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Shubladze, Rati

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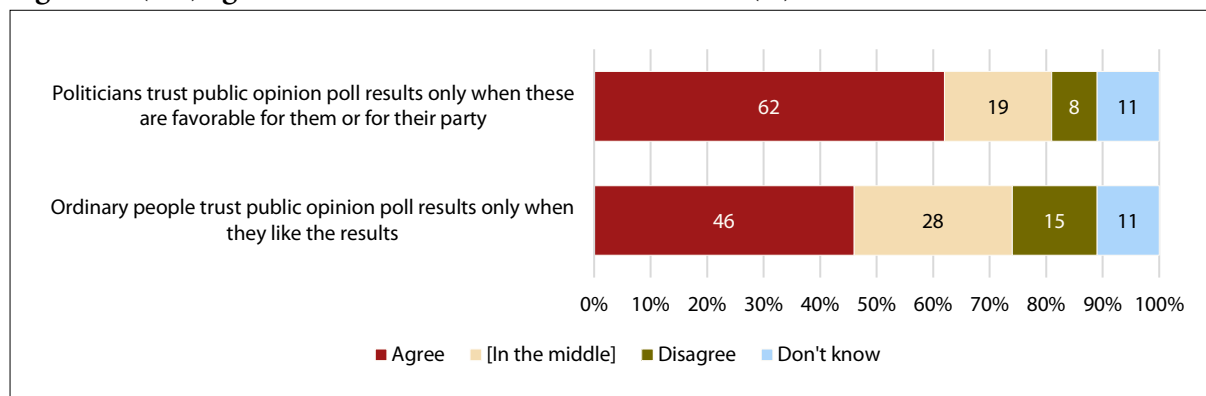
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Figure 1: (Dis)Agreement with Statements about the Polls (%)

Source: CRRG 2015 Caucasus Barometer Survey

Note: A 10-point scale was used to record answers to these questions, with code '1' corresponding to the response "Completely disagree" and code '10' corresponding to the response "Completely agree." For this paper, the responses were recoded into a 3-point scale, with original codes 1 through 4 corresponding to "Disagree," codes 5 and 6 to "[In the middle]," and codes 7 through 10 to "Agree."

Evaluation of the Georgian Government's Performance Through the Lens of Public Trust

Rati Shubladze, Tbilisi

Abstract

Using time-series survey data from the Caucasus Barometer (CB) conducted annually from 2008 to 2015 in Georgia, this article explores how the outcomes of (a) general political events and (b) policymaking can influence the formation of trust in key political and social institutions. If political actors or institutions realize high levels of performance in their policymaking and achieve results (measured in economic indicators), grateful citizens will repay them with a high level of political trust. However, in the event of unsatisfactory performance by political actors or institutions, a decrease in citizens' trust in institutions can be expected.

Introduction

The concept of political trust can be defined as the public's belief that political actors and public institutions would not perform any action that will deceive or harm society (Levi & Stoker, 2000). Political trust is particularly important in countries such as Georgia, where the presence of democratic institutions is relatively novel and the previous authorities left a legacy encouraging distrust. The lack of institutional memory and of experience in democratic governance could cause legitimacy problems for public institutions—i.e., in the capacity to maintain the confidence that those institutions are reliable, trustworthy and suitable for citizens (Słomczynski & Janicka, 2009).

Hence, it is important to understand the factors that shape political trust. For this purpose, this paper uses

institutional theories of political trust that claim that trust in institutions is rationally generated as a result of a citizen's evaluations of institutional performance and reactions to ongoing social events. When studying established democracies and developed countries, institutional theories typically emphasize the importance of economic performance. However, in post-Communist countries such as Georgia, where human rights and the rule of law have been violated for years, neglecting the rule of law and human rights are no less important. Therefore, while explaining changes political trust, we will be employing both economic indicators and political performance, suggesting that citizens' evaluation of public institutions are based on two different criteria: outcomes of political events that shape the politi-

cal environment and outcomes of policymaking for citizens as performed by state institutions¹.

Focusing on the citizens' trust in key public and governmental institutions—(1) courts and the police; (2) executive government, the President and the Parliament; (3) the healthcare system and (4) banks—this paper investigates what political, social and economic events shape Georgians' thinking on public institutions. The piece compares the fluctuations in public trust before and after important events in Georgian social life and public policy. To evaluate the level of trust in political actors or institutions, the article employs time-series survey data from the Caucasus Barometer (CB) conducted by Caucasus Research Resource Centers (CRRC). The paper uses the data for the years 2008–2015 for Georgia, specifically on questions that evaluate Georgians' level of trust in the major political and public institutions of their country.² The indicators of policymaking outcomes in Georgia are based on the National Statistics Office of Georgia (GeoStat), The National Bank of Georgia (NBG) and the Ministry of Finance of Georgia (State Budget).

Courts and Police

Courts and police are associated with the rule of law, which was considered the Achilles heel during the emergence of the modern Georgian state. The Heritage Foundation's corruption index for Georgia from 1996 until 2000 was one of the worst in the world. However, by 2012, the country's performance on this indicator had improved remarkably and the country was considered entirely free from low-level corruption³. This was achieved by prioritizing the reform of law enforcement bodies, such as the unpopular and corrupt police. As a result, a high level of trust in the police has been achieved—by 2011, 67% of Georgians trusted the police, making it the third-most trusted institution, after the Georgian Orthodox Church and the Georgian Army. By contrast, another important body of law enforcement—the courts—has never received such a high level of public trust, neither during the United National Movement (UNM), nor during the governance of the Georgian Dream Coalition (GD). Unlike the police, which was perceived as an institution protecting ordinary citizens,

the courts' decisions were not and are not perceived to be independent. A number of Georgian NGOs working on this topic highlight that courts are biased in favor of the ruling party. As TI Georgia reported in 2011, the judiciary “lacks independence and is incapable of effectively fulfilling its important role of executive branch oversight⁴”.

In the autumn of 2012, the pre-election environment in Georgia was shaken by the release of tapes depicting the torture and maltreatment of prisoners by law-enforcement officials. The so-called “prison scandal” had a markedly negative effect on the public opinion of and trust in the ruling party. Additionally, trust in the police and the courts decreased by 17% and 13%, respectively (see Figure 1 on p. 8). The videos of the prisoners being tortured intensified the tension in the pre-electoral environment and had a substantial impact on the outcomes of the election. After winning the election, the GD-led government introduced a mass amnesty in late 2012. The amnesty was prepared by the special commission within the Parliament that granted the status of political prisoner to many individuals serving sentences in Georgian prisons. As indicated in Figure 2 on p. 9, after the sharp decrease in the number of prisoners, the level of public trust in the courts increased.

Executive Government, the President and the Parliament

In the autumn of 2012, the new parliamentary majority under the leadership of Georgian billionaire Bidzina Ivanishvili formed a new government. The change in government, especially after the prison abuse scandal, generated positive expectations for the new government. However, the level of trust in the new government began to decrease in 2013. The first possible explanation for the loss of popular trust is the intensified discussion on informal governance. The resignation of Bidzina Ivanishvili from the position of Prime Minister and his uncertain role in the government might have caused the decrease in trust in the Parliament and the government. According to Figure 3 on p. 9, the trust in the executive fell from 39% to 20% immediately after the above-mentioned events. Moreover, NDI's November 2013 survey showed that 45% of Georgians agreed with the statement that the resignation of Bidzina Ivanishvili would not have much of an impact, as he would continue to play an active role in political and governance decisions.⁵ Another NDI poll conducted in April 2014

1 “Input,” or procedural performance, and “output,” or policy performance, based on the conceptual approach developed with regard to the European Union by Scharpf cited in Hakhverdian, A., & Mayne, Q. (2012). Institutional trust, education, and corruption: A micro-macro interactive approach. *The Journal of Politics*, 74 (03), 739–750.

2 The Caucasus Barometer was conducted annually from 2008 to 2015, except for 2014 when the survey was not conducted.

3 Source: <<http://www.heritage.org/index/visualize?cnts=georgia>>

4 Urushadze, Erekle. “National Integrity System—Georgia”. Transparency International—Georgia. 2011. <<http://www.transparency.ge/nis/2011/judiciary>>

5 Source: <<https://www.ndi.org/files/Georgia-Public-Attitudes-Poll-121813-ENG.pdf>>

showed that 62% of Georgians agreed that Ivanishvili continued to be a decision-maker.⁶

The decline in the trust in the executive and Parliament likely not precipitated solely by the political event discussed above. A negative economic development, namely increased inflation, also had a negative impact on the trust in public institutions. When comparing core inflation (calculated by excluding the following groups of goods and services from the consumer basket: food and non-alcoholic beverages, energy, regulated tariffs, transport⁷) parameters from October, to coincide with the CB surveys conducted in mid-Autumn, with the rating of trust in the executive and the Parliament reveals that with the increase in the core inflation indicator, the trust in the executive and the Parliament decreased (See Figure 4 on p. 10).

In contrast to the executive and Parliament, the President has shown the opposite trends. Trust in the office suffered a 31% decrease in 2012, as the incumbent President Mikheil Saakashvili belonged to the former ruling party, and hence, people believed he shared the responsibility for the prison abuse. However, the trust in the President increased by 10% after the election of the new President, Giorgi Margvelashvili. Margvelashvili had support from Ivanishvili, but soon after the inauguration, the former confronted the government. This helped to increase trust in the President. Figure 3 on p. 9 depicts the 10% increase in trust in the presidency after the tension between Margvelashvili and the government occurred.

Healthcare

In addition to increased healthcare financing, another change affected the level of public trust in the healthcare system. In 2012, the Ministry of Healthcare was allocated 23% of the government budget; however in 2015, it increased to 31%. A universal healthcare program was launched in February 2013. It provided every citizen with basic healthcare services.⁸ The money spent on the universal healthcare program also increased from 70 million Georgian Lari (GEL) in 2013 to 566 million GEL in 2015⁹. The data from the state budget of Georgia suggest that expenditures and non-financial assets from the state budget allocated to healthcare increased steadily after 2012, alongside the public trust in the

healthcare system.¹⁰ Moreover, trust in the healthcare system also increased, from 39% in 2012 to 55% in 2015 (see figure 5 on p. 10).

Banks

Although banks are private institutions, their performance and the public trust in them give insights into the overall socio-political and economic situation in the country. The data show that from 2008 to 2011, banks enjoyed a relatively high level of public trust, with nearly half of Georgians trusting them. However, starting in 2012, trust in the banks declined. A potential reason for the declining trust in the banks is the worsening economic and financial situation in the country, namely the rising exchange rates of the major foreign currencies against the GEL. The Georgian economy is characterized by a high level of dollarization. According to NBG in 2016, national currency denominated loans represented only 30% of total loan volume¹¹. Moreover, durable goods such as real estate and cars are usually priced in USD. Given problems related to both domestic and foreign factors, the exchange rates of foreign currencies increases, as did the number of unpaid consumer loans. Simultaneously, the level of trust in the banks began to decline, from 46% in 2011 to 27% in 2015.

Conclusion

This paper has shown that trust in different institutions can increase or decrease depending on the ongoing political events and government actions as people react to positive or negative changes (Levi & Stoker, 2000). Trust in important political and social institutions in Georgia changes along with important political events and policy changes. The evidence that public trust is related to political and economic performance has valuable implications for public policy. By measuring the public trust in specific institutions, governments can evaluate their performance. If the government adjusts its actions based on citizens' trust, this will create a win-win situation in which both government and society receive the most preferable outcomes.

See overleaf for information about the author and further reading.

6 Source: <https://www.ndi.org/files/Georgia_April_2014_Survey_English.pdf>

7 Source: <http://www.geostat.ge/index.php?action=page&p_id=128&lan_g=eng>

8 Except for individuals already enrolled in the private health insurance programs. Source: <http://ssa.gov.ge/index.php?lang_id=GEO&sec_id=889>

9 <<http://factcheck.ge/article/jandatsvashi-dakharjuli-thankharris-pirdapiri-investitsia-ekonomikashi/>>

10 It includes the following expenditures and non-financial assets: medical products, appliances, and equipment; outpatient services; hospital services; public health services; and other health expenditures. Source: <<http://www.mof.ge/en/4563>>

11 <<https://www.nbg.gov.ge/index.php?m=340&newsid=2837&lng=eng>>

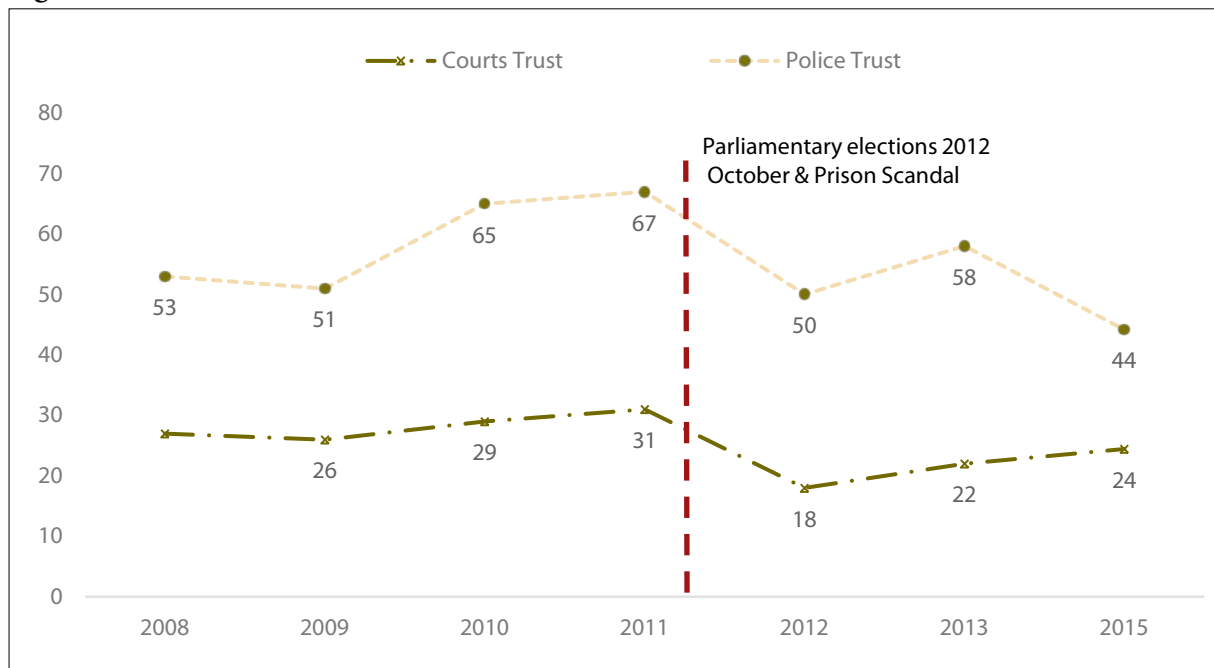
About the Author:

Rati Shubladze is a researcher at CRRC-Georgia. He holds an MA in Social Sciences from Ivane Javakhishvili Tbilisi State University (TSU) and currently is pursuing a Ph.D. degree at the Department of Sociology at TSU. His doctoral research is related to electoral behavior in Georgia. Rati also teaches various courses in research methods at TSU.

Further Reading / Bibliography

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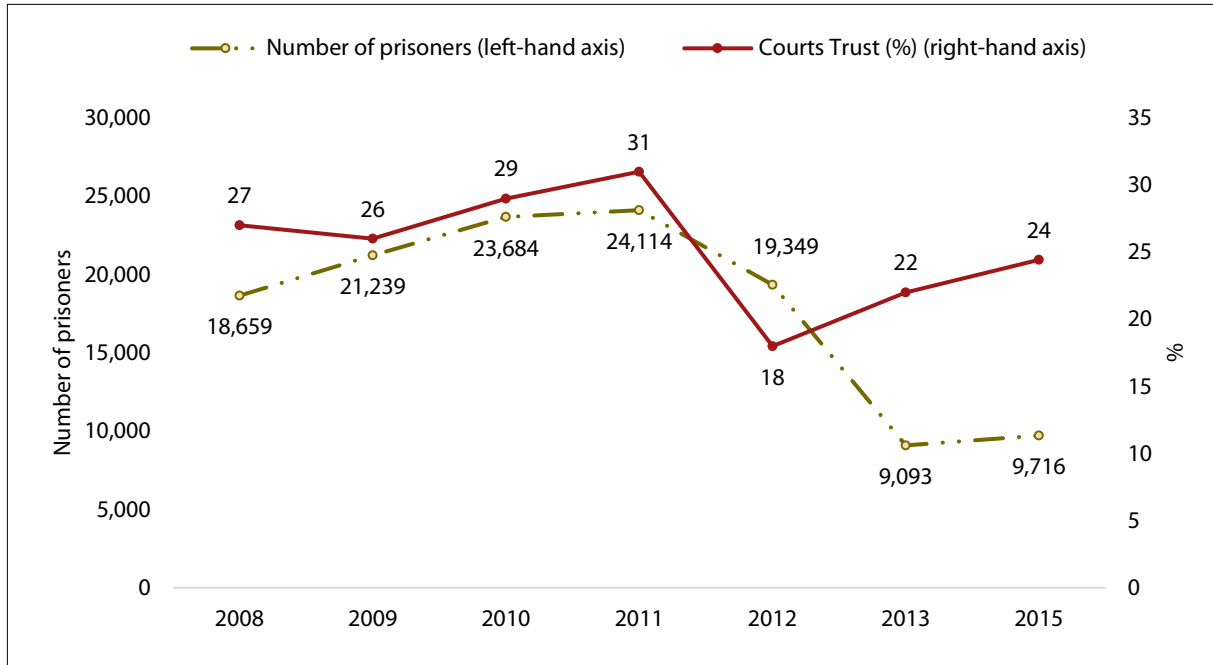
Figure 1: Trust Towards the Courts and the Police (CB 2008–2015)



Source: CRRC 2008–2015 Caucasus Barometer Surveys

Note: All of the trust questions have been recoded from a 5-point scale into a 3-point scale. Only the Trust option (5—Fully trust and 4—trust) is shown in the graphs.

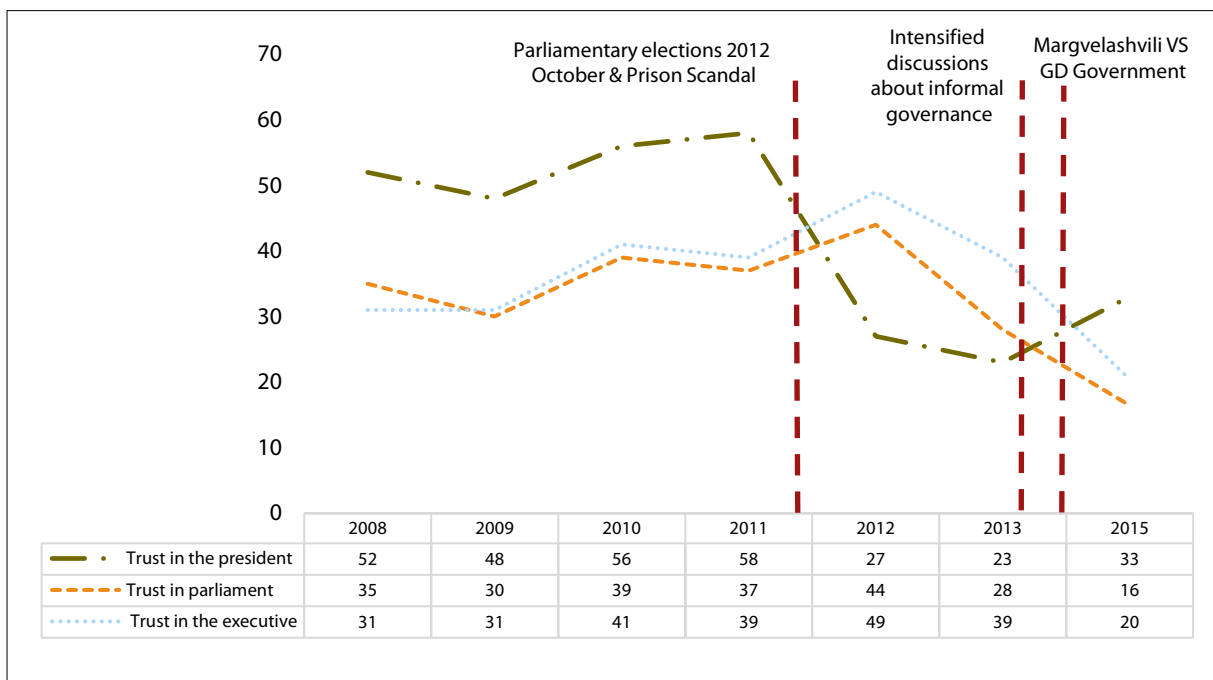
Figure 2: Trust Towards the Courts Vs. Number of Prisoners (CB 2008–2015 / Geostat)



Sources: CRRC 2008–2015 Caucasus Barometer Surveys and Geostat.

Note: All of the trust questions have been recoded from a 5-point scale into a 3-point scale. Only the Trust option (5—Fully trust and 4—trust) is shown in the graphs.

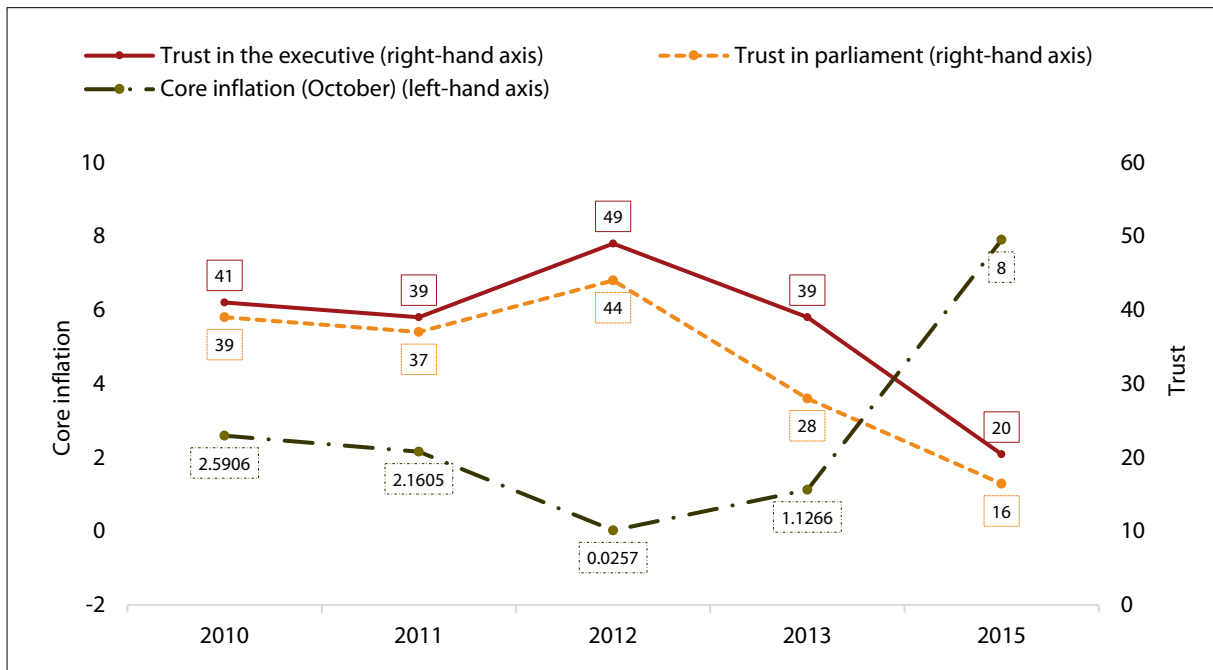
Figure 3: Trust Towards the President, the Parliament and the Executive (CB 2008–2015)



Source: CRRC 2008–2015 Caucasus Barometer Surveys

Note: All of the trust questions have been recoded from a 5-point scale into a 3-point scale. Only the Trust option (5—Fully trust and 4—trust) is shown on the graphs.

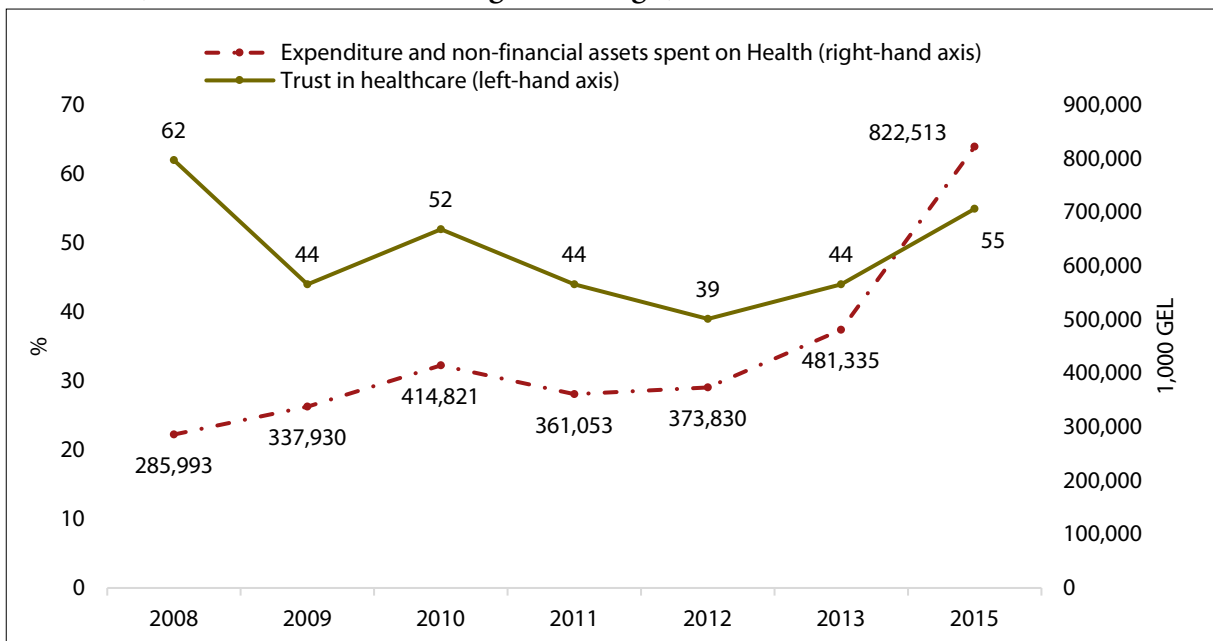
Figure 4: Trust Towards the Parliament and the Executive Vs. Core Inflation
(CB 2008–2015 / Geostat)



Sources: CRRC 2008–2015 Caucasus Barometer Surveys and Geostat.

Note: All of the trust questions have been recoded from a 5-point scale into a 3-point scale. Only the Trust option (5—Fully trust and 4—trust) is shown on the graphs.

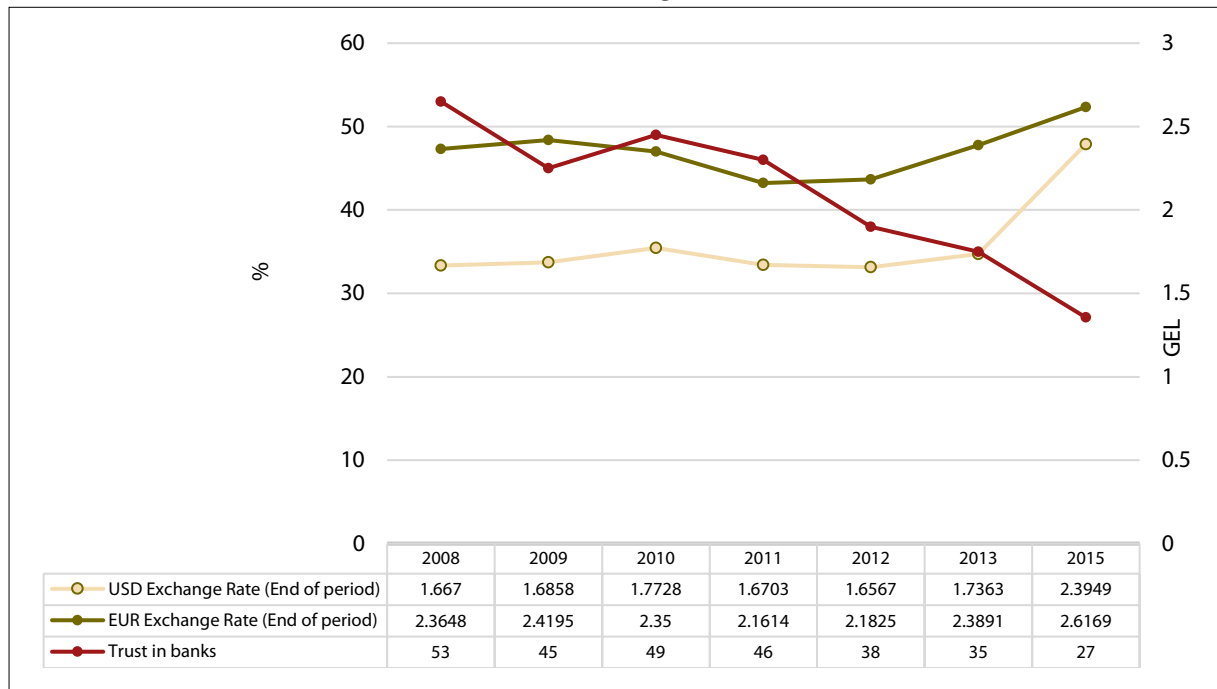
Figure 5: Trust Towards Healthcare Vs. Budgetary Expenditure for Healthcare (1,000 GEL)
(CB 2008–2015 / State Budget of Georgia)



Sources: CRRC 2008–2015 Caucasus Barometer Surveys and State Budget of Georgia.

Note: All of the trust questions have been recoded from a 5-point scale into a 3-point scale. Only the Trust option (5—Fully trust and 4—trust) is shown in the graphs.

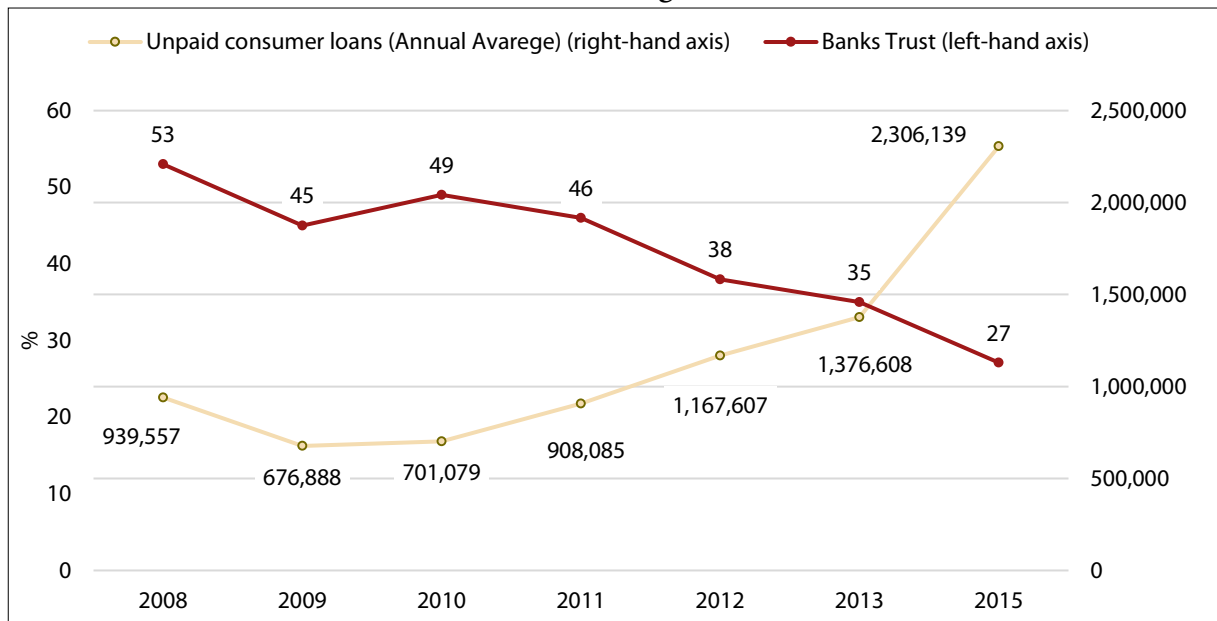
Figure 6: Trust Towards the Banks Vs. Exchange Rates of USD and EUR
(CB 2008–2015 / National Bank of Georgia)



Sources: CRRC 2008–2015 Caucasus Barometer Surveys and National Bank of Georgia.

Note: All of the trust questions have been recoded from a 5-point scale into a 3-point scale. Only the Trust option (5—Fully trust and 4—trust) is shown in the graphs.

Figure 7: Trust Towards the Banks Vs. Amount of Unpaid Consumer Loans
(CB 2008–2015 / National Bank of Georgia)



Sources: CRRC 2008–2015 Caucasus Barometer Surveys and National Bank of Georgia.

Note: All of the trust questions have been recoded from a 5-point scale into a 3-point scale. Only the Trust option (5—Fully trust and 4—trust) is shown in the graphs.