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Social Capital in Georgia

By Leslie Hough, Tbilisi, Georgia

Abstract

Georgia has been characterized as a country with high “bonding” social capital, but low “bridging” social capital. This pattern of in-group solidarity and out-group mistrust is thought to contribute to the lack of civic engagement in Georgia as evidenced by extremely low rates of group membership and participation in public meetings. However, results from a new survey on social capital and civic engagement show that despite the Georgian public’s low levels of formal participation in the civil society sector, widespread norms of openness and altruism underlie vibrant forms of bridging social capital that already exist in Georgia. These findings suggest that the key challenge to increasing civic engagement among Georgian citizens is the institutionalization of currently informal forms of social capital and the alignment of the civil society sector with the population’s existing priorities and habits.

The Challenge of Formalizing the Informal

Like many of the successor states of the Soviet Union, Georgia has been characterized as a country with high “bonding” social capital, but low “bridging” social capital. That is, while bonds are thick and cooperation is high within the boundaries of small tightly-knit family and friend groups, levels of trust and collaboration across these groups among members of the broader society are low. This pattern of in-group solidarity and out-group mistrust is thought to contribute to the lack of civic engagement in Georgia as evidenced by extremely low rates of group membership and participation in public meetings. The comprehensive Caucasus Research Resource Centers (CRRC) 2011 Social Capital Report (<http://www.crrc.ge/research/projects/?id=2>) identifies the four key obstacles to increasing bridging social capital in Georgia as 1) apathy toward collaboration, 2) distrust of social entrepreneurs, 3) a challenging socio-economic environment, and 4) reluctance to institutionalize cooperative efforts.

However, results from a follow-up survey on social capital and civic engagement, carried out by the CRRC in cooperation with the Policy, Advocacy and Civil Society Development Project in Georgia (G-PAC), call the first two of these obstacles into question, while shedding further light on the problems posed by the latter two. For one, the new survey data show that despite the Georgian public’s low levels of formal participation in the civil society sector, widespread norms of openness and altruism indicate the existence of active, albeit informal, bridging social capital and civic engagement in Georgia. Secondly, the survey finds a high level of respect for social entrepreneurs, openness to building new relationships and willingness to participate in civil society campaigns. All of this suggests that Georgia’s low levels of civic engagement are not in fact caused by a deficit of social capital.

Instead, in concert with the findings of the CRRC social capital research, the chief obstacles to formal civic

engagement in Georgia seem to be twofold. For one, during challenging economic times over-reliance on the family as a form of informal insurance is a strategy that substitutes for engagement with NGOs. Secondly, and most crucially, a lack of institutionalization of informal engagement means that pro-social behaviors are often one-off rather than regular events. These new findings suggest that rather than attributing the problem of low civic engagement to a deficit of bridging social capital in Georgia, scholars and practitioners alike would be better served trying to understand how informal forms of bridging social capital that already exist in Georgian society can be formalized to create enduring institutions.

The Contradiction: Formal versus Informal Measures of Social Capital

Across multiple survey instruments from the CRRC’s Caucasus Barometer to the World Values Survey, the Georgian population scores low among even its post-communist peers for rates of formal civic engagement. According to the 2007 Caucasus Barometer survey, only 0.7% of Georgians had attended a meeting of any sort of club or civic organization in the six months prior to the survey compared to 1.7% of Azerbaijanis and 2.4% of Armenians. Meanwhile, data from the World Values Survey in 2008 reveal that rates of membership in charitable organizations, while lower in post-communist than Western countries, are exceptionally low in Georgia. While 20.9% of people in the UK and 15.2% in the US consider themselves active members of a charitable organization, and a lower 2.5% of people in Moldova, 1.9% in Ukraine and 1.1% in the Russian Federation say the same, only 0.1% of Georgians report active membership in such organizations.

The civic engagement survey results corroborate these low levels of civic engagement among the Georgian population. The data show that less than 5% of the Georgian population have attended a meeting organized

by an NGO, participated in an NGO training, or visited the office of an NGO over the last two years. Moreover, while a surprisingly low 1.7% of the population report that they belong to a political party, an even smaller 1.0% of the population, report membership in an officially recognized NGO or professional union, and only 0.77% say that they belong to a cultural or sports union.

However, despite these low levels of formal civic engagement, informal helping behaviors across groups, which are an alternative if not more direct indicator of active bridging social capital in the society, are surprisingly widespread. The survey data show that in the last six months, 65% of the population gave money to a beggar, 61% helped a friend or neighbor with household chores, 50% helped a stranger on the side of a road, 28% made a contribution to charity, 26% helped clean a public space, 25% know someone who gave blood and 20% helped someone resolve a dispute. Moreover, positive attitudes toward altruism and feelings of being reliable and reciprocally able to rely upon others outside of the immediate family are also common. Far more Georgians (40%) do not share the cynical *quid pro quo* view of altruism than those (22%) who do believe that people only help others because they expect a favor in return. A majority (55%) of the population report that they feel helpful to many people outside of their family. Reciprocally, most people (46%) feel that generally, they have plenty of people to rely on when they have problems compared with few (13%) who do not. More specifically, the vast majority of respondents (69%) claim that if they were ill, there are people outside of their immediate household who would look after them without expecting any compensation. These findings of informal altruism across society call into question the conclusion that Georgia suffers from low levels of bridging social capital.

Failed Explanations for Low Social Capital

One of the often cited reasons for low levels of social capital and civic engagement in Georgia and other post-Soviet countries is the enduring political culture of apathy, mistrust, pessimism and cynicism toward political participation and civic activism bred by the Soviet system. Building on the work of Marc Howard, a scholar of post-communist civil society, the CRRC Social Capital Report highlights apathy and mistrust as two of the key reasons for Georgia's lack of social capital. However, after tailoring the 2011 civic engagement survey to pick up on particularly Georgian iterations of this post-communist political culture, an onslaught of apathy, cynicism and suspicion did not appear in the data.

For one, the results of the civic engagement survey show that despite their Soviet legacy, Georgians have

a great deal of respect for, and little suspicion of, social entrepreneurs who organize for the benefit of the community. The questionnaire tested the Georgian public's attitude toward three different examples of social entrepreneurs and in all cases responses to those people was far more positive than negative. When asked about neighbors who serve as social entrepreneurs by solving local problems, 81% of Georgians responded that they view such neighbors positively, 17% neutrally and only 1% negatively. Meanwhile, 77% agreed that they respect social entrepreneurs who collect money to fix neighborhood problems while only 3% stated that they are suspicious of them. Moreover, despite the low level of trust for NGOs as institutions, when asked what type of person is most likely to be active in NGOs, far more people viewed these activists as someone "who is trying to improve the situation in the country" (17%) and "who wants to help people like me" (12%) than as embodiments of negative stereotypes such "grant-eaters" (6.3%), "busybodies" (2%), "modern day Komsomol members" (0.8%) or "troublemakers" (0.6%). Again, this very convincingly defeats the notion that Georgians have negative attitudes toward social entrepreneurs. In fact, they very much respect them.

Secondly, the survey results showed that high levels of bonding social capital among close-knit family and friend groups do not come at the expense of bridging social capital across groups. The high level of trust and altruistic behavior within bonded friend groups should logically lead to a very high barrier to entry and make social groups static and fixed rather than changing membership fluidly. People in these friend groups, who have already earned the trust of the other members and have taken on the high level obligations and received the benefits of these close friendships, should show low levels of openness to meeting new people or making new friends. Since in the West meeting new people and making new friends often motivates participation in civil society organizations, a lack of desire to make new friends in a place with high bonding social capital could depress participation in NGOs. However, the civic engagement survey found the opposite to be the case in Georgia.

When asked if they have close friends an overwhelming 92% of respondents said yes as predicted. Yet, despite expectations that Georgians would not want to acquire additional friends, a very surprising 63% of the survey respondents stated that they were open to making new friends, 53% of them completely so, while only 17% said that they are not interested in making new friends, only 10% of them completely so. Moreover, 66% of the respondents stated that they enjoy meeting new people, 45% of them agreeing completely, while only 9% did

not enjoy meeting new people. Thus, even though bonds are high among close friend groups, these groups are not necessarily sealed off or static in a way that would limit bridging social capital.

Finally, and most directly, the civic engagement survey tested the self-reported willingness of respondents to participate in NGO campaigns that addressed issues of unemployment, healthcare, social aid and rising food prices. A series of four questions each presented an NGO taking up one of these salient issues and then asked respondents if they would participate in the following activities organized by the NGO: 1) signing a petition, 2) attending a rally, 3) going door-to-door informing neighbors about this issue, 4) donating money to help resolve this issue, and 5) discussing this campaign with family and friends. Given the context of low levels of engagement with the formal NGO sector, the responses were surprisingly high. Across the four questions, 60–66% of the respondents said that they would sign a petition, 52–57% would discuss the campaign with family and friends, 18–20% would attend a rally, 12–14% would go door-to-door informing neighbors about this issue and 16–21% would donate money to the campaign. This high level of willingness to participate in NGO campaigns contradicts the idea that apathy hinders civic participation.

While skeptics might argue that self-reports of behavior on surveys are not credible measures of what actions people would actually take in the real world, these numbers gain credibility in a comparative context. The fact that low-cost actions such as signing a petition and discussing the campaign with friends and family have such higher response rates than higher-cost actions such as donating money or going door-to-door indicates that respondents were incorporating real world factors like effort, time and money into their responses. Moreover, the characteristics of the people responding positively to the different options also correspond well with reality. In all four cases, men were more likely than women to say that they would attend a rally and younger people were more likely to say that they would go door-to-door.

One possible reason for the contrast between currently low levels of participation and significantly higher levels of willingness to participate, as suggested by the survey data, is a mismatch between the issues that the Georgian NGOs choose to address and the issues that are currently most important to the Georgian citizens. Respondents to the civic engagement survey stated that economic issues such as poverty, unemployment and social assistance, like the ones used in the survey questions, are the most important problems facing Georgia and issues that they think NGOs should address more.

In contrast, they perceive NGOs as most often addressing the issue of elections. Data from the Association of Young Economists of Georgia's NGO Advocacy Capacity Report (<http://www.ewmi-gpac.org/en/news/1-news/157-advocacy-capacity-assessment-of-georgian-ngos>) confirm the mismatch between the issues that the majority of citizens want NGOs to address and the issues that they are currently addressing. This may indicate that citizens would be much more likely to engage with the civil society sector if NGOs addressed issues more immediately salient to their concerns.

Explanations that Endure

The CRRC Social Capital report posits that another obstacle to civic engagement is the challenging economic environment. The follow-up civic engagement survey data both corroborates this and helps explain the link between hard economic times and over-dependence on family that may crowd out civic engagement. Among the nationally representative survey population, household incomes skew very low with 61% of the households collectively earning less than 400 Georgian Lari (around \$240 USD) per month. Personal income is significantly lower with 33% of respondents reporting no personal income and an additional 43% earning under 250 GEL (about 150 USD) in the past month. The significantly higher levels of household than personal income suggest that individuals are pooling resources with family members even just to scrape by. Arguably, people need to prioritize their own economic survival and that of their extended family before they can start devoting time, energy and money to the public good.

Under these difficult economic conditions, the close-knit family relationships, observed as bonding social capital, serve as a form of informal insurance. The civic engagement survey finds that while individuals are not devoting large amounts of time to their families, most Georgians hold a strong belief that family comes first and rely heavily on other family members to support them in times of trouble. Across three questions testing who Georgians turn to in times of difficulty, the top answer was always family. Very few of those who reported owning formal insurance stated that they would use it in an emergency. Contrasting the vast majority who would turn to their family in a time of crisis (93%) with the small minority who would consider employing the aid of an NGO on their behalf (11%), an argument can be made that family bonds hinder engagement with the formal NGO sector. Respondents who stated that they would not be interested in joining a civil society organization were also asked the reason why they would not join. The largest proportion of respondents (37%) said that they did not participate in civil society organiza-

tions because they preferred to take care of their own family's affairs.

The second and more readily addressable obstacle to increasing civic engagement in Georgia is the lack of institutionalization of the informal bonding social capital that already exists in the society. While groups of Georgian neighbors and acquaintances may come together to solve a collective problem or initiate a pick-up football game, they do not often institutionalize these groups so that they may continue to operate after the immediate problem is resolved or the game has ended. This lack of institutionalization is at the heart of the divide between the formal civil society sector and the informal bridging social capital seen in the survey data. The informal civic engagement of problem-solving neighbors or sports-playing friends remains a spontaneous, one-off occurrence rather than an institution that creates a formal repetition of those practices.

This disconnect between formal and informal civic engagement has a direct parallel with informal religiosity and formal engagement with the Georgian Orthodox Church. Measuring both religious attitudes and practices, the survey results show most Georgians embracing the informal side of religion without feeling the need to engage formally with the church. 82% of Georgians say that religion is important to their daily life, 74% pray regularly at home, 53% of Georgians pray regularly in a church and 30% even claim to regularly donate money to a church. However, when asked how often they attend formal religious services 57% go only on special holidays, less often than that or never attend formal services at all. Thus, we see a pattern in which altruistic and religious sentiment both run high in Georgian society, Georgians value these sentiments and often act on them spontaneously. However, these spontaneous behaviors are seldom carried out through the formal institutions of the NGO sector or the Orthodox Church.

One positive recent development toward institutionalizing altruism in Georgia is the development of the

charity SMS donation scheme through which mobile phone users are able to SMS contributions to charities through their mobile phones. The 2008 World Values Survey recorded 6.7% of Georgians having made a contribution to charity. Unfortunately, no data on charitable contributions is available in the years following. However, the survey data gathered after the introduction of the charity SMS scheme shows a huge increase to 28% of Georgians reporting that they contributed to charity over the last six months. While, the survey did not disaggregate between SMS and other types of donations to charity, it is believed that the technology has become very popular and likely facilitated many of the current contributions. While the charity SMS technology does not help organize Georgians into formal groups, it does help pool collective resources for formal groups and illustrates one creative way that current practices of social capital can be formalized to facilitate increased civic engagement.

In sum, while the surface level statistics on formal civic engagement in Georgia paint a gloomy picture of bridging social capital among the Georgian population, those that take a deeper look into the context of Georgian society provide reasons for optimism about the cross-cutting links and widespread altruism that represent an alternative measure of social capital. Moreover, high levels of respect for social entrepreneurs, openness to new people and willingness to participate in NGO campaigns that address salient issues further support the raw materials for a flourishing civil society in Georgia. While the challenge of family interdependence in the currently difficult economic environment may take time for the society to work out on its own, there is room for creativity and innovation in addressing the other key challenge of institutionalizing existing informal practices of civic engagement.

About the Author

Leslie Hough is a PhD Candidate in the Department of Political Science at Yale University. She worked with CRRC and G-PAC to design the 2011 civic engagement survey and wrote the G-PAC Civic Engagement Report (<http://www.ewmi-gpac.org/en/news/1-news/183-2011-12-05-08-20-05>) while on an IREX US Embassy Policy Specialist Fellowship in Georgia in May–June 2011.

(Dis)Trusting People and Political Institutions in Armenia

By Yevgenya Paturyan, Yerevan

Abstract

Armenian society is characterized by low levels of generalized social trust: only about one-fourth of the Armenian population is inclined to trust people. This number has not changed over the past decade. The army, the church and the banks are currently the three most trusted institutions in Armenia; the parliament, the courts and the police are the three least trusted. Armenians who trust other people and institutions are more likely to vote and less likely to emigrate.

Generalized Social Trust: 13 Years of Stagnation in Armenia

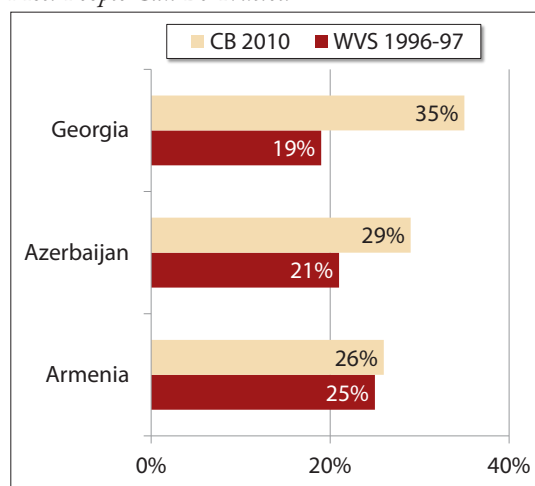
Generalized social trust (a predisposition to trust people even if one does not know them in person) is a manifestation of social capital (Putnam 2000). It is a resource that helps societies' economic development (Fukuyama 1996), democratic consolidation (Diamond 1999) and good governance in some areas, such as reduced corruption (Uslaner 2009). Post-communist societies have been known to suffer from low levels of social trust (Howard 2003): the situation that remains true for Armenia today.

Generalized social trust is commonly measured through surveys, asking respondents whether they think most people can be trusted. World Values Survey (WVS) implemented in Armenia in 1997 included such a question, so did the Caucasus Barometer (CB) 2010 survey.¹ Both are nationwide representative surveys covering the South Caucasus.² Comparing the data from the so called "third wave" of WVS and the most recent CB makes it possible to analyze trends of social trust in Armenia, while placing the country in a regional context.

About one quarter of the Armenian population is of the opinion that, in general, people can be trusted (Figure 1)³. That percentage has not changed over the past 13 years, unlike in Azerbaijan and Georgia, where levels of social trust were lower than in Armenia in 1996–1997, but have improved since then. Judging by these data, generalized social trust is fairly low in the South Caucasus, but growing in Azerbaijan and Georgia (the

later registering a particularly stark increase) while stagnant in Armenia for the past decade.

Figure 1: Generalized Social Trust in South Caucasus: "Most People Can Be Trusted"



Trust in Institutions

Armenians are not keen on trusting strangers. A society, however, does not consist of people only; our daily life is structured through various institutions. Trust in public institutions is of interest to social scientists. Some studies show that it correlates with economic growth and civic participation (Raiser et al. 2001).

Shifting from a broader picture of generalized social trust to a more specific focus on current Armenian institutions, to what extent are various Armenian institutions trusted by the public? How do political institutions (legislative, judicial, executive and local self-government bodies) fare in comparison with other institutions?

CB 2010 contains data on trust towards 16 political, social, economic and international institutions. Survey respondents were asked to rate each institution on a scale from 1 to 5 (fully trust). Judging by the mean scores (Figure 2), the army, the church and the banks are the three most trusted institutions in Armenia; the parliament, the courts and the police are the least trust-

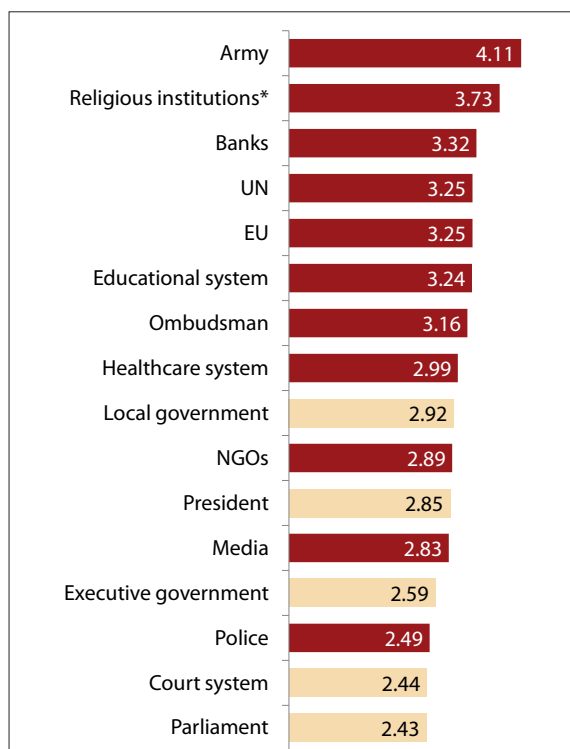
1 The wording of the question is similar: *Generally speaking, would you say that most people can be trusted or that you need to be very careful ("can't be too careful" in CB 2010) in dealing with people?* The coding of responses differs. For comparison, CB data was recorded: 1 to 5 scores = "need to be careful" and 6 to 10 scores = "most people can be trusted".

2 WVS was done in Georgia in 1996 and 2008 (not included in this analysis) and in Azerbaijan in 1997.

3 For comparison: at the time of the survey Norway was the most trusting country where 65% thought most people could be trusted; Brazil was doing worst with 0.03% of people agreeing with the statement. Ranked from most to least trusting countries, Armenia was 27th out of 54.

ed.⁴ Local government generates most trust, compared to other institutions in charge of governing the society (colored beige in Figure 2), followed by the executive branch (the president in particular), the court system and the parliament. If we consider the mean value of 2.5 as the middle point of the scale, we can see that the local government bodies, the president and the executive score above 2.5, meaning that people tend to trust rather than mistrust these institutions. The parliament and the court system, on the contrary, are below the middle point: most people expressed mistrust in these institutions.

Figure 2: Trust in Public Institutions



* to which the respondent belongs

The Armenian public is not inclined to trust its elected representatives (except the president) and its judges. Both those in charge of creating the legal framework of the country and those in charge of interpreting and upholding it lack credibility in the eyes of the average

4 High levels of trust in the army and religious organizations, and low levels of trust in the parliament are not something unique for Armenia. WVS aggregated data for 1981 to 2008 shows a similar worldwide pattern. Judging by expressed confidence in institutions, religious institutions are at the top of the list, followed by the education system and the armed forces, while the parliament is at the bottom. The profound lack of trust in the Armenian court system, however, is something that sets Armenia apart.

Armenian. Considering that every election since Armenian independence has raised concerns (see for example OSCE 2008), and that corruption is often named as a serious problem plaguing the Armenian judicial sector (GRECO 2010), lack of public trust is hardly surprising.

Further statistical analysis of the CB 2010 data for Armenia shows that social trust and trust in institutions are inter-related:⁵ those who trust people also tend to trust the public institutions listed in Figure 2. However, it would be an oversimplification to conceptualize trust as an “either-or” situation. The Armenian public displays something like a pattern of trust in some institutions rather than others. Factor analysis⁶ of trust in 16 institutions suggests that there are three groups of people: those who tend to trust the “establishment” (the three branches of the government, the local government and the police), those who trust “neutral” institutions (the healthcare system, banks and the education system) and those who trust “western” institutions (Ombudsman, EU and UN).

Trust, Voting and Emigration

Armenians place little trust in other people or political institutions. Does lack of trust influence the major political and social choices people make? This section explores relationships between trust, likelihood of voting (an important political action), and propensity to emigrate (an important social action) based on CB 2010 data.

Respondents with a trusting attitude are also those likely to participate in elections.⁷ The strongest link is in the case of trust towards the government and the president, the weakest link is in the case of trust towards the EU. See Annex A for the correlation tables.

It makes sense to assume that trust or mistrust influences one’s predisposition to vote; it seems less logical to assume that a decision to vote if an election is held tomorrow influences how much the person trusts the government. This line of argumentation is not a proof of causality, but the survey data and common logic combined suggest that trust influences the predisposition to vote. Those who trust the government are particularly easy to mobilize, while those trusting international institutions are also likely to vote, but this connection is weaker. Most importantly, those who do not trust other people, or institutions, are less likely to vote. Lack of trust results in political apathy.

5 See Annex A for the correlation tables.

6 Principle component analysis with Varimax rotation; 3 factors with Eigenvalues >1 explain 60% of the variance. See Annex B for factor loadings table.

7 *If presidential elections were held next Sunday, would you participate in the elections or not?* The responses ranged from 1 (certainly not) to 4 (certainly participate).

The respondents were asked whether they would leave the country forever to live somewhere else if they had a chance to do so.⁸ Answers to this question are not related to social trust, or to trust in banks and international institutions, but they are related to trust in all other social and political institutions in Armenia. This relationship is strongest for trust in the executive and the local government. Those who trust the government are less likely to emigrate. The direction of causality between trust and propensity to emigrate is more difficult to decide. While it is plausible to assume that disappointment leads to distrust and a wish to leave the country, it could also be the case that those who have, for whatever reason, decided that Armenia is not the right country for them, are justifying their decision by a negative attitude towards its institutions.⁹

Conclusion

While Armenia is neither the least trusting country in the World, nor uniquely skeptical about its parliament,

it is not rich in terms of trust either. Judged by survey data, social trust is low in Armenia and has remained stagnant for the past 13 years. Political institutions are trusted less than social, economic and international institutions.

Low levels of trust are not an isolated problem of poor social capital. They translate into an unwillingness among people to participate in basic political activities such as voting, and are linked with a propensity to emigrate. The average Armenian of today is unable to trust someone or something beyond his or her personal circle of connections, is uninterested in political participation and remains unwilling to commit to his or her country, at least by remaining there, to say nothing of making it a better place.

About the author

Dr. Yevgenya Paturyan is a researcher at Eurasia Partnership Foundation—Armenia and a lecturer at the American University of Armenia.

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8 Yes = 1, No = 0

9 A typical Armenian nihilist expression can be translated as “this country is no country, this state is no state”

Annex A: Correlation Table

		Would emigrate	Would vote	Trust: Health care system	Trust: Banks	Trust: Educational system	Trust: Army	Trust: Court system	Trust: NGOs	Trust: Parliament
Most people can be trusted	Pearson r	-.042	.118(**)	.172(**)	.074(**)	.116(**)	.058(*)	.152(**)	.154(**)	.201(**)
	N	1832	1830	1856	1657	1804	1837	1656	1427	1750
Trust: Health care system	Pearson r	-.071(**)	.133(**)	1						
	N	1877	1874	1911						
Trust: Banks	Pearson r	-.024	.127(**)	.351(**)	1					
	N	1672	1669	1699	1703					
Trust: Educational system	Pearson r	-.075(**)	.116(**)	.441(**)	.327(**)	1				
	N	1823	1820	1849	1657	1854				
Trust: Army	Pearson r	-.108(**)	.108(**)	.320(**)	.259(**)	.390(**)	1			
	N	1860	1854	1884	1679	1832	1891			
Trust: Court system	Pearson r	-.109(**)	.187(**)	.454(**)	.370(**)	.452(**)	.279(**)	1		
	N	1668	1667	1695	1547	1659	1678	1697		
Trust: NGOs	Pearson r	-.094(**)	.182(**)	.317(**)	.344(**)	.307(**)	.198(**)	.528(**)	1	
	N	1431	1434	1454	1339	1435	1442	1365	1459	
Trust: Parliament	Pearson r	-.134(**)	.179(**)	.371(**)	.299(**)	.368(**)	.303(**)	.555(**)	.530(**)	1
	N	1763	1763	1790	1609	1748	1777	1626	1398	1796
Trust: Executive government	Pearson r	-.148(**)	.221(**)	.381(**)	.316(**)	.360(**)	.327(**)	.564(**)	.510(**)	.804(**)
	N	1788	1785	1815	1624	1768	1800	1642	1415	1778
Trust: President	Pearson r	-.135(**)	.217(**)	.328(**)	.271(**)	.315(**)	.350(**)	.507(**)	.452(**)	.717(**)
	N	1802	1799	1828	1632	1780	1814	1645	1418	1771
Trust: Police	Pearson r	-.119(**)	.167(**)	.391(**)	.315(**)	.371(**)	.325(**)	.617(**)	.459(**)	.616(**)
	N	1799	1797	1826	1641	1779	1812	1658	1411	1746
Trust: Media	Pearson r	-.100(**)	.100(**)	.305(**)	.250(**)	.308(**)	.307(**)	.461(**)	.354(**)	.438(**)
	N	1844	1842	1871	1676	1819	1856	1674	1446	1770
Trust: Local government	Pearson r	-.145(**)	.184(**)	.371(**)	.305(**)	.377(**)	.330(**)	.527(**)	.485(**)	.579(**)
	N	1810	1806	1835	1647	1788	1821	1645	1422	1756
Trust: Respondent's religious institutions	Pearson r	-.087(**)	.145(**)	.201(**)	.204(**)	.227(**)	.213(**)	.274(**)	.248(**)	.252(**)
	N	1760	1758	1788	1600	1734	1767	1600	1390	1681
Trust: Ombudsman	Pearson r	-.111(**)	.169(**)	.301(**)	.346(**)	.362(**)	.324(**)	.451(**)	.385(**)	.480(**)
	N	1530	1531	1552	1417	1524	1539	1429	1265	1497
Trust: EU	Pearson r	-.046	.096(**)	.292(**)	.375(**)	.306(**)	.303(**)	.365(**)	.358(**)	.427(**)
	N	1503	1504	1524	1397	1495	1512	1417	1245	1474
Trust: UN	Pearson r	-.046	.100(**)	.282(**)	.356(**)	.294(**)	.315(**)	.370(**)	.389(**)	.419(**)
	N	1507	1510	1529	1404	1503	1517	1415	1245	1481

** Correlation is significant at the 0.01 level (2-tailed).

Correlation Table cont.

		Trust: Execu- tive gov't	Trust: President	Trust: Police	Trust: Media	Trust: Local gov't	Trust: rel. insti- tution*	Trust: Om- budsmen	Trust: EU	Trust: UN
Most people can be trusted	Pearson r	.200(**)	.200(**)	.188(**)	.117(**)	.122(**)	.126(**)	.161(**)	.140(**)	.126(**)
	N	1771	1784	1781	1828	1790	1741	1523	1497	1501
Trust: Presi- dent	Pearson r	.817(**)	1							
	N	1805	1835							
Trust: Police	Pearson r	.643(**)	.637(**)	1						
	N	1766	1781	1831						
Trust: Media	Pearson r	.446(**)	.433(**)	.471(**)	1					
	N	1794	1806	1803	1878					
Trust: Local government	Pearson r	.618(**)	.606(**)	.563(**)	.451(**)	1				
	N	1779	1788	1783	1816	1841				
Trust: Rel. institution*	Pearson r	.285(**)	.297(**)	.279(**)	.289(**)	.329(**)	1			
	N	1704	1718	1721	1761	1724	1793			
Trust: Om- budsmen	Pearson r	.477(**)	.462(**)	.470(**)	.477(**)	.460(**)	.367(**)	1		
	N	1507	1516	1511	1536	1515	1467	1555		
Trust: EU	Pearson r	.432(**)	.394(**)	.391(**)	.394(**)	.393(**)	.270(**)	.648(**)	1	
	N	1484	1492	1489	1512	1494	1451	1419	1527	
Trust: UN	Pearson r	.424(**)	.392(**)	.396(**)	.391(**)	.399(**)	.277(**)	.608(**)	.872(**)	1
	N	1493	1497	1492	1518	1497	1450	1422	1481	1532

* religious institution of respondent

** Correlation is significant at the 0.01 level (2-tailed).

Annex B: Factor Loadings for the Three Factors in Analyzing Trust Patterns

	Factor 1 "Establishment"	Factor 2 "Neutral"	Factor 3 "Western"
Trust: Healthcare system		0.72	
Trust: Banks		0.52	
Trust: Educational system		0.77	
Trust: Army		0.59	
Trust: Court system	0.64		
Trust: NGOs	0.58		
Trust: Parliament	0.84		
Trust: Executive government	0.85		
Trust: President	0.83		
Trust: Police	0.76		
Trust: Media	0.51		
Trust: Local government	0.71		
Trust: Religious institutions respondent belongs to		0.47	
Trust: Ombudsman			0.64
Trust: EU			0.91
Trust: UN			0.89

Social Capital in Azerbaijan: Does It Help to Build Democracy?

By Anar Valiyev, Baku

Abstract

This article provides an overview of social capital in Azerbaijan. Conceptualizing social capital as trust and networking, the article examines popular levels of trust toward various governmental institutions. The author claims that bonding social capital is prevalent in the country while there is relatively little bridging capital. The absence of this bridging social capital both hinders the development of grass-root democracy and decreases voter turnout in municipal, parliamentary and presidential elections.

Social Capital as an Analytical Tool

In recent years, the concept of social capital became one of the most influential intellectual approaches in economics, politics, sociology and development studies. Popularized by Bourdieu, Coleman and Putnam, social capital is often seen as a panacea for all the ills and problems of society. Political scientists tend to explain political and economic developments through the lenses of social capital. In Azerbaijan, unfortunately, few studies have been conducted linking the presence or absence of social capital with the development of the country. In this article, we will look at social capital in Azerbaijan and seek to understand its effect on development..

Before analyzing the situation in Azerbaijan, it is worth conceptualizing social capital and its key dimensions. There are many definitions of social capital in the literature. These works provide sometimes differing understandings of the term. For this study we will take the definition offered by Putnam and later adopted by the World Bank. Thus, social capital is considered to be “features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions.”

Social Capital as Trust

Trust, often used as synonymous with social capital, has become one of the central themes of research on institutional change. The general assumption of many social scientists is that trust in institutions in transitional countries is very low, making the decisions of the government illegitimate or increasing the cost of policies (for trust in institutions see Opinion Poll in this issue).

In Azerbaijan trust in governmental institutions varies significantly from institution to institution. Trust in the president was always high in Azerbaijan since the people tend to associate all positive changes or developments in the country with the leader. Thus, initiatives put forward by the president usually have a good chance of being approved by the general public. In contrast, the public associates most negative phenomena, such as injustices and unresolved problems, with other governmental agencies. For example, a large share of

the population either distrusts or is neutral toward the executive branch. This is a peculiar finding given the fact that the president, who is the head of the executive branch, enjoys a high level of trust. This outcome can be explained by the fact that most people tend to separate the presidency from the ministers who serve him.

Another explanation for such high trust toward the president and comparatively average trust in the government is that the Azerbaijani population has paternalistic views of politics in the country. For example, when asked about the role of the government, 67.4% of surveyed people agreed that the government should act like a parent toward its population while only 21% agreed that government should serve as an employer. Such an attitude toward politics could be detrimental for the development of democratic institutions since the result is that governmental agencies operate as families and become less accountable for their actions.

Local government is another institution that requires trust. Despite the fact that in Azerbaijan the share of respondents who trust their local governments is approximately 38%, a significant minority remains neutral. This outcome reflects the fact that this institution is still young and undergoing reforms. Meanwhile, many unsatisfied people tend to see municipalities as incapable of solving their problems. In addition, the local governments do not have many functions to implement since most power rests with the federal executive. Thus, we can see that people tend to trust the national authorities more rather than local governments since the presidency can, it is believed, really solve problems. Low trust in the local government also has a detrimental effect on democratic participation. The voter turnout in Azerbaijan for municipal elections is very low compared to other elections. Turnout for the 2009 municipal elections was 31.8%, while in previous national elections this figure was around 45%.

The legal system and courts have the lowest level of trust among all the branches. The problem is that the courts are often biased in making their decisions. Despite the fact that a large percentage of people in the country claim to trust the education and health sys-

tems, other data undermine these assertions. For example, researchers found that 60% of all surveyed school pupils, including 78% of pupils in 11th grade, were using the services of private tutors who prepare them for university exams. Such a high figure does not correspond with strong trust in the education system.

Overall, from the data above, we can conclude that except for the presidency, all state institutions suffer from relatively low levels of trust that makes the transition to democracy difficult and increases costs in the economy. As was mentioned earlier, the low level of trust in local government and the parliament lead to low voter turnout in elections. This environment creates political apathy and leads to low membership in political parties, associations and other civil society organizations. The absence of trust hinders the consolidation of liberal democracy in the country and the evolution of a truly civil society.

At the same time, the low trust in other institutions increases the cost of transactions in society and leads to corruption. For example, distrust in public education led to the creation of the private tutoring system, which puts an additional burden on parents while mistrust in the health care system forces people to turn to the private sector or pay additional fees to obtain better treatment.

Social Capital as Networks

Looking at social capital through the lens of networking, social scientists distinguish two dimensions—bonding and bridging social capital. Bonding social capital is defined as connections or networking between people who share a common trait—such as members of the same family, clan or any organization where membership is secured only through belonging by birth. Bridging social capital is characterized by networking between people of various backgrounds, ethnicities or professions, but united by belonging to a common association, party, or organization where membership is open to almost everyone.

In Azerbaijan, bonding social capital is quite prevalent. Individuals usually find jobs, gain promotions or score access to resources through family networks. This system was already in place during the Soviet era during the 1960s and 1970s. It led to a situation in which certain positions in the Soviet administration were filled only by the relatives of people who already worked in the system, preventing a regeneration of elites. Heydar Aliyev, the first secretary of the Communist Party in the 1970s even issued instructions prohibiting the children of judges, prosecutors and lawyers from gaining admission to the law departments of local universities. This act prevented the children of judges and prosecutors from entering the legal system since only legal edu-

cation allowed people to work in such positions. For a short period of time, such prohibitions allowed individuals with working class backgrounds or from the regions to obtain jobs in the higher echelons of power.

In independent Azerbaijan the system changed slightly. The regeneration of elites is taking place at a faster pace and with the inclusion of people from the outside. While at the early stage of independence, the elites relied on people from the same region or clan, that system became obsolete as time progressed. However, the system of patronage did not disappear, making bonding social capital the most important resource for the people. Connections through family networks allow insiders to acquire resources much more easily than outsiders.

The presence and prevalence of bonding social capital in Azerbaijan is easily explained. In a system which craves stability, character traits such as loyalty are valued more than professionalism. The person who offers another person a job wants to secure the loyalty of the newcomer and make him part of his circle. The job-giver becomes a kind of patron for the newcomer and seeks to ensure that the newcomer remains loyal. Given existing realities in Azerbaijan (as well as in many North Caucasian republics) people tend to rely on relatives, members of their clan, or residents from the same village or region. Such a system is beneficial for elites too, since the “circle of responsibility” ensures that no one rebels or goes against the system—the punishment for such actions would affect the “rebel” as well as all his relatives.

Such a high level of bonding social capital in the country has positive and negative aspects. The presence of bonding social capital allows more people to gain access to the system or acquire resources, whether they are jobs, preferences or something else. At the same time, due to rapid urbanization in the country, many people tend to migrate from regions to the capital where they settle close to their relatives or others from the same villages. Networks of these people allow newcomers to reduce transaction costs in terms of arranging for housing, finding jobs or solving immediate problems. Thanks to bonding capital, the phenomenon of homelessness, typical of big cities, is almost unknown in Azerbaijan.

However, bonding social capital plays a negative role too. In Azerbaijan reliance on bonding social capital prevents people who are not members of the family or group to gain access to lucrative positions, jobs or financial resources. Meanwhile, membership cannot be obtained unless you are born or marry into the right family (that is why marriage in very important tool for advancement in Azerbaijan). The closed nature of the system could also lead to dissatisfaction and even social protests.

Despite its copious bonding capital, Azerbaijan has very little bridging social capital. There are several rea-

sons for that, including cultural and political variables. Soviet rule created skepticism among Azerbaijani people toward all types of organizations. With unpleasant memories of party gatherings, May 1st demonstrations, trade union meetings and all other attributes of the Soviet bridging social capital, Azerbaijanis lost interest in joining all types of organizations. In addition, the people see little reason to join these organizations since they do not offer additional benefits.

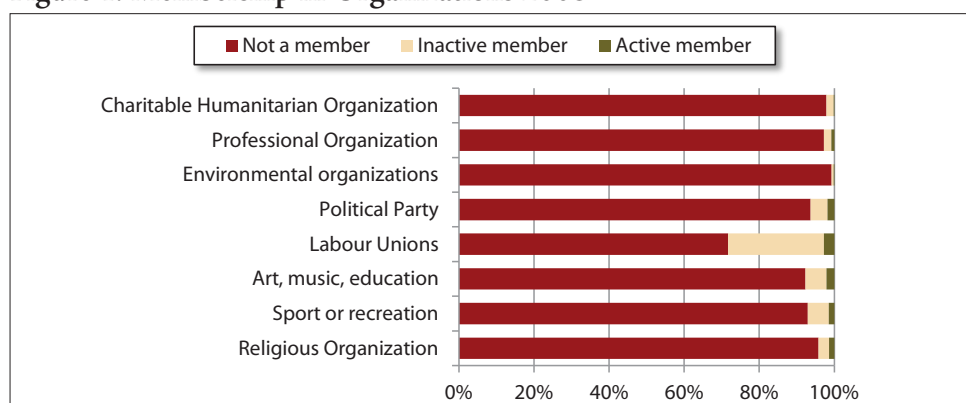
Additionally, political life is largely restricted in the country. During the first decade of independence, political parties and political associations were the major elements of bridging social capital. For the last decade, however, political life—and party politics in particular—has been pushed off the daily agenda. Party membership shrank and the parties themselves stopped playing a role in public life.¹ It is not surprising that when asked whether citizens can form or join political parties without any restrictions, approximately 37% of respondents could not answer the question, while 17% said no. The data shows that people often are unaware of opportunities to participate in organizations. The 2008 World Values Survey (WVS) supported the claim that Azerbaijan has a very low level of social capital as measured by active membership in various organizations.

Another explanation for the low membership is the actions of the government. Citizens may be discouraged from seeking membership in political organizations because they fear playing a role that is too visible, which could cause potential problems with the government.

About the Author

Anar Valiyev received his Ph.D. in Urban and Public Affairs from the University of Louisville in Kentucky, USA. His interests include the public policies of post-Soviet republics; democracy and governance; and urban development and planning. The statements made and views expressed here are solely the responsibility of the author.

Figure 1: Membership in Organizations 2008



Source:
World Value Survey,
http://www.worldvaluessurvey.org/index_surveys

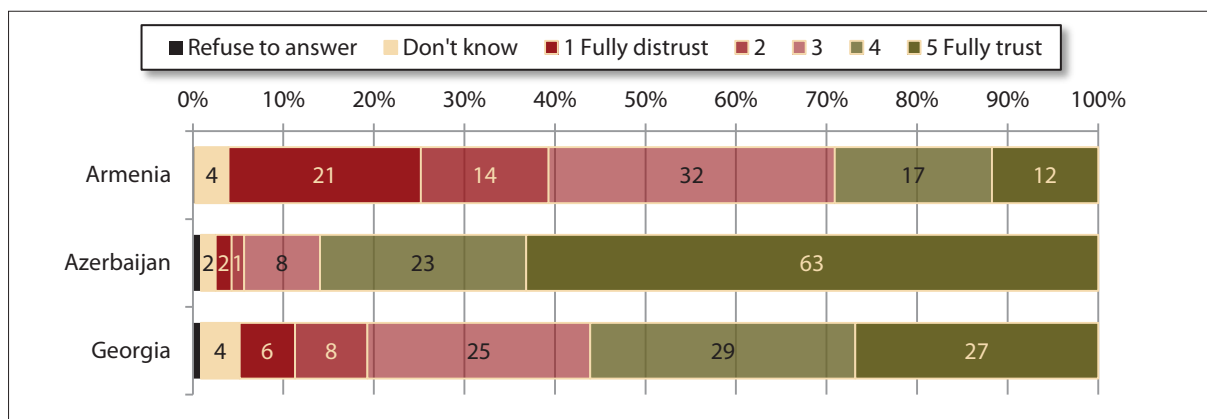
1 This situation also can be attributed to the constitutional changes implemented in 2002 that abolished the proportional system of elections to the parliament based on party lists.

2 Most Azerbaijanis give charity at the individual level rather than through organizations.

OPINION POLL

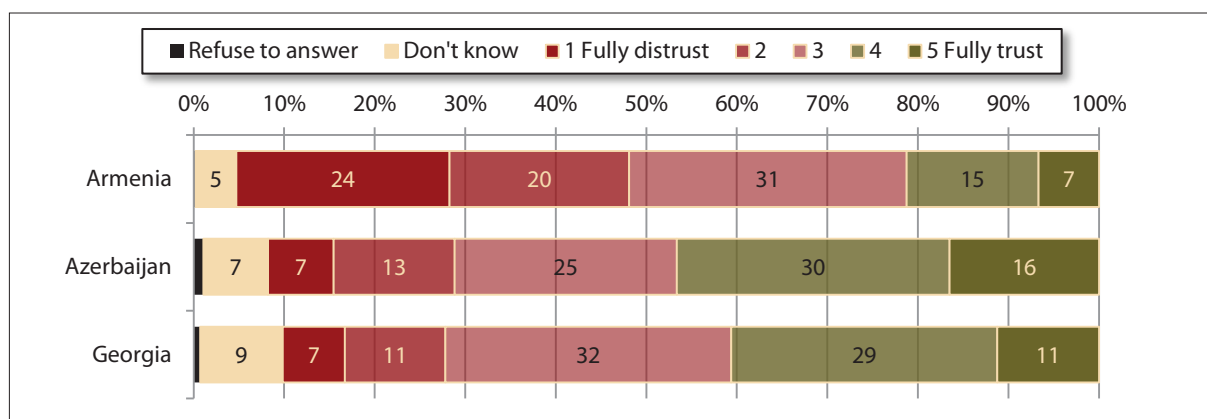
Trust in Institutions in the South Caucasus in Comparison

Figure 1: How much do you trust or distrust /country's/ president?



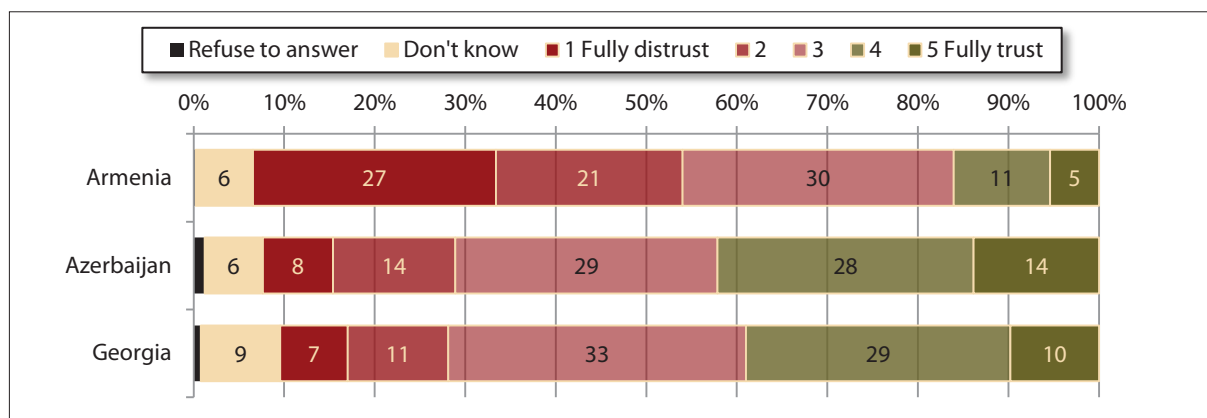
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 2: How much do you trust or distrust /country's/ executive government?



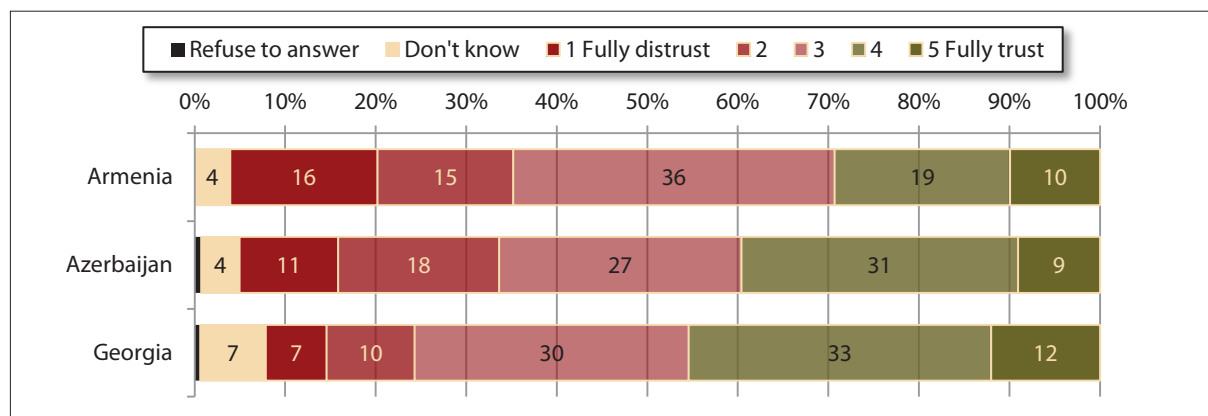
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 3: How much do you trust or distrust /country's/ parliament?



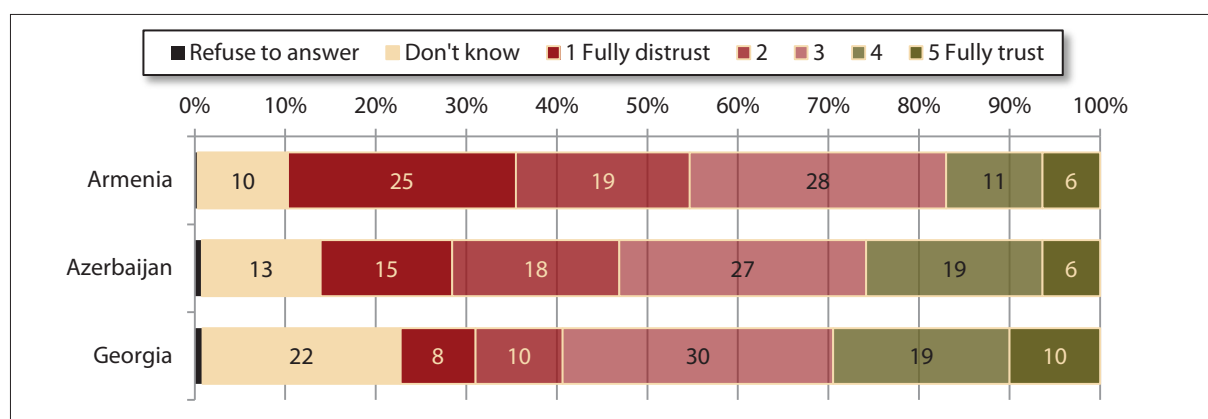
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 4: How much do you trust or distrust /country's/ local government?



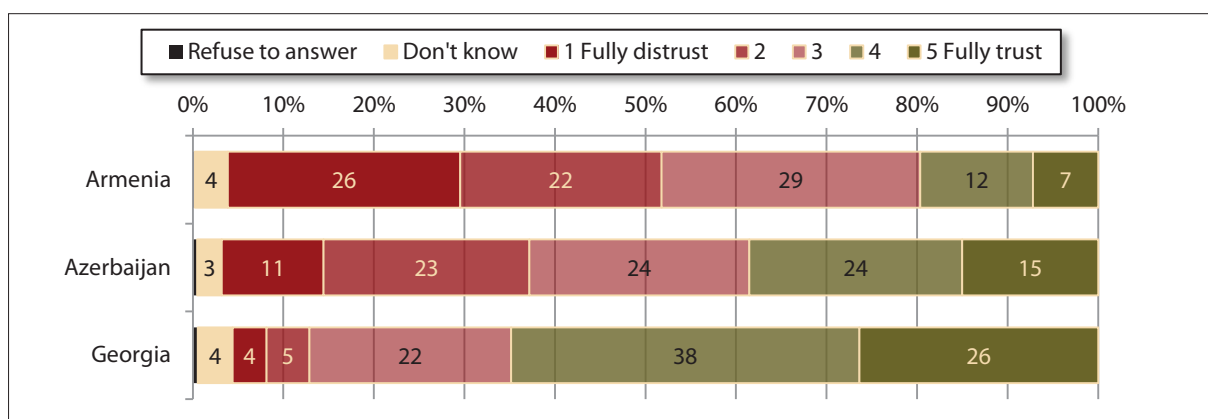
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 5: How much do you trust or distrust /country's/ court system?



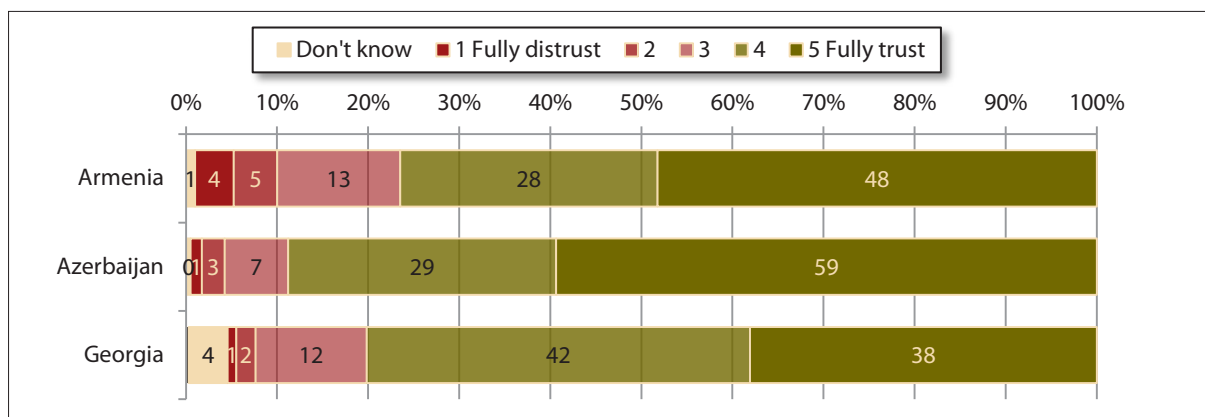
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 6: How much do you trust or distrust /country's/ police?



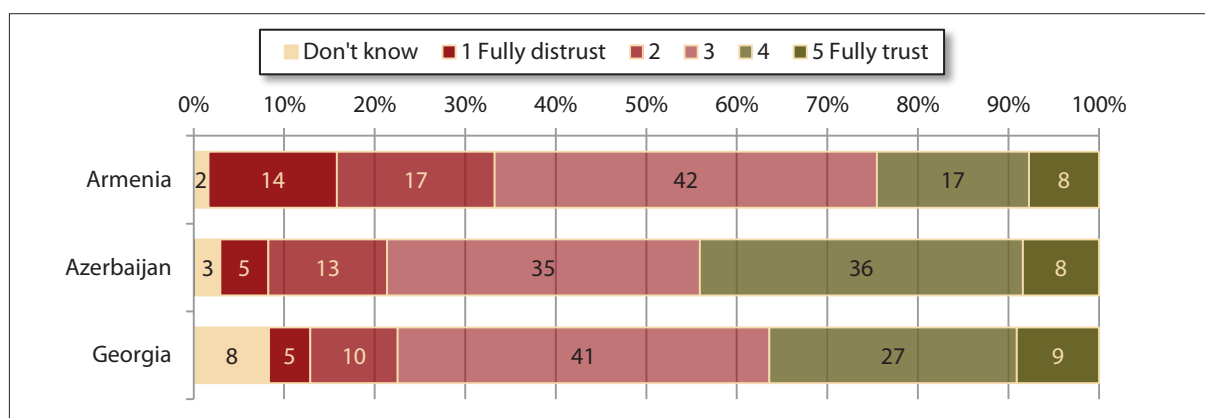
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 7: How much do you trust or distrust /country's/ army?



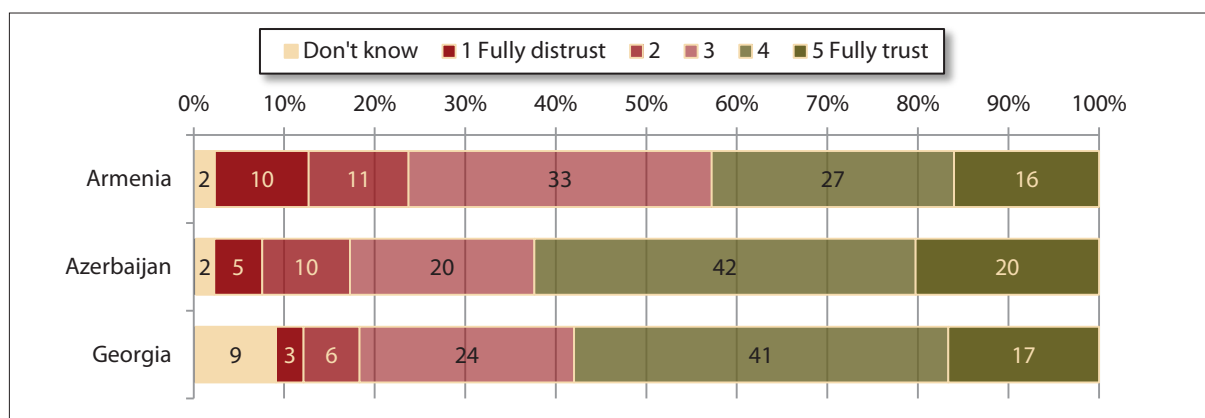
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 8: How much do you trust or distrust /country's/ media?



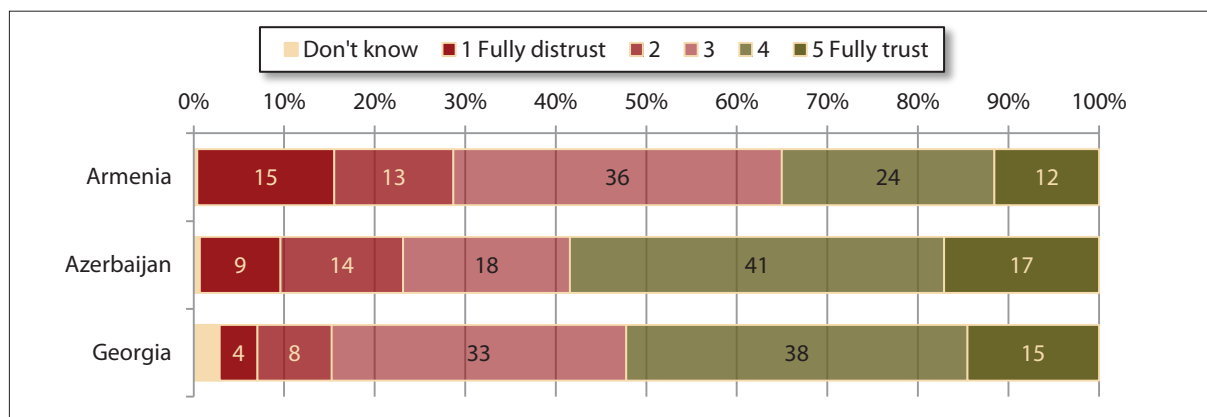
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 9: How much do you trust or distrust /country's/ educational system?



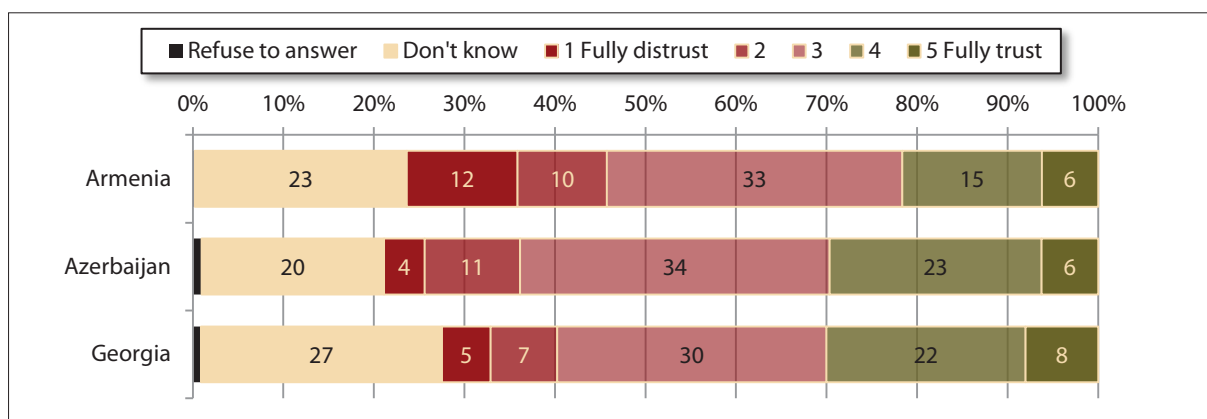
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 10: How much do you trust or distrust /country's/ health care system?



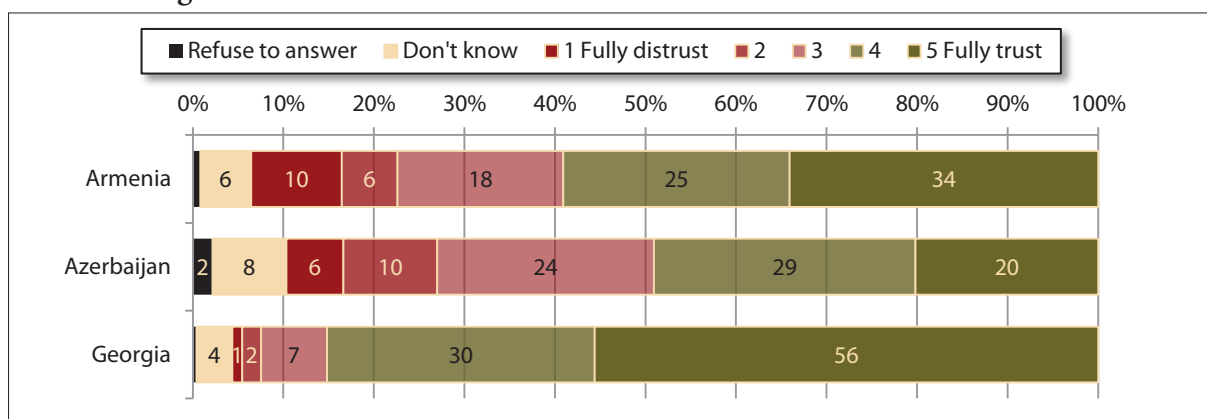
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 11: How much do you trust or distrust /country's/ NGOs?



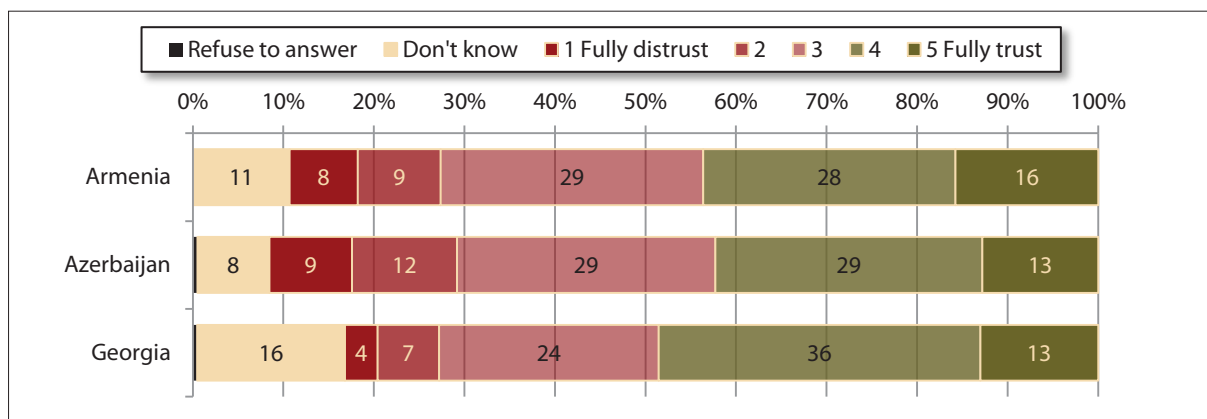
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 12: How much do you trust or distrust /country's/ religious institutions respondent belongs to?



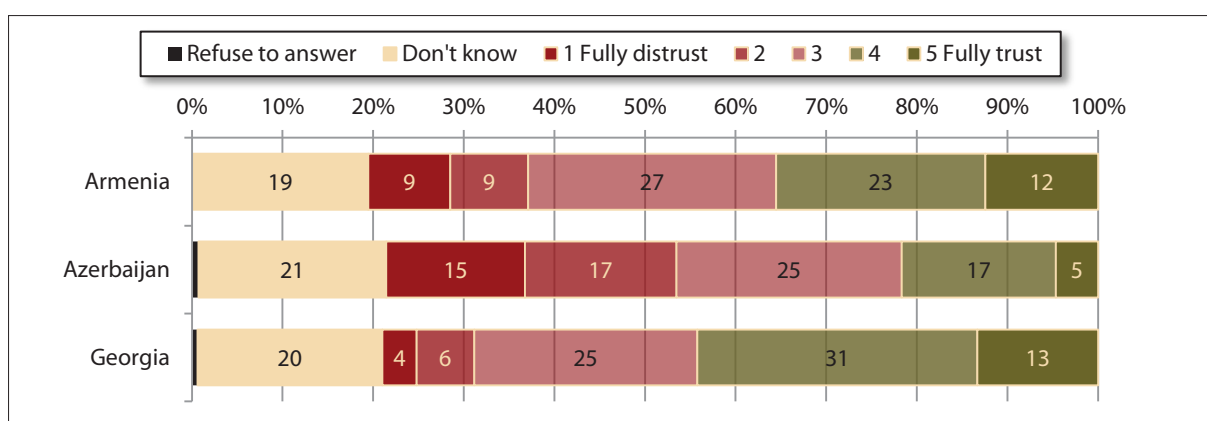
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 13: How much do you trust or distrust /country's/ banks?



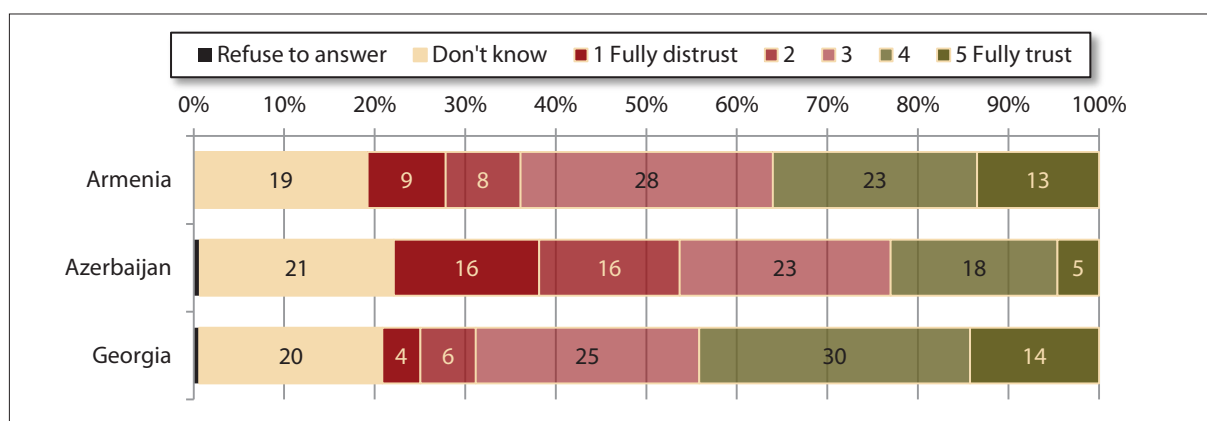
Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 14: How much do you trust or distrust the European Union?



Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

Figure 15: How much do you trust or distrust the United Nations?



Caucasus Research Resource Centers. "Caucasus Barometer" 2010. Retrieved from <http://crrc.ge/caucasusbarometer/datasets/> on November 2, 2011.

CHRONICLE

From 25 October to 14 November 2011

25 October 2011	Turkey and Azerbaijan sign an agreement on Caspian natural gas supplies and transit to the European Union
26 October 2011	Georgian Foreign Minister Grigol Vashadze meets with Azerbaijani President Ilham Aliyev in Baku
26 October 2011	A delegation from the Council of Europe's Venice Commission visits Georgia to discuss its draft new electoral code
26 October 2011	Deputy director of Russia's state Rosatom nuclear energy agency Nikolay Spassky reaffirms Russia's commitment to help Armenia build a new nuclear plant during a visit in Yerevan
28 October 2011	The French Foreign Ministry hails progress in the Swiss-mediated talks between Georgian and Russia on Russia's entry terms into the WTO and welcomes Georgia's acceptance of the Swiss proposals
28 October 2011	The Armenian Emergency Situations Ministry announces that it will send a transport plane with humanitarian aid to the survivors of an earthquake in the western Turkish city of Izmir
28 October 2011	Yerevan Mayor Karen Karapetian confirms his decision to resign from his post after less than one year in office
1 November 2011	Billionaire-turned-opposition politician Bidzina Ivanishvili holds his first-ever press conference in Tbilisi
2 November 2011	Russian chief negotiator Maxim Medvedkov says that Russia has reached an agreement with Georgia in the Swiss-mediated talks over Russia's entry terms into the WTO
2 November 2011	The commander-in-chief of Russia's ground forces Colonel General Aleksandr Postnikov visits Armenia to inspect Russian troops stationed in the country and meet with top Armenian military officials
2 November 2011	Armenian parliament speaker Hovik Abrahamian resigns from his post to run the ruling Republican Party (HHK)'s campaign in the May 2012 parliamentary elections in Armenia
3 November 2011	Armenian Foreign Minister Eduard Nalbandian rules out a major role for the United Nations in the talks on the disputed region of Nagorno Karabakh
8 November 2011	Iranian Foreign Minister Ali Akbar Salehi says in separate meetings with Armenian President Serzh Sarkisian and Foreign Minister Eduard Nalbandian that Tehran wants greater trade and visa-free travel between the two countries during a visit to Yerevan
9 November 2011	Russia and Georgia sign a bilateral agreement completing the WTO talks between the two countries
9 November 2011	Ambassadors from member-states in NATO's North Atlantic Council visit Georgia
9 November 2011	NATO Secretary-General Anders Fogh Rasmussen tells Georgia to keep up its momentum of reforms, especially ahead of the electoral cycle in the next two years which will be a "litmus test" for the country's democracy, during a press conference following a NATO-Georgia Commission meeting
9 November 2011	Armenian President Serzh Sarkisian says that business must be consistently separated from the state during a speech at the annual congress of the Union of Industrialists and Entrepreneurs
9 November 2011	The Georgian government unveils a pension package plan that foresees increasing the minimum monthly pension for individuals 67 years old and above from the current 100 Georgian laris (GEL) to 125 GEL starting from September 2012
10 November 2011	The Russian Foreign Ministry says that the WTO deal with Georgia is a success for all the parties and "an important step in the right direction by Tbilisi"
11 November 2011	The Moldovan Defense Ministry says it will annul a deal to sell arms to Armenia that was criticized by Azerbaijan
11 November 2011	Georgian President Mikheil Saakashvili meets with British Prime Minister David Cameron during a meeting in London of party leaders of the International Democratic Union (IDU) of which Georgia's ruling National Movement party is a member
13 November 2011	Presidential elections are held in the breakaway region of South Ossetia with a second round planned for 27 November
13 November 2011	The Patriarch of the Georgian Orthodox Church Ilia II says that Georgian President Mikheil Saakashvili should restore the Georgian citizenship of businessman-turned-opposition politician Bidzina Ivanishvili during a Sunday sermon
14 November 2011	NATO Secretary General Anders Fogh Rasmussen says that the Alliance does not recognise the elections held in the breakaway region of South Ossetia
14 November 2011	Bulgarian President Georgi Parvanov visits Azerbaijan

ABOUT THE CAUCASUS ANALYTICAL DIGEST

Editors: Iris Kempe, Matthias Neumann, Robert Orttung, Jeronim Perović, Lili Di Puppò

The Caucasus Analytical Digest (CAD) is a monthly internet publication jointly produced by the Heinrich Böll Foundation in Tbilisi (www.boell.ge), the Research Centre for East European Studies at the University of Bremen (www.forschungsstelle.uni-bremen.de), the Institute for European, Russian and Eurasian Studies of the George Washington University (www.gwu.edu/~ieresgwu), the Resource Security Institute in Washington, DC (resourcesecurityinstitute.org/) and the Center for Security Studies (CSS) at ETH Zurich (www.css.ethz.ch) with support from the German Association for East European Studies (DGO). The Caucasus Analytical Digest analyzes the political, economic, and social situation in the three South Caucasus states of Armenia, Azerbaijan and Georgia within the context of international and security dimensions of this region's development. CAD is supported by a grant from the Heinrich Boell Foundation.

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Heinrich Böll Foundation

The Heinrich Böll Foundation, affiliated with the Green Party of Germany, is a legally independent political foundation. The regional office for the South Caucasus was opened in 2003. Its main objective is to contribute to the forming of free, fair and tolerant societies in the region. The Foundation supports and facilitates cooperation of individuals and organizations throughout the region who, based on the principle values of human rights, search for the change of undemocratic and intolerant attitudes in societies and politics, for the transformation of ethno-political and territorial conflicts into the direction of fair and non-violent solutions and for the sustainable development of people and communities. The Foundation encourages critical public debate to make processes of decision-making democratic and transparent.

Center for Security Studies (CSS) at ETH Zurich

The Center for Security Studies (CSS) at the Swiss Federal Institute of Technology (ETH Zurich) is a Swiss academic center of competence that specializes in research, teaching, and information services in the fields of international and Swiss security studies. The CSS also acts as a consultant to various political bodies and the general public.

Research Centre for East European Studies at the University of Bremen

Founded in 1982, the Research Centre for East European Studies (Forschungsstelle Osteuropa) at the University of Bremen is dedicated to the interdisciplinary analysis of socialist and post-socialist developments in the countries of Central and Eastern Europe. The major focus is on the role of dissent, opposition and civil society in their historic, political, sociological and cultural dimensions. With a unique archive on dissident culture under socialism and with an extensive collection of publications on Central and Eastern Europe, the Research Centre regularly hosts visiting scholars from all over the world.

One of the core missions of the institute is the dissemination of academic knowledge to the interested public. This includes regular e-mail newsletters covering current developments in Central and Eastern Europe.

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The Institute for European, Russian and Eurasian Studies is home to a Master's program in European and Eurasian Studies, faculty members from political science, history, economics, sociology, anthropology, language and literature, and other fields, visiting scholars from around the world, research associates, graduate student fellows, and a rich assortment of brown bag lunches, seminars, public lectures, and conferences.

Resource Security Institute

The Resource Security Institute (RSI) is a non-profit organization devoted to improving understanding about global energy security, particularly as it relates to Eurasia. We do this through collaborating on the publication of electronic newsletters, articles, books and public presentations.

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