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Georgian Institute of Politics

# EXPERT POLLS

Issue #2

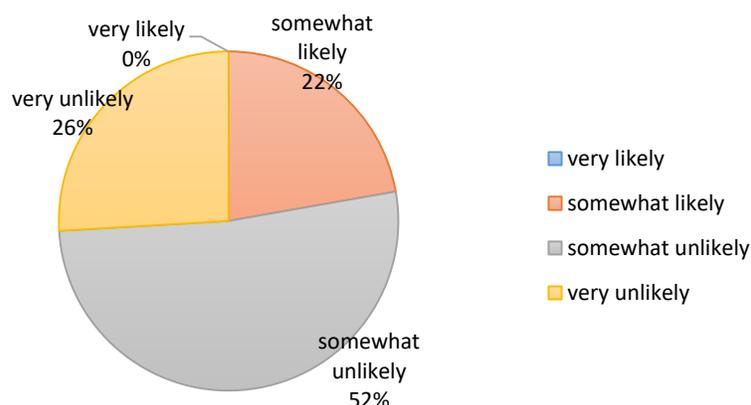
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## Experts Identify Georgia's Biggest Challenges Going Forward

The Georgian Institute of Politics asked up to 30 Georgian and international engaged observers and experts about the prospects for Georgia's future following the October parliamentary elections. The majority of those surveyed see the new government as unsuited to cope with the country's pressing economic and social challenges. They also doubt that Georgian Dream (GD) can live up to its electoral promises.

Among the pressing issues is how to **stabilize the Georgian currency (GEL)**. **The Lari** has been losing value since November, 2014, hitting the nerve of the majority of the population who receive salaries in the national currency but have credit in USD. Experts are not optimistic about GD's ability to deal with the problem. Seventy-eight percent of surveyed experts pundits said GD will be unable to stabilize the Georgian currency. Twenty-two percent think it is "somewhat likely" the government will stabilize the Lari.

1. *How likely is that the GD government will manage to stabilize Lari?*



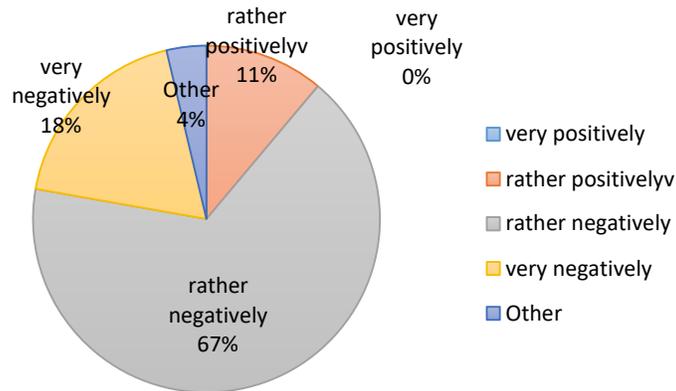
The experts are similarly pessimistic about **Georgia's economic growth and unemployment prospects**. Fifty-eight percent of respondents said the economy would grow by 3-4% annually, and 38.5% expect it to grow by just 1-2%. Only one expert believed the economy will increase by 4-5% under GD. In their election program, GD promised to create 200,000 new jobs by implementing reform of the pension system, taxes, and infrastructure. However, 93% of surveyed pundits consider this promise to be unrealistic.

The majority of experts also expect **foreign debt** to increase during the next four years. Thirty-three percent said it will increase "significantly" and 56% said it will increase "but by an affordable percentage." Only seven percent expect the debt level to stay the same or to decrease in coming years. Generally, as the modernization literature argues, there is nothing dramatic to the increase of public debt in developing countries, if that increase is accompanied by economic growth and the borrowed money is invested wisely in infrastructure and economic development. Yet, in Georgia's case, there are doubts as to whether the borrowed money will be invested in economic measures generating growth and whether the increase in foreign debt will be balanced by sufficient economic growth. For instance, the opposition often accuses the government of using foreign debt for the wrong reasons – such as for filling budget deficits or investing in social and health sectors. Besides, the projected economic growth of maximum 3-4% as predicted by majority of experts will probably not suffice to balance an increase in foreign debt.

The experts express a degree of concern about GD having the **constitutional majority**. Only 11% of respondents said that GD's supermajority in parliament will affect Georgia's democratic and economic development "rather positively." In contrast, 85% of experts said that it would "negatively" affect political processes in the country. Experts' negative

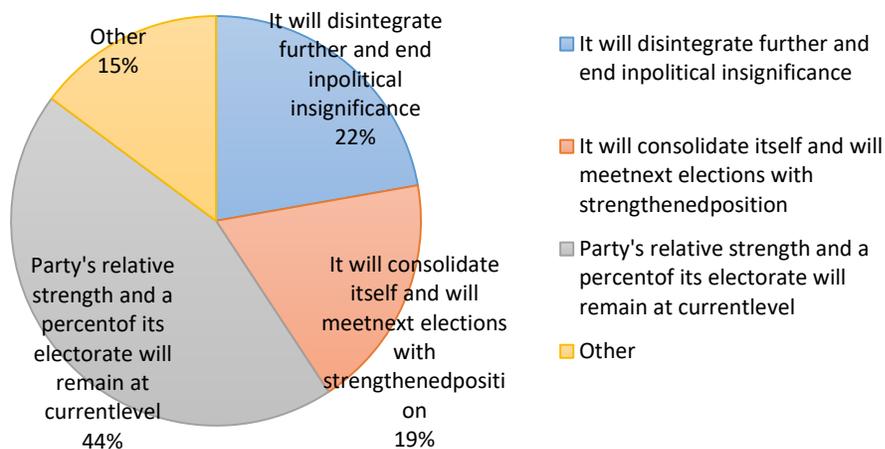
opinions may have been influenced by recent moves by the GD majority to change the procedures for electing the president.

2. *The GD will have a constitutional majority in the Georgian parliament for next four years. In your opinion, how will it affect democratic and economic development of the country?*



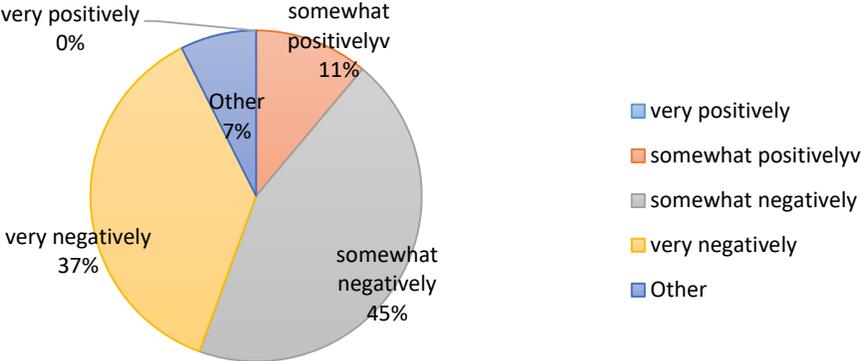
Expert opinions diverged on the **future of Georgian opposition parties**. Regarding the former ruling party UNM, 44% said the party's relative strength and size of its electorate would remain at current levels. Twenty-two percent expect UNM to disintegrate further and 19% see the opposite development: they expect UNM to consolidate and strengthen in future elections.

3. *After parliamentary elections new dynamics has been unfolding inside the UNM. Several groups are ringing for influence and power. How do you see the political future of the main opposition party?*



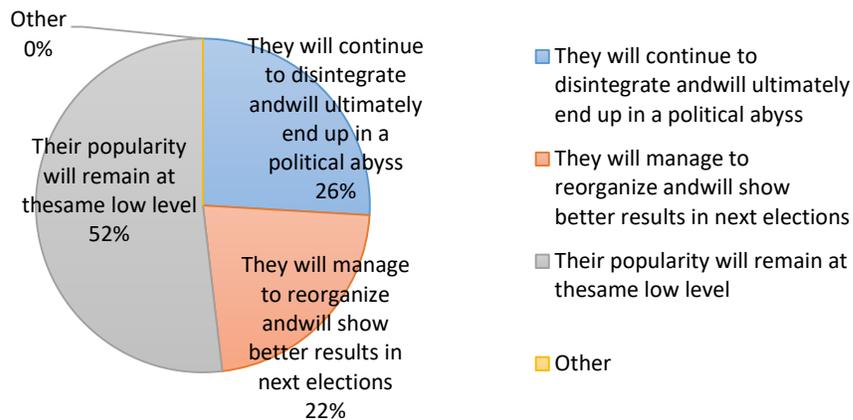
There is much skepticism, however, about Mikhail Saakashvili’s ability to contribute constructively to the opposition.. The overwhelming majority agree that the former president has a negative impact on UNM. Eighty-two percent of surveyed experts said Saakashvili had a damaging impact on the former ruling party. Only 11% considered his impact to be even “somewhat” positive.

4. *In your opinion, how will the ongoing reliance on Mikhail Saakashvili and other former officials influence the future of the UNM?*



The experts also are not optimistic about the prospects of the **liberal opposition parties**. Thirty percent of surveyed pundits named the “failure to build a liberal coalition prior to the elections” as the main reason behind the liberal parties’ electoral fiasco. Fifty-nine percent identified a combination of reasons explaining the weakness of the liberal center: failure to build a liberal coalition and the absence of strong programmatic profiles and political leadership. Overall, experts have a pessimistic view of the future facing the liberal parties. Fifty-two percent of surveyed respondents said the popularity of the liberal parties would remain at the same low level and 26% foresee a further disintegration and eventual political insignificance for the liberal center. Only 22% of pundits have somewhat optimistic expectations, believing that liberal parties will manage to reorganize and perform better in future elections.

5. *How do you see the future of the liberal center (Free Democrats and Republicans)?*



The experts' pessimistic view may also be shaped by the recent history of recurring internal failures and very poor performance by liberal parties during the recent couple of elections. The absence of strong leadership was exemplified by a number of pre- and post-election events. Paata Burchuladze, the recent hopeful of the liberal camp, showed very poor management qualities and his coalition fell apart shortly before the elections. Several leaders of the Free Democrats – another liberal party which failed to reach the 5% election threshold – left the party after its defeat and some even moved into government, something that says a lot about the internal cohesiveness of Georgian parties. Pundits also criticize the liberal parties for their failure to join forces before the elections. According to one respondent, it could be well possible that united they could have better chances to at least pass the 5% barrier and have their own faction in a new parliament.

Finally, the experts do not think that the entry of the **Alliance of Patriots** into parliament is good for Georgian democracy. The majority of surveyed experts (56%) expect that their entry into parliament will result in a strengthening of far-right sentiments in Georgia. Few (15%) expect that the parliamentary experience will have a moderating effect on the Patriots or that their entry into parliament can contribute to democratic processes.

The survey also asked the experts **to identify the biggest challenge lying ahead of country over the next few years** and to give recommendations to the GD government how to improve its policies. Amid the ineffectiveness of the current and previous government, the rise of the far right was the most frequently mentioned danger in experts' comments. In this regard, we can perhaps see in Georgia an echo of the renaissance of Western far-right movements. Among another dangers, the experts mentioned in their comments the GD's supermajority in the parliament which might be used to further strengthen the governing party's position and both the structural and policy inconsistency of the new government.

GD consists of various factions ranging from left wing to right wing politicians and factions. For instance, Bidzina Ivanishvili and Giorgi Kvirikashvili were described by the respondents as center-right politicians holding often conflicting views with GD's faction in parliament, which is relatively left wing and aims at joining the Progressive Alliance of Socialists and Democrats—the European umbrella organization for social-democratic parties.

On a **more optimistic note**, the experts see that the window of opportunity has closed for the Georgian government to implement decisive reforms, since the election cycle is over and there are no national elections planned for the immediate future. In particular, surveyed pundits recommend the government run a better fiscal policy, focus more on infrastructural development and abandon the “Larization” policy. In the view of some commentators, the government should also pay more attention to democratic development and be more cooperative with the opposition. As one of the respondents said, the GD government should “try to grow into a democratic movement which realizes the benefits of having an opposition 'government in waiting’”.

Representatives of the expert community on balance are not convinced that the Georgian Dream government is ready to successfully tackle the country's challenges. In this regard, the Georgian government and the new parliamentary majority may have much work to do.

As for opposition parties, UNM should free itself from the dominance of its former leadership, including former president Mikheil Saakashvili. Liberal parties should potentially collaborate more to have better chances in future elections. Moreover, those concerned about Georgia's democratic development should work to stop the rise of the far right.

### **Note on methodology**

Expert surveys are a widely-applied method in Western countries. In applying the method to the Georgian context we adhered to a number of principles to ensure quality results that reduce particular bias as much as possible. First, we asked only those experts who are widely engaged in their observation capacities in political processes of Georgia. Second, to get the balanced views of both inside and outside observers, we surveyed both Georgian and international experts. Third, to keep the results free from political bias we asked only those experts who are not engaged in party politics or are affiliated or have any close connections with any of political parties in Georgia.

## **GEORGIAN INSTITUTE OF POLITICS (GIP)**

Tbilisi-based non-profit, non-partisan, research and analysis organization. GIP works to strengthen the organizational backbone of democratic institutions and promote good governance and development through policy research and advocacy in Georgia.

