, there are mainly activist pressure groups, which consider public expression of their civil stand and exerting pressure on the government to be their main objective. Their activities include lobbying certain political decisions, defending certain stands publicly (at press conferences, in publications, through organizing public events, etc.). They work with different social groups to gain increasing support for their values and positions. They use the media effectively to publicize their activities. The majority of these organizations participated actively in the Rose Revolution.

Those providing services (research organizations included) belong to the second group of organizations. They focus on achieving results with regard to a particular target group and see the broader social impact of their activities in a long-term perspective. There is neither a hard and fast line nor a significant difference of opinion between the two types of organizations: the majority of the latter type supported the Rose Revolution as well; neither are they shy to express their civil stand openly and in a polemical form. However, the priorities still differ: the first group considers the second one too academic and not forthcoming enough in defending the basic values of civil society; the second group believes the first one to be too politicized and deems it expedient to keep a greater distance from the political battlefield.

It should be pointed out that it was the first group's representatives who largely found themselves in agencies of power after the Rose Revolution. This was the one of the most important reasons why the civil sector became less visible in the post-revolutionary period. Many of those well known to the public are no longer in the sector.

There are also other organizations, which define their values in opposition to the above CSOs, but have not achieved stable public visibility and have little influence on ongoing processes. Among them we could single out the organizations oriented towards the Georgian Orthodox Church that consider liberal values damaging to Georgia and criticize the activities of the civil sector in Georgia for that reason (see 6.5). The other type includes so-called GONGOs, i. e. organizations established by governmental actors either to confront independent CSOs or to participate in particular grant programmes. In the past, groups formed (and allegedly financed) by the ex-governor of Kvemo Kartli Region, Levan Mamaladze, had most often been cited among such organizations. It seems that these were founded to counterbalance those civil organizations, which, in their founders' opinion, carried the interests of Zurab Zhvania and Mikheil Saakashvili. In as much as the activities of "Mamaladze NGOs" came to the public eye, they were limited to attempting to damage the reputation of other NGOs. Some of those who criticized the civil sector while in power, also attempted to form NGOs after they lost power (e.g. the interior minister of the Shevardnadze regime, Kakha Targamadze, or the ruling party's spokesperson during the 2003 elections, Irine Sarishvili et al.), but the public did not hear much about their activities.

Overall, the activities of "Alternative NGOs" are less visible and they appear to be less organizationally sustainable. This can in part be explained by the lack of access to western financial aid. However, it is also important that they often focus their attention on narrow, situational tasks and do not set organizational sustainability as their long-term goal.

5. Environment for the Development of Civil Society

5.1 Political Environment: CSOs and State Power

CSOs did not emerge in Georgia "from below", as the arena for expressing the multiplicity of social interests; they originated in confrontation with the repressive State system. While since independence the CSOs, as a rule, have not felt pressure from the State, relations with the latter remain a crucial problem for them. The main reason for this lies in the fact that since the civil sector failed to become a form for the expression of wide societal interests, it is incapable of mobilizing the support of a considerable part of society independently. Because of this, the government re-mains its major partner and target group.

Putting aside the period of the national movement, when the relationship between the first CSOs and the government was mutually confrontational, three periods can be generally singled out in the relationship between the government and civil organizations.

(1) Build-up (approximately 1992-1995). The first non-governmental organizations of a new kind are set up. The state has no clear attitude towards them: their existence does not disturb the government, serving at the same time as an illustration of Georgia's liberal policies. They are mostly considered as a way to use donor assistance to create employment opportunities for the educated part of society.

(2) Cooperation and confrontation (1995-2001). By this time CSOs gradually de-veloped an identity as a unified "sector". They learnt how to collectively protect their corporate interests (the main example of this is the adoption of the law on grants in 1996, which would not have covered NGOs had the latter not lobbied for this). The sector started to be perceived – and to perceive itself – as an actor capable of influencing public developments. Certain rules of relations with the government were shaped that involved elements of both cooperation and confrontation. On the one hand, the CSOs saw non-democratic features in the political regime in Georgia and expressed a critical attitude towards it. On the other hand, since there appeared to be no acceptable realistic alternative to the Shevardnadze government, criticism of it was relatively mild. Moreover, the activist part of the civil sector found allies within the "reformers' wing" of the government and tried to lobby liberal legislation through this alliance. The interests were mutual: the "reformers' wing" under the leadership of Zurab Zhvania intended to increase its societal support through the civil sector. The government created a mostly favourable environment for the civil sector. Several widely publicized meetings were carried out between Zurab Zhvania and third sector representatives. The adoption of the administrative code in 1999, which created a highly liberal regime for accessibility to public information, is considered the first example of this cooperation. In 1999 the Parliament of Georgia considered – and adopted at the first hearing – a bill setting up a state fund supporting the civil sector. There were also attempts to establish relations with the executive, but it had less specific expression. An advisory NGO council was set up at the president's chancellery, but its existence brought no concrete results.

(3) *Confrontation* (1999-2003). The large scale of fraud in the 1999 elections, for which, in the CSOs' opinion, the government's reformist wing shared direct responsibility, gave way to increased criticism of the Shevardnadze government. The general feeling of society was that the Shevardnadze government had exhausted its potential. Despite the criticism, the CSOs' cooperation with the reformers' wing continued. The bill sponsored by the Reformers in the summer of 2001, according to which election commissions were to be set up by non-governmental organizations with the relevant profile became the pinnacle of this cooperation. However, the bill failed to gain Parliamentary support. In October 2001, the CSOs took an active part in protest actions in support of the Rustavi-2 TV company that led to the resignation of the government. After the leaders of the reformist wing of the government – first Mikheil Saakashvili and later Zurab Zhvania – moved to the opposition, some CSOs started cooperating with them. At this time, the government on the one hand tried to establish a dialogue with the CSOs so that their critical approach might become at least more muted, while on the other hand it encouraged "alternative civil society" – anti-liberal groups, GONGOs and some media to discredit them. Several legislative initiatives aimed at weakening the financial base of CSOs were also introduced. Still, the CSOs succeeded in sidestepping them through active lobbying. Although the government evidently considered the third sector to be its adversary, it was careful not to enter into an open confrontation, apparently because it saw the main threat as coming from the political opposition rather than directly from the CSOs.

(4) *Back to cooperation and confrontation* (after the Rose Revolution). The civil sector ushered in the Rose Revolution, thus helping the new government to come to power. This gave birth to a hope – or a fear – that under the new conditions the government and civil society would become very, if not too, friendly. This expectation was heightened by the transfer of many CSO activists into the government. However, the government's first steps and the way the CSOs reacted to them made it clear that such assumptions were unlikely to come true. By the time of the first anniversary of the revolution it became apparent that the relationship between the sector and the government had generally gone back to the combined framework of cooperation and confrontation, characteristic of the second half of the 1990s. The CSOs participate in joint projects with the government, but the same organizations and their representatives do not shy away from public criticism of the authorities. Representatives of the latter, on the other hand, often repeat, though in a more subtle form, the same arguments about the third sector, that were used by the Shevardnadze government: that the CSOs represent rather a small segment of society, and there is no need to take their views into consideration, and that the CSOs are mainly motivated by the acquisition of grants rather than genuine commitment to civil society values. However, there are differences. The level of cooperation is higher than it used to be in the Shevardnadze period (although it is lower than initially expected by the CSOs). During 2004, the president met several times with CSO representatives and had a frank conversation with them. The meetings brought some positive results – namely a reduction in torture in detention facilities. Notably, the circle of CSOs involved in collaborative projects with the government narrowed. Namely, CSOs that voiced negative views about the Rose Revolution

were reproved and expelled from collaborative projects. According to many civil activists, obtaining public information from the State bodies has become more complicated than it used to be under the Shevardnadze government.

It could be noted as a summary that the political environment in Georgia is, on the whole, favourable for the development of civil society. Nor can the CSOs claim to be ignored by the government. Bilateral contacts do exist. But no stable format for cooperation has been developed.

5.2 Legislative Environment: How the State Regulates the Development of Civil Society

According to the assessment of the majority of experts, the present legislative environment is fairly liberal and does not much hinder the development of civil society organizations, although there are ways to perfect it.

Under the present circumstances, the main legislative acts that affect the development of CSOs in Georgia include the June 1997 Civil Code, and the law on grants adopted in June 1996. Before then CSOs were registered as public associations (citizens' unions), which after 1992 presented no practical problems. Until 1996, it was not clear what sort of taxation regime had to be applied to public associations. But at that time the taxation system was not well organized anyway and tax collectors did not show interest in the financial activities of CSOs. After the Civil Code came into force, the already existing organizations were re-registered according to its requirements.

Below, we shall consider Georgian legislation relevant to the functioning of the CSOs in greater detail.

5.2.1 Basic legislation

The Georgian Constitution affirms the right to free association. It secures for the individual the right to set up a union (including a trade union) or join one. The activities of a civil association can be suspended or banned only by a court decision, in cases determined by the organic law.

5.2.2 Special legislative acts

The following legislative acts regulate the setting up, registration or suspension of the activities of civil associations:

a) The Civil Code defines what organizational and legal forms civil associations can take and how they can be registered.
b) The Civil Procedure Code also defines registration procedures.
c) The law on registration fees fixes the amount of fees a civil organization has to pay to the State for registration.
d) The law on suspending or banning the activities of civil organizations regulates the suspension or prohibition of such activities.
e) The law on State support to children's and youth organizations puts children's and youth organizations into a separate category, makes corresponding definitions and provides for the creation of a registry of such organizations so that the State might provide them with support.
f) There is also separate legislation for trade unions and the Red Cross.

5.2.3 Other legislative acts and bylaws regulating civil organizations

a) The law on grants is especially important here. It defines the legal basis for one of the sources of funding. It is a highly important law for the entire third sector, as grants are the main source of the sector's financing.

b) The Tax Code settles the mechanisms for the taxation of the activities of civil organizations and determines the status and tax benefits for charitable entities.

c) The Customs Code, the law on customs tariffs and duties, the law on taxes and corresponding bylaws determine customs clearance procedures and taxation mechanisms for goods purchased abroad.

d) The law on the press and mass media regulates the publishing of newspapers and magazines, brochures, books and information bulletins.

e) The General Administrative Code sets out the mechanisms for the relationship with the administrative bodies. It is a highly important instrument for civil organizations when they are conducting activities such as monitoring.

f) The law on State procurement determines the legal, organizational and economic principles for purchases by State agencies, enabling civil organizations to participate in them.

g) The law on notary fees sets fees for notarizing registration documents as well as for any other notary activities, and defines the procedures for paying them.

5.2.4 Registering, managing, suspending and banning the activities of CSOs

As it was already mentioned, the Civil Code of Georgia is the chief basis for setting up civil organizations, their registration and activities. The Civil Code defines civil organizations as non-commercial legal entities. It determines two legal-organizational categories of such organizations: unions and funds. The Civil Code also recognizes unregistered unions, which are not legal entities and decide their make-up and structure by mutual agreement.

A union is an organization based on membership. At least five persons are required to set one up, although a union does not depend on changes in its membership.

A fund has no members. It is set up by one or several founders, which, in general, endow particular property to the fund for the achievement of significant goals. The size of property required is, in fact, rather small and has a symbolic meaning, therefore no serious financial resources are required to set up a fund. The legal form of the fund can be chosen by any non-commercial entity that is unwilling to let its members hold the reins of management.

When the Civil Code was under discussion, a group of CSOs lobbied for a third category of non-commercial legal entities, such as an "organization" or "institute" to be added to the Code. In their opinion, this legal category would be more appropriate for organizations that due to their character are not based on membership (such as research centres, training and consultancy organizations). But the group that was drafting the Code disagreed, as they believed that the two categories put forward were sufficient to cover the diversity of CSOs. As a result, many organizations that were not based on membership registered as unions. One of the reasons for this choice was that at the time the term *fund* was mainly understood as a grant-giving organization, even though the legislation did not require this. In order to achieve goals beneficial for the public, it is not necessary for a fund to allocate financial

resources to others, it can implement activities aimed at public benefit itself. Some organizations that were registered as unions later faced some management problems, so they were compelled to re-register as funds.

Initially, funds were registered by the Ministry of Justice, while unions were registered by the courts. Since 1st March 2005, this rule has been changed: both funds and unions are to be registered by a territorial branch of the Ministry of Justice that keeps a State registry of such organizations.

Practice shows that registering a non-commercial legal entity is quite easy in Georgia. There are no major legal or bureaucratic obstacles. The large number of registered non-commercial legal entities in Georgia is an indirect proof of this.

The Civil Code provides some quite specific guidelines as to how a non-commercial legal entity shall be managed. The charter, which is the main document of a civil organization, determines the objectives of a fund or a union, its structure, the functions of its managing and auditing bodies, the rights of union members, rules for dealing with property in the event that an entity is disbanded, etc. In the case of funds, the charter defines the minimal amount and forms of the initial donation, and indicates how the sum shall be spent. The property of the fund should be relevant to its objectives.

A general meeting of members is the supreme body of a union and it should be held at least once a year. As a rule, the general meeting is entitled to adopt amendments and alterations to the Charter, to choose board members, dismiss members and disband or reorganize the union, etc.

There are several ways to set up the management structure for a fund. A fund's charter provides for the creation of a special supervisory body, the trustees, who are appointed by the founder so that they can recall or supervise board members or special representatives. On the other hand, the charter may entitle beneficiaries, i.e. persons or groups of persons for whose benefit the fund was founded, to appoint or dismiss the board.

Unions and funds are allowed to undertake entrepreneurial activities if they are of an auxiliary nature, serve the general goals of the organization and do not alter the organization's non-commercial character. Profits gained through such activities cannot be distributed among union members or fund donors.

Legislative restrictions on the activities of non-commercial entities are rather general: the objectives of a fund or union should not contradict legislation, accepted moral norms or Georgia's constitutional and legal principles.

The activities of a fund or union can be suspended or banned only by a court decision. For instance, such measures can be taken if a fund or union has obviously become a commercial entity, or if its goals as defined by its charter are impossible to achieve. In such cases, the court, on receipt of an appeal from the Ministry of Justice and/or an interested party, takes a decision on suspending or banning the activities of the civil organization. When such a decision is made, the territorial body of the Ministry of Justice that keeps the State registry annuls the organization's registration.

When these norms were adopted, fears were voiced that some of these restrictive regulations were too extensive and gave the government the chance to impede the activities of the CSOs. Some people believe that the regulation banning the activities of a non-commercial legal entity that contradicts "accepted moral norms" is superfluous. It gives the chance to institute a legal action against organizations promoting publicly unpopular values (protecting the rights of sexual minorities may be

the most obvious example here). So far, however, there have been no precedents of the activities of CSOs being hindered by court decisions.

The 1997 organic law *On suspending and banning the activities of civil unions* defines rules and procedures for suspending or banning the activities of unions, funds, trade unions or other civil associations. According to paragraph 4 of this law, the courts are entitled to ban a union that aims to overthrow or change Georgia's constitutional system by force, to violate the country's independence and territorial integrity, or propagate war and violence, to incite national, regional, religious or social hatred, to create or have created armed formations, or renew entrepreneurial activities after they have been suspended by a court decision.

The Civil Code also defines how funds and unions can be disbanded or reorganized. Reorganization implies unification or merging, division or detachment, or transformation. Funds and unions are disbanded in the cases stated by the charter, if their goals are achieved, they go bankrupt or their registration is annulled. Ongoing activities shall be completed, claims shall be settled, the remaining property shall be valued in monetary terms, creditors shall be satisfied, and the remaining property shall be distributed to the authorized entities, determined by the charter. The courts or the Ministry of Justice will accordingly pass the remaining property of the fund or union to one or several unions or funds, serving the same or similar goals. If there are no similar organizations, the property could be donated to charitable organizations or the State.

5.2.5 Regulating the expenditure of property acquired through charitable activities and in the form of grants (donations).

Apart from regulations concerning their registration, management or liquidation, the activities of CSOs are greatly affected by the regime set up by the State for their financial activities. Since the objective of non-commercial legal entities is not to gain profit for their members, but to achieve public benefit, democratic countries, as a rule, institute for them a beneficial taxation regime. It is highly important for the development of the sector that tax breaks work both ways: on the one hand, funds received and spent on CSO activities should be partially or completely exempt from taxation. On the other hand, exemptions should be extended to charitable activities, so that citizens have further motivation to donate their property to support goals beneficial for society.

Until recently, Georgian legislation was only developed on one side of this equation. The law on the taxation of goods and financial means received through grants exempted such income from most (though not all) taxes envisaged by the tax code. The major tax CSOs had to pay was income tax on salaries or any other fee. According to the same law, the state took responsibility to return to non-commercial entities the VAT paid by them. However, this did not occur in practice until 2004, when the new government began to pay off the State debt, accumulated over the years. However, only a few organizations have managed to regain these moneys so far. Despite a large budget surplus, the government is not displaying a strong enough will or making consistent efforts to bring the process to an end.

In December 2004, before the adoption of the new Tax Code, there was no legislative mechanism to encourage charitable activities. When the law on grants was adopted, the legislators assumed that grants would be allocated by foreign funds. This was true at the time, but due to this assumption no legal mechanisms were set up that would encourage the development of charitable activities within Georgia.

Moreover, even maintaining the tax benefits instituted by the law on grants was quite problematic. In the opinion of expert economists and, most importantly, international financial institutions, they constituted loopholes in the legislation used by business organizations to dodge taxes. Because of this, the Georgian government was occasionally recommended to annul such benefits. The activity of the CSOs themselves was important in maintaining the benefits.

The new Tax Code determined the notion and special status of charitable organizations. For this reason, the Code specifically listed all activities that fall under the notion of "charity". In particular, charitable activities include the following:

a) provision of help directly or through a third person, voluntarily or *gratis*, to those who require assistance, among them:
   i) to physical persons who require social protection or adaptation, medical services, also to insolvent physical persons, among them the disabled, aged, orphans, those who have lost breadwinners, refugees and displaced persons (persecuted ones), the sick, families with many children, the victims of wars, armed conflicts, car accidents, natural disasters, catastrophes, epidemics, and/or epizooties
   ii) to organizations taking care of the aged and the disabled, among them children's homes, boarding schools, free dining facilities, medical institutions, rehabilitation centres
   iii) to charitable organizations
   iv) to religious organizations
   v) to individuals with extraordinary gifts for the development of their talent
   vi) to penitentiary institutions – for the care of those detained there or their medical services
   vii) to those who carry out the above-mentioned activities
b) activities of organizations aimed at achieving public benefit in the following spheres: the protection of human rights, protection of the environment, the development of democracy and civil society, culture, education, science, health care, social welfare, physical education and amateur sport and art.

The Tax Code does not consider the above activities charitable if they are conducted by: State authorities or local government bodies; in support of an enterprise, political party or other entity taking part in elections; or in support of an individual assisting his/her relatives or a legal entity assisting their own managers or their relatives. It also does not cover activities that the law on advertising defines as sponsorship.

In order for an organization to be considered charitable it should have the relevant legal status. An organization can acquire this status if it was set up for charitable purposes, is registered in accordance with the rules set by legislation, and has at least one year's experience in charitable activities. Charitable status is granted by the tax body, and is revoked at its behest by the Ministry of Finance. Besides, to preserve its status a charity organization should present an annual programme report about its activities, a financial report and an independent audit report.

In accordance with the Tax Code the organization's charitable status will be revoked if it has violated the relevant requirements or its civil registration has been terminated. In the event of the withdrawal of status, the organization is obligated to return the part of its income received through tax benefits due to its status.

With the aim of transparency, the Ministry of Finance compiles a general registry of charitable organizations and makes the data available to the public.

It is highly important that the Tax Code, apart from defining the status of charitable organizations, has introduced benefits for the providers of charity, i.e. businesses, which choose to spend part of their income on charitable purposes. Donations to charitable entities are free from profit tax. Donations given to charity by an enterprise are taxed from the gross income, but this sum cannot exceed 8 percent of income after tax.

After these amendments, Georgia came closer to the legislative environment, which established democracies provide for the development of the civil sector. However, in the majority of such countries, tax benefits extend to other spheres that are not yet covered by Georgian legislation. In particular, tax benefits do not cover economic activities conducted for non-commercial purposes. The tax regime is not defined in instances when state administrative agencies or local government allot grants to CSOs. Although the CSOs are lobbying for the corresponding legislative changes, the legislators fear that with the current tax administration the first type of benefits would create a loophole for businesses to evade taxes, while the latter mechanism might become a source of corruption. For this reason, the point at issue is how to introduce such tax benefits without adversely affecting the State's interests.

5.3 Societal Environment of the Civil Sector

Those who assess Georgia's third sector from without, as well as its own players, consider its insufficient links to the wider public and its narrow social base to be its greatest weakness. The latter shows itself in different ways:

(1) People involved in the third sector are mostly of a particular social profile: they are relatively young, well-educated, reside in the capital. This gives the sector a certain elitist touch. Correspondingly, the civil sector has not become an arena for wide public participation in civil processes. According to a survey carried out by the Center for Strategic Researches and Development (this survey is the main source of the statistical data quoted in this section), only 5.8 percent of respondents throughout Georgia have had any type of cooperation with CSOs (this usually implies taking part in events organized by CSOs). Considering the youth of the civil sector in Georgia, the number may not be considered too small in itself. The problem lies in the fact that it reflects not true civil participation, but only an occasional and often passive relationship with the CSOs.

(2) People do not fully understand what CSOs really are, i.e. how they differ from State bodies, businesses or political parties. According to the same survey, 66 percent had no idea that CSOs had no right to participate in elections, that they were not profit-oriented, or were not funded from the State budget. Only 9 percent of society was properly informed about these issues.

(3) CSO activists are especially concerned by the value gap between themselves and the wider public; in their opinion, the major part of society does not share or feels hostile towards liberal values, the protection of which the civil sector considers its primary mission. The most popular example of this is the protection of religious minorities by CSOs, which was very unpopular with most of society (see also 6.5).

However, it should also be pointed out that both CSOs and their opponents often exaggerate these problems. At discussions in which CSOs engage one can often

hear that liberal values are shared only by a handful of people in Georgia, and these people are mainly congregated in CSOs, while the majority of others consider them adversaries of national values and "grant guzzlers". Such assessments are too pessimistic and bear a tint of corporate narcissism. Society's attitude towards the protection of the rights of religious minorities indeed constitutes an important problem with regard to the development of liberal institutions in Georgia. But the issue is often rather problematic in many consolidated democracies, while the standards of embracing religious pluralism promoted by the representatives of the Georgian civil sector tend to be rather strict; most European countries would probably fail to meet them. Even taking this into account, the attitudes of the broader public on the issue are far from homogenous. Asked how they assess the activities of Georgian CSOs in protecting religious minority rights, 41.9 percent gave a positive answer and 45 percent a negative answer. The figures concerning a general assessment of the civil sector as an institution are close to this: 45.9 percent evaluated its activities as positive and 41.3 percent negative. The sector's positive rating is fourth after the Orthodox Church, the mass media and private business. In the same survey, the answer to the same question formulated in a different way (how do the respondents assess the "different aspects" of the CSOs' activities) the ratio between the positive and negative was 42 to 19 in favour of the former. Based on these figures one can say that the sector still has much to do to increase its "rating", but the picture of a handful of liberals assembled there in confrontation with a generally retrograde society would be strongly overdrawn.

Society has a fair idea about the civil sector in as much as it considers that its chief merit lies in supporting the development of democracy (this is the opinion of 65 percent of those polled). Other CSO activities that are appreciated by society are helping citizens protect their rights, protecting them from violence perpetrated by the State, exposing corruption, and disseminating progressive ideas from the civilized world. Negative assessments are usually based on less democratic attitudes (CSOs undermine the State and establish chaos within society), ethnic-nationalist tendencies (they promote foreign values instead of national values), as well as on allegations of corruption (they spend funds in an inappropriate way). But as we have already mentioned, such views are held by a minority.

That this is how the public mainly knows the sector is due to the fact that, according to the same survey, it gets information on it mainly from television rather than other sources (such as information material from the CSOs themselves). The mass media, on the other hand, are mostly interested in politically relevant information. Most respondents require that CSOs (as well as any other public actors) resolve social problems, but they are less familiar with Georgian CSO activities in this field (they have heard more about foreign humanitarian organizations).

No similar survey has been conducted since 2002. We can suppose that the sector's active participation in the Rose Revolution increased its public visibility, but this does not in itself imply that people gained a better understanding of the essence of its activities. As for its popularity, initially the revolution probably led to an increase in the civil sectors' rating. But if society becomes disillusioned with the activities of the government, the sector's perceived association with the latter may affect the public attitude towards CSOs as well. In this respect, many people may make a distinction between, on the one hand, the organizations that were associated with the revolution and, on the other hand, those that rejected the revolution and now criticize the government in an especially radical way.

6. Partners and Relationships

6.1 Civil Society Organizations and the Media

The creation of the independent media, as well as of non-governmental organizations, occurred simultaneously with Georgia's movement to independence and the development of democratic institutions. All of these started in the late 1980s. The success of both the media and the civil sector, on the one hand, greatly depends on the development of liberal institutions and, on the other hand, serves as a major indicator of such development. In the past 10-15 years, when people spoke about the relative success of democratic development in Georgia, this success was most often illustrated by the development of independent mass media and the third sector. Conversely, when after the Rose Revolution some commentators started to worry about the revolution leading to a decline in, rather than strengthening of, democratic institutions, they first of all referred to the reduced pluralism in the media and the reduction in the activities and influence of the third sector.

The interdependence between the interests of the media and CSOs naturally creates high expectations for partnership and cooperation between the two sectors. Cooperation does in fact exist. It is based not so much on preconceived schemes or joint projects (although such things also happen), but on the objective coincidence of interests. Media independence is one of the main priorities for CSOs involved in human rights' protection. Legislative acts concerning media regulation are either drafted with the direct participation of the civil sector (the Liberty Institute is most active in this regard), or at least CSOs take an active part in debating them. Any attempt of the government to restrict the media prompts a strong reaction from the civil sector. When, in 2001, the government assaulted the most influential independent TV company of the time, Rustavi 2, the civil sector played a very active part in organizing public protests. This protest action, which turned out to be much stronger than its own initiators expected, turned into the first rehearsal of the Rose Revolution. During the Rose Revolution, the positions of the CSOs and media were quite close as well.

Taking advantage of media resources was and continues to be extremely important for CSOs. If many of the latter's leaders have become familiar public faces capable of influencing public opinion, it is the result of close contacts between the media and civil sector. The independent media consider the CSOs to be the major source of independent expert opinion.

Despite all the above, it would be a mistake to exaggerate the closeness of interests and, especially, beliefs between the media and CSOs. While the success of the mass media requires the institutions of liberal pluralism, it also remains a business, which depends directly on the business environment, on the one hand, and the vagaries of political constellations and public opinion on the other. By definition, independent media are supposed to reflect the entire diversity of interests, positions and values present in society, while the current balance of political and economic interests or public attitudes may or may not be conducive to the liberal agendas with which the civil sector associates itself. Last but not least, the community of journalists as a professional body may not share the values of the third sector or accept its self-ascribed social and political role.

The media often transmit hostile attitudes towards the civil sector, according to which CSOs (here and elsewhere the most publicly visible CSOs are implied), are

in fact puppets of a political force. Besides, the media also disseminate an unfavourable image of CSOs as an unpatriotic agent, hostile to national values, which is a tool in the hands of alien forces ill-disposed towards Georgia and its culture. Spreading similar views may in part serve certain political interests and result from political groups being able to exert influence on specific media entities. But there are grounds to believe that some journalists, editors and media owners share such attitudes towards the civil sector.

Within the framework of the Citizens Advocate! Program, the Civil Development Center *Alternative* conducted monthly monitoring of the print media's coverage of civil society activities. Other issues aside, the monitoring demonstrated that overall, positive information always exceeds negative, although the ratio varies from one period to another. For example, in September 2003, i.e. in the period of most acute political confrontation, 19 positive articles were published in the newspapers surveyed, 13 articles were rather negative and six were neutral. At this time, the politicization of the CSOs led to a polarization of opinions about them. In November 2004, 20 positive, two negative and 12 neutral articles were published (the ratio was the same in December 13-3-3). Considering the data, we can assume that a positive attitude definitely prevails over the negative, and that the expression of different attitudes in the media correlates with the expression of political attitudes.

If the Rose Revolution was the pinnacle of cooperation between CSOs and the media, later a general desire for cooperation was confirmed, but a difference of interests came to the foreground. The CSOs often express concern that liberal values are not very strong within the journalists' corps. When in the wake of the Rose Revolution pluralism in the media was reduced (particularly in television), and popular talk shows and investigative programmes had been taken off air, most CSOs explained this not just in terms of political interference, but also of a lack of commitment to the principle of independent media among journalists. Although in private journalists speak about government pressure, in public they do not speak about specific instances of restrictions on their freedom. For this reason, in the period following the Rose Revolution, both international organizations and Georgian CSOs spoke a lot about "self-censorship" in the media, but not about government interference, since they had no facts to substantiate the latter claims.

In connection with this, talk about the expediency of "civil journalism" has become more frequent recently amongst CSOs. This implies journalism that is motivated not only by considerations of commercial interests or high professional standards (such as the unbiased presentation of facts), but aims at advancing certain (usually – liberal) values within society. It is natural that the CSOs more easily find common interests with the publications or broadcasting companies that display a greater affinity to the spirit of civil journalism. Cooperation with such media companies sometimes develops into joint projects, and the media say they are willing to participate in more projects like this. In particular, *24 Hours* and *Rezonansi* newspapers, the *Green Wave* radio company and the *202* TV company could recently be considered media organizations of this orientation. However, concern is often expressed that media organizations of this type fail to achieve success on the media market.

The civil sector has come up with initiatives to encourage the creation of self-regulatory mechanisms in the media. For example, on the initiative of the Institute of Liberty, standards of media behaviour were drafted, which were subscribed to by media organizations and journalists. But no effective monitoring mechanisms to observe the standards were created. On the initiative and with the support of interna-

tional organizations active in Georgia, an Association of Broadcasters was set up. An Association of Publishers also exists. None of these initiatives has yet developed into an effective mechanism for self-regulation. However, it is highly important to set such a mechanism into motion for the development of media professionalism and independence. Such self-regulating mechanisms are a classical manifestation of civil society activities within the media. Their enactment depends primarily on media organizations and journalists, but it may also become one of the major spheres for cooperation between CSOs and the media.

The majority of CSOs, on the one hand, and media on the other took different stands when the law on public broadcasting was being considered in 2004. In this case, the opposition was between the corporate interests of the broadcast media and the vision of public interest shared by the majority of CSOs. The broadcasters believed that the creation of public television and radio, with guaranteed state funding and also access to the advertising market, would have placed them in an unfair position. They campaigned for the privatization of the existing State Television and Radio Corporation. The majority of CSOs believed that the creation of public television and radio constituted an important public interest, also because the existing commercial broadcasting companies fell under government influence. In their opinion, against the existing background, the development of a public broadcasting company might have an important positive impact on changing the situation in the media market.

The media considers CSOs mostly as a source of analysis and commentary. In this regard, the print media, especially those more oriented towards civil values, claim that CSOs should show greater support to newspapers by supplying them with information and analytical materials. In their opinion, civil society suffers from a lack of interesting and competent experts and, for this reason, various media organizations ask the same people for independent commentary.

Despite this, there still is an objective overlap of interests between the independent media and CSOs: in an environment where liberal values and respective practices are not well rooted, both are vulnerable. The existence of a government that respects the rule of law and political pluralism, is transparent and sensitive towards the needs of society, constitutes a precondition for the success of both. Under the current circumstances independent media and CSOs are destined for cooperation and partnership, though the search for more effective forms of such cooperation still continues.

6.2 Civil Society Organizations and Political Parties

According to the classical liberal notion, civil society is a public space where various societal interests and values are shaped, expressed and interact. According to this notion, civil society appears to be a sort of a "non-political parliament", while the sum total of political parties that constitute the political class is but the top of this "non-political parliament": here act those (groups of) people, who are busy defending public interests within the political sphere, as narrowly understood, that is in the sphere of open competition for the levers of State power. In other words, civil society is the soil in which the political parties sprout.

What we call "civil society" in Georgia (just as in many other countries) is quite far from this normative concept. Here, civil society, as presented by the nucleus of CSOs, expresses a single kind of public values, single public interest and single agenda: this is a political project to transform Georgia into a western-type liberal democracy. Therefore, the civil sector in Georgia is not a "non-political parliament", but rather a "non-

political party", that is an association of people and groups around a common set of values and common agenda. Debates or even disagreements within the CSO milieu resemble internal party discussions: they refer to how to achieve pre-conceived goals, rather than affect the fundamental goals and values themselves. One can go even further and assert a paradoxical statement: in a certain way the Georgian civil sector meets the criterion of a political party even better than groups that formally call themselves political parties, as much as the latter rally around the personalities of their leaders, rather than a certain set of societal interests and values.

The political project to transform Georgia into a liberal democracy, at least at the level of public discourse, is dominant in the Georgian political realm and nobody contests it openly: this makes the goals of the civil sector appear in full harmony both with the goals of the wider public and of the "political class". Practice shows, however, that actual attitudes towards the project differ at all levels. Attempts to establish new norms and practices clash both with the pre-existing political traditions and interests of specific social groups. Against this backdrop one could say that the very existence of the civil sector, in as much as it promotes liberal and democratic values in the most consistent way, reflects the true public interest, while even the declarative recognition of the liberal-democratic project by the major social actors is the main source of its strength and influence.

In the given setting, the CSOs relationship with the political class is ambivalent. On the one hand, normative democratic views push civil society groups to see their goal in supporting an environment of political pluralism, of fair political competition. If this is the case, they should keep a clear distance from the domain of open political struggle, in other words detach themselves from the political class, to remain non-political, and either to cooperate with all political parties on an equal footing, or not to cooperate with any of them at all. There are two additional factors in favour of taking this stand. One is the donors' interest, as they prefer the CSOs they fund to keep their distance from politics (see 6.4). But a general anti-political disposition typical for the post-communist world also moves them in the same direction: according to this approach, politics is an unethical, "dirty" business and people with strong moral ambitions should steer clear of it, which often implies being in permanent opposition.

On the other hand, the actual status of a "non-political party", that is promoters of specific political principles, pushes the civil sector into seeking specific partners within the political sector, those who show greater support for their agenda. But since the declared intention of the sector is non-political, even a wish to cooperate with any specific political force leads to an existential crisis within the sector. Such a crisis became rather acute before and after the Rose Revolution, when some CSOs abandoned their previously declared neutrality, while others interpreted this as a betrayal of the basic principles and values of civil society.

Against this backdrop of ambiguity, the relationship between the CSOs and political parties bears the mark of certain misunderstandings, uncertainties and mutual mistrust. Either there are no relations between them at all or, if and when such relations develop, they are non-transparent and accompanied with a certain feeling of guilt on the part of the third sector. We can cite here several examples of such relations.

The first is the relationship between the civil sector and the so-called "reformist wing" of the Citizens' Union of Georgia, that is Zurab Zhvania's political team, in 1994-2001. It should be pointed out that, similar to what I said about the civil sector, this informal "team" met the criteria of a political party much more than the Citizens' Union in its entirety, since the latter used to represent a rather amorphous network

of political and economic interests, and its members had hardly anything in common apart from their link to Eduard Shevardnadze's political regime. The "reformers", on the other hand, were not only united under the leadership of Zurab Zhvania, but also shared certain political ideas and political culture. As several people who had a close relationship with him confirm, Zhvania intentionally supported the development of the civil sector in Georgia, since – unlike other political leaders – he understood its potential importance. The fact that he himself came from the environmental protection movement contributed to this understanding. He believed that in this sector he would find public support for his political projects as well as new human resources. On the other hand, the most active part of the civil sector took advantage of contacts with the "reformers" to promote their own agendas, mostly to lobby specific legislative initiatives, often quite successfully. But the people or groups involved in this cooperation directly were reluctant to make the fact public, not only because this contradicted the principles of neutrality, but also because the sector was embarrassed to appear close to the ruling political party, the activities of which it did not regard as conforming to democratic principles. Even relations with the "reformers' wing" per se were not free of contradictions. For example, the sector's most prominent representatives strongly criticized the "reformers" for the allegedly important role they played in rigging the 1999 parliamentary elections.

This example of cooperation had its negative aspect: some political players and some of the public considered the CSO community to be some sort of extension of "Zhvania's team" into the realm of civil institutions, which the team did not want to admit. On the other hand, the civil activists declared that they were ready for cooperation with other political forces if the latter helped them to achieve their objectives, but no political groups jumped at these offers.

Another stage of cooperation between the CSOs and the political parties is linked to the period preceding the Rose Revolution. In this context political sympathies went mostly to the "reformers" who turned into the opposition. The most active organizations supported the unification into one election bloc of the three political groups – the National Movement, Burjanadze-Democrats and the New Conservatives – which was referred to as the "Democratic Opposition". At the same time, most of the CSOs were against fully abandoning the principle of political neutrality. The political project called *Ten Steps towards Liberty* showed a way to compromise. This small document, drafted by the active nucleus of the sector, contained the priorities which, in the opinion of the authors, were to become the guiding principle for democratic political parties if they came to power; signing the *Ten Steps* had to become a criterion confirming the democratic credentials of a party. In return, the civil sector promised its support to any political force that signaled its readiness to implement the programme. Theoretically, this document was open for signing by any political group; thus the CSOs technically preserved their neutrality, although in fact – just as expected – it was signed by the political parties that were considered to constitute the "Democratic Opposition".

In the period preceding the Rose Revolution the issue of the sector's political neutrality became the subject of painful internal discussions. Some were openly against it, others considered it absolutely necessary, and the majority of the organizations tried to find a cautious middle ground. Not surprisingly, many of those who had opposed the dictum of neutrality, found themselves in the government after the revolution, while among those who stayed behind in the CSO community the issue remains unsettled. The demand for complete political neutrality is fully shared only by a small number of

CSOs, but at the same time it is considered expedient to declare openly the political stand of an organization, if its activities assume some political preferences.

In general, after the Rose Revolution the political position of the sector is less distinct than it used to be. Many CSOs openly disapprove of certain aspects of the new government's activities, but at the moment there are no signs of at least informal partnership being established between the civil sector and any opposition force or informal faction within the government – something that could be comparable to the cooperation between the sector and "Zhvania's team". One cannot say that even CSOs and those people who were "delegated" to the government from this milieu share common assessments and approaches. The majority of the CSOs do not yet see a reliable champion of liberal values within the opposition. The Republican Party, which in summer 2004 moved into opposition after having been in union with the National Movement, and most of whose members are at the same time active in the civil sector, could be the only exception. However, most of the civil sector cannot yet recognize the Republican Party as an effective counterweight to the government and, while criticizing the government on many accounts, still links the hope for the country's democratic transformation to the National Movement.

A preliminary estimate may be that, as concerns political stands taken by CSOs, the Rose Revolution made the sector more heterogeneous, and this transformation may be irreversible. If this is so, this could only be welcomed. Some groups have closer cooperation with the government (which, if such cooperation is dictated by their interests and priorities, does not yet turn them into *GONGOs*), others keep greater distance from the political sphere and combine criticism and cooperation, while still other organizations prefer to adopt openly opposition and confrontational attitudes. Some are wholly indifferent towards politics. All these stands are equally legitimate and should not lead to mutual moralistic accusations.

6.3 Civil Society Organizations and Business

Relations between civil society organizations and business have been insubstantial throughout the existence of the sector. The state of business in the country – the large share of the shadow economy (according to some estimates under the last government it was around 70 percent), the imperfect tax system, the lack of consistent State policies, the lack of legislation on charity until very recently – created an unfavourable background for the development of a relationship between the third sector and business.

Georgian business could become an alternative source of funding for CSOs through charitable donations or remuneration for the services provided by CSOs to business. Such relationships do exist in fact, but they are underdeveloped. Businesses usually make small, one-off donations. Notably, businesses often require guarantees of anonymity for the aid provided, which could be explained by the shadow nature of the business or the fear that unwanted publicity could lead to problems in relations with the tax office.

The problem is not restricted to relations between business and civil society. Georgian businesses are involved in much more charitable acts than one might prima facie assume. But these acts are one-off and, as a rule, they are the results of personal decisions by businessmen who are not anxious to make them public knowledge. The establishment of institutionalized forms of charitable activities, such as charitable foundations, by individual businesses or groups of businesses, is still

rare. When such funds are established, society often is not duly informed about the priorities in their activities, or terms and procedures for applying for their assistance.

Business representatives often blame the lack of desire to provide aid to the third sector, as well as the generally low level of the development of institutionalized charitable activities, on the non-existence of the relevant legislation that would institute tax benefits for such activities. In this regard, the new tax code enacted in January 2005, which introduces tax benefits for charitable donations (see above, 5.2.5), may stimulate the development of charitable activities in Georgia.

However, benefits do not in themselves suffice to motivate businesses to give to or, more specifically, to sponsor projects implemented by CSOs. The poor development of institutionalized charitable activities in Georgia can also be explained by the lack of corresponding traditions, as well as the fact that society does not have a proper understanding of what charity is. The lack of cooperation between businesses and CSOs could also stem from the lack of trust and communication between these players. The third sector did not succeed in adequately presenting their skills and requirements to business. As the help of international donors allows developed organizations to function, and obtaining funds from them is less time consuming than working with local business, the organizations do not invest enough time and energy into strengthening relationships with Georgian business.

Most importantly, business does not consider the third sector a real partner. One of the reasons for this may be the fact that business circles cannot see – or the CSOs failed to demonstrate – the connection between the level of development of civil society and a favourable environment for investment.

Business shares some mistrust towards CSOs with the wider public. Businessmen consider certain organizations politically engaged, and this makes them trust them less. On the other hand, when businessmen see that certain organizations have bad relations with the government, they may avoid helping them as they do not want to spoil their own relations with the government. Therefore, even those businesses that are generally well-disposed towards charitable activities may choose to spend their moneys in other ways than supporting CSOs.

All this leads to insufficiently developed relationships between the civil sector and business. The survey has revealed that 60 percent of organizations have never had any relations with business organizations, not counting necessary purchases. Nine percent of the organizations which had any relations with business got financial assistance from them, 25 percent provided services for businesses (this includes protecting the rights of entrepreneurs, consultations and legal services, giving micro credits), and 13 percent conducted joint activities with business representatives (research, preparation of legal initiatives, joint actions in the spheres of ecology, education, health care, culture and sport).

6.4 Civil Society Organizations and Their Donors

The growth in the number of civil society organizations, their institutional development and the priorities in their activities greatly depend on the actions and policies of donors. From the moment of becoming independent, Georgia has never lacked donor attention. For several years, it has occupied one of the first places in the world as a per capita recipient of aid from the government of the United States. The European Union is another large donor for Georgia. International organizations (the International Monetary Fund, the World Bank, the UN and other organizations), de-

veloped European countries (Germany and the Netherlandsin particular) are also among the major donors. The activities of private donors should also be added. As the first years of independence coincided with ethnic-territorial conflicts and civil war, which resulted in humanitarian catastrophes and the collapse of the economy, in that period the assistance provided by the international community was mostly in the humanitarian sphere. From the mid-1990s greater attention was given to development programmes, although the support of democratic reforms was also considered very import. It is true that in the classification of types of international assistance, development assistance is usually distinguished from democracy assistance, in practice it is not always easy to draw hard and fast lines between the two: for example, assistance for institutional reforms, if it is effective, is also beneficial for democratic development.

The government constituted the main target of this assistance, CSOs got only a small fraction of it – by expert estimates, some 5 percent of the allocated moneys. But one can assert with confidence that this assistance proved quite important in terms of its social effect. It helped to shape a social stratum that might not be numerous, but exerted considerable influence.

The development of the third sector in Georgia owes a great deal to those foundations that opened offices in Georgia: this includes the Open Society-Georgia Foundation (often called the Soros Fund), the Eurasia Foundation financed by the US government, and ISAR-Georgia, an organization that was funded by the US Agency for International Development and was later transformed into the Georgian organization Horizonti. Later they were joined by the German Friedrich Ebert Foundation. These funds were oriented towards the development of CSOs, they were very familiar with the ongoing problems of the newly developed sector and were in a position to make their strategies relevant to the actual situation in the country. The personnel of their Georgian offices, and from some point also their managers, were Georgians. As a result, these organizations, despite their foreign affiliations, are recognized as part and parcel of Georgian civil society.

The donors' map is, of course, much more diverse than this. It also includes embassies accredited in Georgia and the representations of foreign organizations that do not consider assisting CSOs to be their priority, but finance certain CSO projects; international non-governmental organizations that cooperate with the local organizations on the basis of sub-contracts and in effect act as their donors; big international foundations that have no offices in Georgia, but assist Georgian organizations as well. Most important among the latter is the European Initiative for Democracy and Human Rights, funded by the European Union, and the Dutch funds Cordaid and NOVIB. These latter funds provide aid mostly to the developed, first and second tier organizations.

As in other countries, there is both commonality and a difference of interests in relations between the donors and their recipients. The unity of interests primarily concerns common goals and values. Sometimes one can hear talk that the commonality of interests has negative implications as well: it is in the interest of both the donors and their recipients to expend the sums assigned for specific programmes and present this expenditure as effective and efficient. In this relation, neither of the parties is interested in discussing failures, and this does not help to draw lessons from negative experiences. This, however, pertains to the relationships between all donors and recipients, not specifically CSOs.

Despite this kind of mutual dependence (in which the CSOs are of course junior partners), there does exist a divergence of interests and reciprocal complaints. Do-

nors often express dissatisfaction with the fact that the organizations they fund are too oriented towards processes rather than results, that is to the general social impact of their activities. In order to measure the effectiveness of their activities, special methodologies are designed based on specific indicators. CSOs are obliged to use these methodologies both at the stages of planning and then evaluating their activities. Local organizations generally share the philosophy of being result-oriented, but in the process of measuring effectiveness an objective divergence of interests between CSOs and their donors becomes visible. The donors require the demonstration of timely and verifiable results of the projects funded by them. Since the majority of big donors are funded from the state budget, that is, spend taxpayers' money, they have to demonstrate to their own societies (which as a rule have a rather vague idea about the needs of target countries) that the assistance brings specific, sizeable results. Presumably, internal bureaucratic dynamics within donor organizations play a role as well: each head of programme or department wants to demonstrate the effects of programmes while he or she is in post.

However, the strategic needs of the target country require not only the implementation of projects that bring immediate and easily verifiable results. It is no less essential to carry out projects that have in mind long-term incremental changes, to be achieved through the development of human and social resources, gradual changes in public opinion and habits. Such activities are not less important, to say the least. But, as every organization that tries implementing these kinds of projects knows, putting verifiable indicators of their effectiveness into respective "logical frameworks" can only be rather artificial. Moreover, sometimes projects that formally constitute a failure may have long-term value anyway, as mistakes lead to the accumulation of extremely valuable professional and social experience. Thus, if the donors insist in a too straightforward way on the achievement of speedy and easily verifiable results, this may make their programmes less effective in the long run.

Frequent changes in priorities are also linked to the philosophy of achieving quick results. These changing priorities may or may not conform to the ideas of local players about the objectives that are primarily important for their countries. Such fickleness also encourages opportunistic attitudes in local organizations, their readiness to easily switch from one task to another as grant opportunities emerge.

One more big problem in the relationships between the donors and CSOs lies in the fact that most donors (although there are exceptions) are only interested in implementation of the projects they fund and do not care much about the general sustainability of respective organizations, do not show much respect for their institutional requirements or internal regulations, which might not equally fit the requirements of every donor. Each donor organization has its own rules of financial accountability, and most of them demand that the expenditure on their project be fully isolated from the other activities of the same organization. This creates major problems for developed organizations that work on several projects simultaneously and have to share their administrative resources between each of them. Only some donors accept the right of an organization to assign part of the budget to administrative overheads, without a specific link to the requirements of the given project.

Donors occasionally criticize the circle of developed CSOs for being clannish, elitist and closed, for not being ready to share their resources. For this reason, especially since the late 1990s they have been giving priority to encouraging networking and collaboration between different organizations. In general one has to say that this has led to the development of effective partnerships (see 4.5). Many orga-

nizations were interested in cooperation with the others anyway, or were quick to grasp the benefits of such cooperation. However, in some cases donor-driven networks have proved somewhat artificial and rather serve the corporate interests of a given donor in having "their own" networks on the ground.

Local CSOs often express concern that donors do not coordinate their activities among themselves, or that such coordination is insufficient. To some extent, competition between donors may be even beneficial for the local organizations as it reduces their dependence on the donor-defined agendas, grants them more room to manoeuvre and strengthens their bargaining position in relations with the donors. Had the donor community constituted a consolidated corps, with a commonly agreed agenda and rules, it would make the whole CSO sector even more dependent on them. But actual problems arise when the goals and approaches of different donors start getting in each others' way. One can often hear in the CSO community stories of one donor encouraging the production of certain goods in an effort to assist business development, while some other donor, within a humanitarian assistance programme, distributes the same product for free.

Finally, the interests of donors and their recipients may diverge when it comes to the political aspect of their activities. The donors are usually interested in having good relationships with the host governments. The latter often complain that donors encourage and strengthen their political opponents, thus interfering in internal political struggles in the country and undermining its stability. The donors are extremely cautious not to give their host governments additional grounds for such accusations. In practice this means that donors ask their local partners to keep a distance from politics. Sometimes such insistence annoys local organizations, especially those who see the promotion of democracy as their primary goal. Such organizations tend to have strongly pronounced political views in favour and (especially) against certain political actors. They may consider the demand of the donors to observe neutrality as restrictive.

Importantly, such caution on the donor side does not insure them against the host governments' wrath anyway. Even if the CSOs formally adhere to the neutrality clause, in effect they still contribute to strengthening those political actors to which they are closer. Even such a formally "neutral" action as assessing the fairness of elections or documenting human rights abuses (as well as refraining from doing any of these) serves the interests of certain political players. Therefore, whatever the donors do, they will not escape accusations of influencing the political dynamics of the target states.

In the period preceding the Rose Revolution one of the donors, the Open Society-Georgia Foundation, funded by George Soros, trespassed conventional limits of donor activities by supporting an openly and aggressively opposition movement, *Kmara* (*Enough*). But this was a private foundation that could take greater liberties. The US Embassy and the US Agency of International Development, as state-funded donors, visibly distanced themselves from the foundation and even avoided personal contacts with it and organizations closely connected to it. The result was, however, that the International Society for Fair Elections and Democracy, which was funded by state-related donors and conducted (alongside the international observers' mission) a formally non-partisan task, such as monitoring the November 2003 parliamentary elections, probably played no less important a part in the Rose Revolution than Kmara. Moreover, popular conspiracy theories ascribed to US Ambassador Richard Miles an even greater role, presenting him as the secret architect of the Rose Revolution, rather than George Soros.

Some Georgian players criticize the donors for excessive political caution. In their opinion, their priorities lead to a certain imbalance within the political sphere. Were donor assistance not centred on NGOs, they say some active people who are democrats by conviction, might openly participate in political life, and this would probably have a positive influence on the whole political realm. But now, for financial motives, they prefer to be active in the CSO community and are obliged to distance themselves from politics. On the other hand, those organizations that did not support the Rose Revolution ask western donors to keep an even greater distance from local politics.

This contradiction can probably be never resolved. As a rule, foreign donors, save for rare exceptions, will try to keep a certain distance from local politics (although they understand that no distance can be absolute), while the local actors will consider their stance (at least in a situation of crisis) to be overcautious. Both sides should stick to common sense and not expect the other side to completely change attitude.

This is also true of the other problems mentioned: the difference of interests between the donors and the organizations funded by them is as natural a part of their relationships, as the cooperation based on the coincidence of strategic goals and values. It would be naive for local organizations to hope that a foreign donor could overcome dependence on the ideological or political preferences of its own country or its own internal bureaucratic interests. At the same time, donors should not expect that local partners will easily accept their approaches and methods. Such a relationship is built on mutual negotiations and agreements. While the starting position of Georgian CSOs in these relationships may seem much weaker than that of the big international foundations, if the Georgian organizations have a well-founded agenda and defend it in concert, they can influence the behaviour of donors. Apparently, the third sector in Georgia is learning how to protect its positions in the relationships with donors, but is only taking the first steps in this direction.

6.5 Civil Society Organizations and Religious Entities

A sharp increase in religiosity is one of the most notable trends in Georgian society in the last 10-15 years. This has been accompanied by the rapid growth of the influence and authority of the historically dominant Georgian Orthodox Church, finding its legal expression in the constitutional agreement (informally – Concordat) between the Orthodox Church and the state signed in October 2002. This agreement has further strengthened the special role of the Georgian Orthodox Church in Georgia. At the same time, a wave of religious violence swept over Georgia, reaching high tide in 1999-2002. This violence occurred when extremist representatives of the Orthodox Church assaulted certain religious minorities, in particular Jehovah's Witnesses, but also Evangelicals, Baptists, Pentecostals and others.

Against this backdrop, relations between religion, State and society, became one of the central and, at the same time, painful problems of Georgia's democratic development. The core of the problem is that the Orthodox Church, in particular the radical part of its congregation and hierarchy, finds it difficult to accept the principle of religious pluralism, which in their opinion represents a threat to the Church. They claim that if unlimited religious pluralism is allowed, wealthy western churches will be free to carry on their proselytizing activities, which the much poorer Georgian Church will be unable to compete with. Since religious pluralism is one of the basic prin-

ciples of liberalism, the Church increasingly attacks liberalism as such, as the ideology which is most hostile to Orthodoxy. Civil organizations of a liberal persuasion are, on the other hand, the strongest supporters of the principle of religious pluralism. This support expressed itself in supporting religious minorities when they became victims of violent attacks or their rights were infringed upon in some other way.

This resulted in a certain tension between, on the one hand, the Orthodox Church and, on the other, CSOs of a liberal persuasion. If we keep in mind that the Orthodox Church is the public institution that enjoys by far the highest moral authority in Georgia,[5] such tension involves a considerable challenge to the public image of the civil sector. In a more general sense, the negative attitude of the Orthodox Church towards liberal principles is one of the factors that hinders the establishment of liberal democratic values in Georgia.

However, the stand of the civil society organizations towards religious matters is far from uniform. At present the civil sector in Georgia could be broken up into three main categories with regard to the problems of religion:

- Most CSOs have an indifferent, neutral attitude towards issues related to the status of the dominant Church and religious pluralism. This could in part be explained by the fact that the activities of these organizations are not linked to issues of religion. But many also consider this issue too sensitive and prefer not to touch upon it at all.

- There are several faith-based, non-governmental organizations whose activities aim at strengthening the position of the dominant Church. Most prominent among such organizations are the Union of Iberians, the Queen Ketevan Society, the Followers of David the Builder and the Union of Orthodox Parents. Representatives of the Orthodox Church often refer to these organizations as "our NGO sector". Experts believe they were set up upon the initiative of the Patriarchy, but their stands are much more radical than the official position of the Patriarchy. If it is possible to talk about illiberal "uncivil society" in Georgia, the first examples that come to mind would be radical Orthodox organizations. The activities of these organizations are less well known to the non-religious part of society, they mostly show themselves in conflict situations: for example, they became active when public protests started against the signing of an agreement between the Vatican and Georgia (the agreement was not signed as a result). The Union of Orthodox Parents organized protest rallies against reforms initiated by the Ministry of Education.

- On the opposite side there are organizations that actively promote the principles of religious pluralism based on liberal values and the rule of law. There are not very many organizations active in this area: the most important and famous is the Institute of Liberty, several other groups also work on these issues, or do not have specific projects in this area but publicly express clear opinions in support of religious pluralism. Since the organization of Jehovah's Witnesses was the most frequent target of religious violence, and human rights organizations had often to come out in their de-

---

[5] This has been confirmed by all polls. E.g. According to the study already mentioned conducted by the Centre of Strategic Research and Development in November 2002, 85.4% of Georgia's population have a positive opinion about the activities of the Georgian Orthodox Church. To compare, the second highest figure was obtained for the media (69.3%), while 9.0% and 9.6% of those interviewed were satisfied with the performance of the government and parliament respectively.

fence, the radical Orthodox groups labeled these organizations or the entire liberal civil sector as "advocates of Jehovah's Witnesses" or simply "Jehovah's Witnesses". Wider society often perceives the advocacy of religious rights on behalf of civil society as a confrontation between the civil sector and the Orthodox Church.

The civil sector is well aware of the fact that such a confrontation or widely shared perception of confrontation is not favourable either for its own image or for the advancement of liberal and democratic values in Georgia. But, to this day, the CSOs interested in religious pluralism have failed to elaborate a comprehensive strategy in their relationship with the Orthodox Church. They vacillate between attempts at cooperation, moderate opposition, and open confrontation, though in recent years the latter trend has tended to gain ground.

One of the attempts to establish cooperation between CSOs and the Orthodox Church was an agreement signed between the non-governmental organizations and the Orthodox Church in 2002. It was widely covered by the media as the beginning of cooperation between the two social players. On the civil society side, it was pro-democracy and human rights organizations (the mentioned Liberty Institute among them) who took the lead. At present there is no enthusiasm left for the experiment either among the CSOs or the Church. When the agreement was signed, there were expectations on both sides. The CSOs hoped that after the document was signed, the Patriarchy and the civil sector would enter a new phase in their relationship, in which the third sector would influence the Church and direct it towards greater liberalization. For the dominant Church, the signing of the document was a pragmatic step, by which they wanted to show society that they were open to a relationship with the third sector. One can also regard it as a moderate victory for pragmatic forces within the Church. Naturally, the Church also hoped that it would be able to develop relations with the sector and exert influence on it. In experts' opinion, the main reasons for the failure of the agreement were the unrealistic expectations and a failure to find specific areas for cooperation. But the very fact that such a document was signed indicates that on both sides there existed (and may exist today) interest in and goodwill towards understanding and cooperation.

The discussions that preceded the constitutional agreement (Concordat) could be regarded as examples of moderate opposition between the Orthodox Church and non-governmental organizations. At the time, the majority of civil organizations was negatively disposed towards the Concordat, but did not display particular radicalism in their criticism of it. The main reason was that, under the circumstances, no political force wanted to ruin its relations with the dominant Church and the Concordat project was considered unstoppable. The civil sector did not have sufficient resources to mobilize any protest movement against the idea. So the CSOs considered it a better strategy to enter into discussions on details of the draft constitutional agreement in order to ensure that its provisions would not obviously contradict religious pluralism. This strategy turned out to be effective in part: the text of the constitutional agreement does not include provisions infringing upon the rights of other denominations (save for alternative Orthodox groups which have broken away from the mainstream Church). However, some experts criticize the civil sector for its failure to fight against the Constitutional Agreement strongly enough.

Open confrontation between the Orthodox Church and part of the civil sector was the result of the attempt by the latter to find allies within the Church, that is, to find

and support the more liberal clergy within the Church. This prompted a strong reaction from the Orthodox Church (both the Patriarchy and the radical faithful), as it was interpreted as inappropriate interference in the internal life of the Church. In particular, tensions rose after CSOs attempted to defend a controversial liberal priest, Father Basil Kobakhidze, when he was threatened with defrocking. In another controversial episode, civil groups publicly came to the support of a group of students at a theological seminary, who alleged that higher echelons of the Patriarchy were corrupt. In these cases, the CSOs protested against the Patriarchy cracking down on pluralism within the Church and demanded that they observe human rights inside the Church. Equally strong accusations followed of unacceptable interference in the internal affairs of the Church. This confrontation led to a public discussion on where exactly the border should lie between the natural interest of society in the Church, and unacceptable forms of interference in its internal life.

Against this background it should be pointed out that the CSOs still have to define their strategy towards the Orthodox Church. Protecting the principles of religious pluralism and freedom of confession is their natural obligation, and under current Georgian circumstances this task remains a priority. However, in the opinion of some human rights experts, civil society activists tend to allow too much radicalism and impropriety in their relations with the Church. It would probably be utopian to expect that attitudes on both sides will ever fully converge, but this does not mean that there are no resources for rapprochement and better understanding.

Work on social issues is an important source of cooperation. The Orthodox Church is traditionally less active in these matters, but the social sphere, unlike that of religious pluralism, does not contain contradictions that would impede cooperation. The work of Lazare, a Church-related organization mostly involved in social issues, is a good example showing that the enthusiasm and energy of Orthodox believers could be used successfully to advance social issues.

Apart from the Orthodox Church, the CSOs also have relations with the religious minorities. Here, human rights protection is the main focus. Since the civil sector is more active than anybody else in advocating religious pluralism in Georgia, religious minorities cherish certain hopes towards it, although they consider the government to be the most important agent capable of resolving their problems.

As for the activities of religious minorities in the public arena, they do not have a very high profile. The reason could be that as soon as a religious minority organization ventures into any public activity beyond a relationship with its own faithful, much of society tends to interpret this as proselytism and reacts negatively or even aggressively. For this reason, the minority confessions shy away from overt social activity or, if they do implement some social programmes, they prefer to do so without much publicity.

One more reason for the low activity of minority confessions may be found in the crossover between religion and ethnicity. Whether a religious community is socially active or not may be closely connected to its members' ethnic affiliation: a religious group is more active if its members consider themselves a full part of Georgian society.

The Evangelical-Baptist Church could be used as the best example to illustrate the point. The Church leaders and many of the members actively cooperate with the third sector. The congregations of the Evangelical-Baptist Church consist mostly of people who speak Georgian, have been brought up in Georgian culture and strive to achieve their place in society. The situation is quite different among the mainly

Russian-speaking Pentecostals or the German Lutheran Church, which even its Pastor Stockl, described as "an island defending itself from the outer world". The main language of the Lutheran Church is Russian, and the Church's problems never go beyond the Church. This could be in part ascribed to the unfortunate tendency for the majority not to be open enough to accept a minority in a cultural sense, thus pushing the minority into a defensive position.

One of the main weaknesses of human rights organizations in their dealings with the problems of religious denominations is that they do not sufficiently increase awareness of such problems, that is, the third sector does not act as a mediator between religious groups and wider society. As a result, the views of the religious minorities on such important issues as teaching religion in schools, intolerant attitudes towards religious minorities expressed in the media etc., are not represented in the public arena. As some experts put it, "the voices of religious minorities are not heard". Many experts also note that, apart from the rather ineffective work of the third sector, religious minorities fail to establish their common positions, which could be the result of competition between them or their internal divisions. As a result, the religious minorities do not have a common approach on important legal matters of common interest, such as the rather problematic issue of the registration of religious organizations.

7. Tasks and Steps to Be Taken

As the above analysis has shown, the civil sector in Georgia has developed in many ways, even though it is still far from the classical model of civil society that political theory considers the basis of a liberal-democratic political system. In the existing context, it would have been unrealistic to make demands on the sector, which would have envisaged the establishment of a Tocquevillian model of civil society. But it is possible and necessary to single out realistic priorities for action which aim to strengthen the sector and enable it to achieve greater benefits for the public.

These expected public benefits may be broken up into two major parts. On the one hand, the task of CSOs is to provide services for specific target groups. This requires, first of all, that they adequately plan their activities on the basis of accurate evaluation of public needs, develop corresponding skills and draw the necessary financial resources. On the other hand, however, the civil sector has a higher aim: helping to create a social environment that can underpin a sustainable liberal-democratic political system. In order to achieve this task, it is not enough to underpin the CSOs' professional and resource basis: qualitative changes should occur within the sector, such as an expansion of its social basis, the development of pluralism and a culture of dialogue and the development of public spirit within society at large.

The development of the civil sector in Georgia, under the present conditions, depends chiefly on three actors: primarily on the CSOs themselves, but also on the Georgian government and donors. Recommendations are formulated following a corresponding scheme.

7.1 Recommendations for CSOs

These recommendations are listed in connection with the strategic tasks and challenges which the sector faces today. They can be broken down as follows:

7.1.1 Expansion of public participation

The task of the civil sector is not only to increase the number of its beneficiaries (which is also the indicator of its effectiveness), but to involve more people in its activities, thus expanding its own social base. For this reason CSOs should reconsider their priorities in the following directions:

- Systemic efforts should be directed at the development of the institution of volunteering. This does not mean that volunteers should replace the professional nucleus of CSOs – this just implies that the latter should expand participation in their activities through involving volunteers, and that correspondingly their activities should reach out to more social groups. One could assume that in Georgia there is a big resource of volunteers, which is untapped because there is no relevant tradition and because the principle itself has been discredited by Soviet institutions. This requires developing and disseminating specific methods of campaigning aimed at mobilizing people. International experience should also be studied for this end.

- One of the main reasons why the milieu of CSOs is somewhat closed is that they are perceived as representing groups with a particular social profile and values. Greater attention should be paid to the relationship with other groups and promotion of dialogue between them, with the aim of clarifying the CSOs' positions and reaching a certain consensus or mutual understanding on concrete public problems. Until recently, this kind of work was only conducted with regard to different ethnic groups and it was aimed at resolution or prevention of conflicts. But in Georgia the culture of polarization and confrontation is not limited to ethnic groups. Experience has shown that there is considerable potential for confrontation based on ideology and values. The dialogue should also involve the groups, which, from the position of the civil sector, are bearers of illiberal values (namely, radical groups based on the Orthodox faith). Such activities, based on the expression of public interests and mutual understanding, will strengthen the culture of dialogue, which is a necessary precondition for the sustainable and effective institutions of civil society.
- Further work is needed to introduce civil society activities and its principles to the wider public. In recent years, particular steps were made in this direction within the Citizens Advocate! Program, but such work should be given priority and it should become more consistent. This does not only refer to publicizing the achievements of any particular organization, but to the definition of the essence of charity, volunteering, social activism, and demonstration of the effectiveness of such activities. In order to achieve such goals, stronger relations should be developed with the media. This may include implementing joint projects.
- Organizations with the corresponding profile should do more work to strengthen the institution of membership. Specific methods should be developed to attract members. This will help the expansion of the social bases of the organizations and the development of a culture of participation as well as strengthen long-term financial sustainability.

7.1.2 Strengthening of synergy and standards of conduct within the sector

The sector is quite diverse in its priorities, types of activities, political orientations etc. Presumably, the Rose Revolution will help to increase this diversity. Because of this, an opinion is often voiced that it is unrealistic and unnecessary for the whole sector to have identical principles or orientations. This approach is definitely well justified; this, however, does not rule out that, at a minimum, the most developed and publicly visible part of the sector tries to achieve greater synergy through cooperation. The objective is both to increase the quality and effectiveness of work, and to establish and demonstrate criteria for the best practices of social activism.

- It is essential that the initiatives already launched aimed at achieving greater synergy continue and new steps in this direction are encouraged. Namely, effective mechanisms should be elaborated to monitor the observance of the Code of Conduct of CSOs, while consulting aid should be rendered to organizations that have problems in observing relevant norms.
- Initiatives aiming at the development of strategies or policy papers by groups of CSOs should be encouraged, as such documents will be helpful for their effective and targeted cooperation with the Georgian government and donors.

- Under the new conditions, the idea of creating CSO umbrella organizations should be revisited. If such an organization is created, it should be based on specific standards and objectives. Organizational experience and the social capital of mutual trust gained through efforts to draft and unite around the Code of Conduct may be a starting point for this endeavour.

7.1.3 Organizational strengthening of CSOs

In recent years, activities in this direction were a priority for both donors and developed CSOs (the first and second tier organizations). There have been important achievements as a result. These efforts should continue and expand, so that, on the one hand, the management structures of the relatively advanced organizations further develop, their resource base broadens, and their work becomes more effective and efficient, while on the other hand, higher standards should be applied to more organizations. Special efforts should be made to strengthen skills for assessing social needs, strategic analysis and planning in the different level organizations.

7.1.4 Developing mechanisms for financial sustainability

This is one of the primary long-term strategic tasks for the whole sector. Being oriented towards internal financial resources is highly important not only to ensure the unhindered work of the organizations, but to enable more successful contact for CSOs with their own society, to underpin their legitimacy within the country. Thus this priority area is closely connected with the tasks considered in 7.1.1.

- Systemic and targeted efforts should be made to develop partnership and cooperation between business and the third sector. CSOs should make a thorough study of the needs of businesses and offer them appropriate services.
- CSOs should acquire and widely use new fundraising methods, such as fundraising campaigns and events aimed at supporting certain organizations or projects.
- Large-scale and multi-level public campaigns should be held to popularize charitable ideas and define their importance for society.
- It is crucially important to renew the dialogue with the government to create a state fund to support civil society.
- Organizations should actively offer their services to State agencies to solve specific practical and conceptual problems. At the same time, proposals aimed at creating a better legal environment for such cooperation should be made to the government.

7.1.5 Defining appropriate strategies in a new social-political environment

It is clear that the new social-political environment created after the Rose Revolution requires that CSOs reconsider their priorities, though there is no consensus on what the guidelines for this reconsideration should be. There probably is no need for full consensus and revisiting strategic priorities should be a perpetual task as the environment evolves. We believe that the priorities for the sector, as defined

by a group of civil sector activists during their meeting in Bakuriani in 2004, continue to be valid:[6]

- initiation and elaboration of policy concepts, strategies and visions
- provision of services to the government and participation in its activities
- monitoring of government activities and corresponding responses (the watchdog function)
- increasing public awareness
- activities aimed at organizing public protest
- influencing the policies of actors in the international community
- civil education
- issue-based advocacy
- public diplomacy and confidence-building measures

7.2 Recommendations for the Georgian Government

Cooperation with the civil sector is one of the major factors for the success of democratic reforms. There are several reasons why such cooperation may be effective: 1) important intellectual and organizational resources are accumulated by the sector; 2) CSOs have a different perspective and their critical statements may help the government to develop a more accurate assessment of the situation; 3) CSOs have their own channels for contact with the public and can mobilize additional social resources for the success of democratic reforms; 4) the sector has its own channels for cooperation with actors in the international community and can have an influence on the level of international support for current processes in Georgia.

It is true that the new government has shown willingness to conduct dialogue with the civil sector and the cooperation has been fairly productive in some areas. However, the style of governance characteristic of the new authorities may be a major hindrance to the development of such cooperation. The spontaneous and improvised manner of decision-making, the obvious lack of public discussion and strategic planning hamper the participation of society in making major political decisions. This, on the one hand, reduces the effectiveness of these decisions and, on the other hand, makes the decision-making process less democratic. Therefore, streamlining the general process of decision-making is a primary precondition for government success and will also make cooperation between the government and CSOs more productive.

At this stage, the main recommendations to the government with regard to the CSOs could be formulated in the following way:

- The government should not only conduct dialogue with the existing CSOs, but have a pro-active policy to support civil sector institutions and organizations. It would be advisable to create state programmes to strengthen certain types of CSOs, whose activities are particularly important for the success of democratic reforms (e.g. organizations specializing in strategic research, community organizations, ethnic minority organizations, etc.). Such programmes

---

[6] "Strategy for the Development of the Third Sector in the New Environment. Bakuriani-2004". Discussions at the Caucasus Institute 6 (12). The Caucasus Institute for Peace, Democracy and Development, Tbilisi, 2004, p. 81.

could be implemented through the creation of a foundation in support of civil society. A transparent mechanism free of political influence should be set up for the distribution of the relevant funds.

- Dialogue between the government and CSOs should have a more organized and systematic form. On the basis of consultations, the government should explicitly define what kind of cooperation it expects from the civil sector (e.g. the elaboration of political strategies, monitoring of the activities of state government bodies, providing social services, etc.), and how it sees the mechanisms for such cooperation.
- The government, in collaboration with the civil sector, should create a legal environment that will enable specific managerial tasks to be assigned to CSOs, and establish relevant practice. This has to be accompanied by protective mechanisms that will prevent organizations that get commissions from the government from becoming politically dependent on it.
- The government should enlarge the circle of CSOs it cooperates with. Competent organizations should not be "blacklisted" for being too critical of the government or even for cooperation with opposition parties. In general, the government discourse should become more tolerant of criticism.

7.3 Recommendations for Donors

Donors working in Georgia usually carry out multiple programmes in various countries of the world and use more or less similar approaches in their work in different countries. They (with the exception of private donors) are accountable to their own governments and societies. Their approaches also reflect the changing views of the international community on what constitutes more effective ways to support democracy, on what the prevalent needs of different countries and regions are. Correspondingly, the capacity of the Georgian civil sector to influence donor policies is limited. But this does not mean that the sector, or its more developed and active organizations, make no attempt to exert such influence. General recommendations to the donors supporting the development of civil society in Georgia could be formulated in the following way:

- Strong long-term partnerships between international actors and local organizations, built on solid trust and convergence of strategic views, is of crucial importance for the effectiveness of democracy-support programmes. With this in mind, priority should be given not to the funding of individual, relatively short-term projects oriented towards easily achievable and measurable results, but to assistance for organizations, which is based upon general programme priorities and is primarily meant to achieve long-term effects.
- In project-based financing, the practice of overheads, that is fixed sums for administrative purposes, should be firmly established.
- It would be expedient to use in Georgia methods of supporting CSOs (or their coalitions or networks) that have not been used before, namely to award coalitions or networks for projects already implemented in accordance with their real results. This encourages greater CSO orientation towards the results of their activities.
- One more precondition for the effectiveness of assistance programmes is a correct estimation of both the target country's needs and the capacities of

local agents. When deciding the focus of assistance programmes, selecting objectives and tasks that are objectively important for the country should not be the only consideration. It is also important to consider what problems local society is more ready to tackle, what capacities it has at a given stage. Accordingly, the assessments of local experts and activists should be taken into better consideration when programmes are designed.

- Moreover, before new programmes are initiated, the donors should make a thorough study of past and current assistance programmes in the same or similar spheres, to take into account lessons learnt and prevent overlaps and contradictions with work previously done.

- The donors should continue support for multi-profile, collaborative projects. This will help both the synergy of competences and resources, as well as the development of civil society as a network, and not only an aggregation, of organizations.

- It is expedient for the donors to increase technical and financial assistance to the CSOs so that they develop skills for more effective work with the wider public. This among other things implies such areas as public relations, mobilization and management of volunteers and fundraising campaigns.

- From the point of view of programme priorities, at the current stage, the following spheres seem to be crucial (the following list does not claim to be complete or even close to being complete): 1) development of research, evaluation and strategy-planning skills and promotion of projects oriented towards the elaboration of public policies; 2) monitoring and assessment of the work of government agencies, mechanisms of societal responses based on it; 3) supporting a culture of discussion and dialogue between different social groups; 4) increasing the awareness of society of major issues of the country's development, civic education; 5) promotion of projects aimed at the development of volunteering and a culture of participation.