

TALLINN UNIVERSITY OF TECHNOLOGY

School of Business and Governance

Department of Law

Anastasia Mgaloblishvili

**HAS RELIGION HAD AN IMPACT ON THE POST-SOVIET
ECONOMIC DEVELOPMENT OF GEORGIA AND ESTONIA?**

Bachelor's Thesis

Programme: International Relations

Supervisor: Ton Notermans, PhD

Tallinn 2018

I declare I have written the bachelor's thesis independently.

All works and major viewpoints of the other authors, data from other sources of literature and elsewhere used for writing this paper have been referenced. The document length is 11,390 words from the introduction to the end of conclusion.

Anastasia Mgaloblishvili

.....

(signature, date)

Student code: 156137TASB

Student's e-mail address: anmgal@ttu.ee

Supervisor: Ton Notermans

The thesis conforms to the requirements set for the bachelor's thesis.

.....

(signature, date)

Chairman of defense committee:

Permitted to defense

.....

(name, signature, date)

TABLE OF CONTENTS

ABSTRACT	4
INTRODUCTION.....	4
1. POLITICAL, ECONOMIC & CULTURAL THEORIES OF DEVELOPMENT.....	8
1.1. Political and economic factors in development	8
1.2. Cultural factors in development.....	10
1.2.1 Empirical measures of the cultural factor	12
2. POLITICS AND ECONOMICS OF POST-SOVIET GEORGIA AND ESTONIA.....	17
2.1. Georgia and Estonia in the neoclassical framework	17
2.2. Understanding the Good Governance disparity.....	19
2.2.1. Historic legacies	19
2.2.2. Post-Soviet reformers.....	24
2.2.3. A place for religion?.....	27
3. THE ROLE OF RELIGION - THE CHURCH AND STATE TIES & WORLD VALUE SURVEY	29
3.2. Church/state ties	29
3.2. World Value Survey data analysis	33
3.2.1. Attitudes towards tradition and science	34
3.2.2. General trust & trust in institutions	38
3.2.3. Conclusion	41
CONCLUSION	42
LIST OF REFERENCES:.....	45

ABSTRACT

The aim of this thesis is to examine the impact religion has had on the post-Soviet economic development of Georgia and Estonia. The role of religion in economic development has been neglected in the field of social sciences – where the political and economic theories dominate. By means of an analysis of the development of Georgia and Estonia through the political and economic lens, this thesis will argue that such theories are insufficient to explain the disparity between the two countries. Consequently, it will study the role of religion in development by examining the church and state ties in the two countries and analyzing the Georgian and Estonian societies' values conducive to economic growth that could have been influenced by their religiosity. Through such analysis, this thesis will suggest that religion can be considered a contributing factor in the economic divergence between Estonia and Georgia. More specifically, it will find the level of religiosity in Georgia to have impeded the development of good governance and a free market economy, whereas the opposite to have been the case in Estonia.

KEYWORDS: religion, economic development, Georgia, Estonia

INTRODUCTION

Twenty-six years after the independence from the Soviet Union (USSR), the difference in the economic well-being of Estonia and Georgia remains substantial, with Estonia having a per capita GDP three times the size of Georgia's (World Bank). In political economy, the disparity between the two countries is explained by the dominant neoclassical theory, which emphasizes the significance of good governance, free markets, and trade liberalization in stimulating economic development. Nevertheless, limited attention is given to the effect culture- and specifically religion – may have on shaping the abovementioned factors. From the former Soviet Republics, however, Georgia and Estonia stand on the opposite ends of the spectrum when it comes to their religiosity - defined in this paper as a measure of how religious people are (Rakodi 2012). Whereas Georgia is one of the most religious countries from the post-Soviet republics with a dominantly Eastern Orthodox population, Estonia is the most atheist, with a combination of Eastern Orthodox and Protestant denominations. Considering this difference, this thesis will study religion as a factor that could have affected the development of neoclassical growth factors in Estonia and Georgia. It will find that although both countries are secular in theory, the Georgian Orthodox Church has nevertheless had a prominent role in exercising informal power in the country and consequently shaping its history and its adherents' values. In Estonia, on the other hand, the role of religious institutions has remained minimal. In the search for the reason behind the different impact of religion on the two countries, this thesis will find the historic legacies of the two countries and the difference in the practice of Western and Eastern Christianity to be of a significant importance.

The first chapter will examine existing economic development theories and the role, if any, they attribute to religion in a country's development. The existing literature will be divided into three categories and examined respectively: 1) the neoclassical theory with its emphasis on a free market economy and good governance as the dominant theory in economic development, 2) Max Weber's thesis on Protestant ethics as the classical theory that posits a correlation between religion and

economic development, followed by Bulgakov's continuation of Weber's theory with a focus on Eastern Orthodoxy, and 3) existing empirical studies that measure the relationship between economic development and religion. As the literature review will show, most of the studies on religion and economic development are outdated and are based on an aggregate-level studies of religion in economic development. This allows for limited room to interpret religion in a specific country on an individual-basis and how it may have impacted each country differently based on its history and politics.

The following chapter will begin by examining Georgia and Estonia's development through the dominant neoclassical framework. As it will find that Estonia to-this-day performs better than Georgia in good governance indicators, it will look at two reasons for an explanation – the historic legacies of the two countries and the role of the countries' post-Soviet reformers. Through a historical overview, this chapter will find that certain values and qualities shaped by the historic legacies of the two countries subsequently influenced the policies and reforms of their post-Soviet leaders. Whereas Estonia had a Germanic and Swedish past that consequently lead to Western values to develop in the country, Georgia's past consisted of Ottoman and Persian domination – where less emphasis was placed on the rule of law or individualism. Although both countries were eventually under Russian and later under Soviet rule, their historic legacies may have prompted certain qualities and values to become an integral part of their identities. Although Western values in Estonia and ethnic nationalism in Georgia have affected their economic development, the role religion has played in shaping these identities is neglected from a mere historical analysis. Consequently, the next chapter will focus on studying the role of religious institutions in influencing the politics of the two countries and the values of their populations.

The role of religion in the economic development of Georgia and Estonia will be studied in two parts - the first part will examine the significance of religious institutions in both countries and their relationship with the state, and the second part will measure the role of religion in influencing the adherents' values conducive to economic development. In Georgia, the Eastern Orthodox Church is the most trusted institution in the country (Gurchiani 2017) and hence the Georgian leadership has been profoundly restricted by and tied to the institution. On the other hand, in Estonia the churches and religious organizations are merely minorities of the population, and hence their role in politics

has also remained minimal (Ringvee 2001). In the second part of the chapter, the data from the World Value Survey (WVS) will be used to compare the Georgian and Estonian populations' trust in institutions conducive to economic growth, compare the importance the populations of the two countries place on religion, and finally measure how the difference in the significance of religion may affect certain economic attitudes of the respective populations.

The final chapter will summarize the findings of this thesis, outline its relevance in contemporary Political Science, and advance proposals for further research. Through the case study of Georgia and Estonia, this thesis will prove the significance of religion in theoretically secular countries and hence the importance of incorporating religion in development studies. The methodology for this research will primarily be based on the discourse analysis of Georgia and Estonia's historiography, contemporary development theories, and findings of religious scholars. The WVS data analysis will be conducted through the website's online data analysis tool.

1. POLITICAL, ECONOMIC & CULTURAL THEORIES OF DEVELOPMENT

1.1. Political and economic factors in development

Advanced in the 1980's, the neoclassical growth theory has been the dominant theory explaining contemporary economic development. Unlike the international-dependence theories that preceded it, neoclassical growth theory claims the determinants of development to be the internal rather than external economic factors of a country. For instance, a country is not considered poor because it is exploited by a rich one, but because its economic structure does not support economic growth. It emphasizes three factors that lead to output growth 1) labor quantity and quality, 2) increase in capital, and 3) improvements in technology. In practice, these three factors reach the highest growth rates through trade liberalization and *laissez-faire* economics. Trade liberalization since it attracts both domestic and foreign investments and consequently accumulates capital, and *laissez faire* economics since limited government is regarded as the best government and the market is considered at its best when left alone. As the theory developed throughout the years, however, policy-makers and economists acknowledged the necessity of at least some government intervention in the regulation of the market economy. (Todaro 2010, 126-130)

The Washington Consensus (WC) – economic policy prescriptions put together by the International Monetary Fund (IMF), the World Bank (WB), and the United States Treasury Department – that most contemporary development policies have been based on, is primarily built on the neoclassical approach to economic development. Although the initial ten policy prescriptions of the Washington Consensus were generally economics-based with no mention of politics or governance, gradually good governance - defined through the World Bank's Worldwide Governance indicators program as (Gel'Man 2017): “1) voice and accountability, 2) political stability and absence of violence, 3) government effectiveness, 4) regulation quality, 5) rule of law and 6) control of corruption - became

an implicit prerequisite to development (Rodrik 2007, 17) and hence an integral factor of the neoclassical growth theory. For instance, trade liberalization and secure property rights was considered most feasible in regimes with indices of good governance. The extended version of the Washington Consensus, together with its original version, can be seen below:

Table 1. Rules of Good Behavior for Promoting Economic Growth

<i>Original Washington Consensus</i>	<i>"Augmented" Washington Consensus (additions to the original 10 items)</i>
1. Fiscal discipline	11. Corporate governance
2. Reorientation of public expenditures	12. Anticorruption
3. Tax reform	13. Flexible labor markets
4. Interest rate liberalization	14. Adherence to WTO disciplines
5. Unified and competitive exchange rates	15. Adherence to international financial codes and standards
6. Trade liberalization	16. "Prudent" capital-account opening
7. Openness to direct foreign investment	17. Nonintermediate exchange rate regimes
8. Privatization	18. Independent central banks/inflation targeting
9. Deregulation	19. Social safety nets
10. Secure property rights	20. Targeted poverty reduction

Source: Rodrik 2007, 17

The Washington Consensus has played an important role in post-Soviet development, where radical reformers closely followed its prescriptions (Åslund 2012, 32). Nevertheless, many post-Soviet countries were either unwilling or unable to adjust their economies to the WC’s neoclassical standards. As Rodrik (2017) finds with an examination of the East Asian development, this region followed a different approach to development and nevertheless recorded substantially higher growth rates than did Latin America- which adhered closely to the Washington Consensus. With this conclusion, Rodrik implies that there are additional factors influencing a development of a country – such as culture – that may require different countries to follow various approaches to development rather than the “one-size-fits-all” approach developed through the Washington Consensus. Similarly, Todaro’s *Economic Development* textbook concludes that the neoclassical growth theory may be insufficient in prescribing the correct policies or explaining different cases of development due to the differences in countries’ structure and organization (2010, 130). Hence, a closer emphasis of a country’s politics and culture may prove beneficial in ensuring the successful implementation of the Washington Consensus in the respective countries.

1.2. Cultural factors in development

The first economic sociologist to have made the connection between religion and economic development was Max Weber. In his essay “The Social Psychology of the World Religions,” Weber introduces the term economic ethics, which he defines as “practical impulses for action which are founded in the psychological and pragmatic contexts of religions” (Weber 1948, 267). Although Weber recognizes that religion is not the sole determinant of one’s economic ethic, he asserts that it does in fact play a role in its foundation. Specifically, Weber observes a positive correlation between religion and economics in a religious denomination where the practice of religion has been rationalized and the possibility of finding salvation within-the-world introduced. According to him, Christianity – with its emphasis on the paths of salvation- lays down the foundation for shaping its adherent’s economic ethic. (Weber 1948, 267-290) Whereas Hinduism’s perception of materialism as a “veil hiding the true concerns to which humankind should be oriented” and Confucianism’s emphasis on harmony with the world instead of “an active mastery of it” have contributed to passivity in changing the order of things, Christianity and its unique emphasis on the paths of salvation has “stimulated the revolt against existing order of things” (Giddens 2012, 727).

In his book *The Protestant Ethic and the Spirit of Capitalism* (1905), Weber advances the claim that capitalism has its roots in the Protestant branch of Christianity. This was a result of Protestantism’s concept of God’s calling, which urged its adherents to serve God through “inner worldly asceticism.” Inner worldly asceticism prompts individuals to serve God and seek salvation not through the contemplative manner characterizing Eastern religions of Hinduism and Confucianism – detaching oneself from the world and seeking God in that sense - (Weber 1948, 267-290) nor through the religious doctrinal manner characteristic of Catholic and Orthodox Christianity- serving God merely through religious activities - (Bulgakov 1909), but through a persistent, secular work-ethic. Unlike in Catholicism and Orthodox Christianity, in Protestantism the adherent has a one-on-one relationship with God; whereas the adherents of the former two religions can appeal to the church for forgiveness of sins, the Protestants cannot, and hence they live with greater guilt and greater necessity to prove themselves to God (Weber 1948, 320). Weber singles out a specific sect of Protestantism that has had a profound role on the development of capitalism – Calvinism. Calvinism’s notion of predestination has had a crucial role in the development of individualism and consequently the capitalist work-ethic. As the Calvinists’ paths have already been chosen for them, they cannot appeal to the church or

sacraments for salvation. Instead, assuming they are the chosen ones -doubting is considered a sin -, they have to devote themselves to hard-work as a “sign of having been chosen” (Weber 1905, 56-79). On the other hand, wasting time and being dishonest is considered a sin.

Four years after Weber, Sergey Bulgakov published an essay “The National Economy and the Religious Personality” in which he further advanced Weber’s thesis that religion has a role in a country’s economic development and applies it to Eastern Orthodox Christianity. Bulgakov begins by a general criticism of the dominant political economy theories that “mechanize the society and eliminate the living human personality and the idea of responsibility and creative will.” Specifically, Bulgakov refers to Bentham and Marx who, with their theories of utilitarianism and communism, have neglected the prominent role religion and worldview may play in the functioning of a national economy. Whereas they claim that political economy is concerned by idealistic motivations, Bulgakov argues that “human nature is a constellation of different motivations – selfish and idealistic” – and consequently their economic labor is a combination of the two. Bulgakov also criticizes Adam Smith’s distinction of productive and unproductive labor as “unfortunate” since Smith correlates the former with economic and the latter with spiritual activity. Nevertheless, unproductive labor – or labor unrelated to material goods – can have an impact on economic activity. (Bulgakov 1909)

When it comes to Orthodox Christianity, Bulgakov states that although no study like Weber’s on Protestantism exists on Orthodox Christianity’s connection with capitalism, such study would be of practical use in understanding Russia’s political economy. Bulgakov states that Orthodox Christianity, although different from Protestantism, has in its roots the means of influencing one’s personal responsibility and consequently their economic activity. According to him, a clear connection already exists between the *Starobriadnichestvo* – or the “adherents-to-the-old-rite” who opposed the centralization of the Orthodox Church in 1654– and development of Russian capitalism. Lastly, he states that the reason why such influence may be imperceptible in present day Russia is because of the declining role of the Orthodox Church in the country. (Bulgakov 1909)

Unlike Protestantism, however, it is important to note that Eastern Orthodoxy has specific features that make its practice vary in different countries. As Gurchiani (2017) states, Eastern Orthodoxy leaves a particular theological foundation for the freedom of practice. For example, it is managed

through an ecclesiastical economy – which, in comparison to divine and “akribia” economy - gives the Church the power to handle certain rules and practices that, in the case of the former two, would be determined either through the letter of the law or teachings of God (ibid). Hence, the priest in an Orthodox Church may offer different paths for one to find salvation and has greater room to maneuver in interpreting or exempting certain religious practices. Due to the amount of freedom to religious authorities, a general prediction of whether Eastern Orthodoxy correlates with economic development is more difficult to predict and measure as it is related to the way Eastern Orthodoxy is institutionalized and practiced in the specific country. Samuel Huntington’s “The West: Unique, not Universal,” however, gives a general description of Eastern Orthodoxy that may predict the economic development of countries that follow it. Huntington states that whereas in Western Christianity “God & Caesar” – the church and state – exist independently from each other, in Eastern Orthodoxy “God is Caesar’s junior partner” (1996); this statement will become clearer in the comparison of the church and state ties in Georgia and Estonia. Unlike Protestantism, Eastern Orthodoxy also allows for the forgiveness of sins. The primary feature that both denominations share – as every branch of Christianity – is they offer paths to salvation that consequently may affect the economic ethic of their adherents.

Both Weber’s and Bulgakov’s theories are important in understanding present day relationship between religion and economic development in Georgia and Estonia. Although both scholars have written a century ago and hence some of their ideas may be outdated, their basic assumption that religion is crucial in economic development is something that may explain why the neoclassical theory does not apply to each country in the same way and hence the disparity in Estonia and Georgia’s development post-USSR. Although the majority of Estonians today are considered atheists, Weber’s claim may still apply to them since, according to him, Protestantism has served as the initial spark in capitalism and has consequently influenced the work-ethic of capitalists, although they may not necessarily be adherents to that specific religion anymore.

1.2.1 Empirical measures of the cultural factor

Weber’s theoretical approach in explaining the correlation between Protestantism and the development of capitalism has been criticized for lacking empirical evidence (Guiso *et al* 2003). Possibly due to the general assumption in Political Science that the role of religion has diminished as

a result of secularization that the Westphalian system of contemporary International Relations is built on (Kubalkova 2013), limited empirical studies exist on the role of religion in development. The existing studies are relatively outdated and focus on studying the relationship between religion and social capital conducive to economic growth. For instance, people's attitudes towards corruption is measured in relation to their religiosity - as corruption is regarded as detrimental to growth (Mauro 1995 in Guiso *et al* 2003). Most of the studies have been conducted on an aggregate level while limited studies exist on cross-country or individual level.

To begin with, the cultural map created by political scientists Ronald Inglehart and Christian Welzel based on the WVS data from 2010-2014 is important to examine as it proves the significance of religion in the development of certain values in a country. As Figure 1 shows below, the map displays a general divergence between countries' values based on their religious denomination. Each religious denomination is placed on a map according to two categories of values – survival vs self-expression values, and traditional and secular-rational values. In the survival vs. self-expression measurement, the former “emphasizes economic and physical security, together with an ethnocentric outlook and low levels of trust and tolerance,” whereas the latter places “high priority to environmental protection, growing tolerance of foreigners, gays and lesbians and gender equality, and rising demands for participation in decision making in economic and political life.” In the traditional vs secular-rational measurement, the former “emphasizes the importance of religion, parent-child ties, deference to authority and traditional family values and mostly rejects divorce, abortion, euthanasia, and suicide and has high levels of national pride and nationalistic outlook,” whereas the latter places limited emphasis on the abovementioned values and is more accepting of abortion, divorce, euthanasia, and suicide. (WVS 2018) As it is evident from the cultural map, Georgia is one of the most tradition-leaning from its Orthodox group and is also mostly based on survival rather than self-expression values. On the other hand, Estonia – grouped in a separate category with the Baltics rather with Protestant Europe is - like Protestant Europe - more secular-rational leaning, although - like the Orthodox group - based mostly on the survival, rather than self-expression, values.

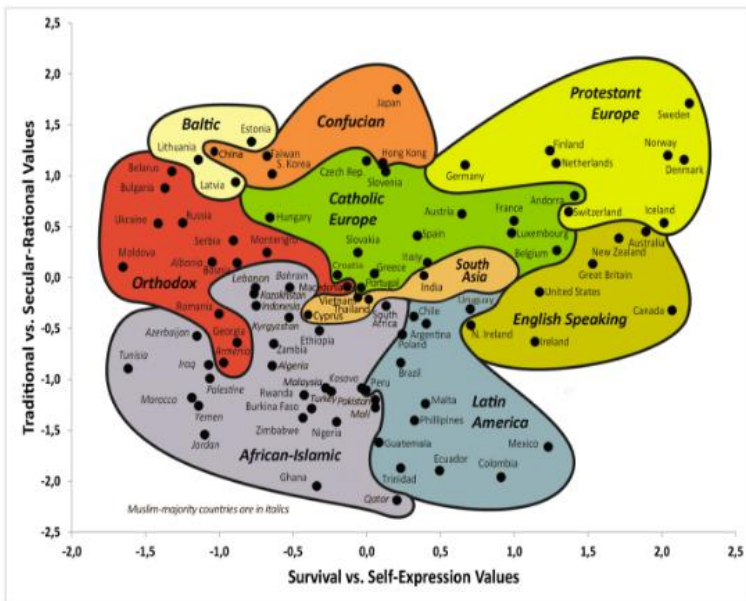


Figure 1. Inglehart-Welzel Cultural Map

Source: WVS 2010-2014

Using the same WVS data, Guiso *et al* (2003) have conducted a study measuring certain values conducive to economic growth with people's religiosity using the data provides by the World Value Survey throughout three different periods: 1981-1984, 1990-1993, 1995-1997. They studied sixty-six independent countries, which – at the time – covered around eighty percent of the world's population; Georgia and Estonia were included in the study. The relationship between religiosity and six following variables were measured: people's attitude towards cooperation, women, government, legal rules, the market economy and its fairness, and thriftiness. One way or another, these variables were considered stimuli to economic growth and hence useful in examining in relation to religion. Although the study found differences in people's attitudes depending on whether they were merely brought up religiously or currently religiously active, in general it concluded religion to be positively correlated with attitudes associated with free markets and better institutions. At the same time, however, religious people were found to be more intolerant and less sympathetic towards women's rights.

When it comes to their findings on specific religious denominations, only findings relevant to Georgia and Estonia will be laid out. The findings on Protestantism may be applicable to Estonia's Protestant population, and although no separate category exists of Eastern Orthodoxy in Guiso *et al*'s study, findings on Catholicism will nevertheless be examined as it may have some common grounds with

Orthodox Christianity. Both Catholicism and Orthodox Christianity are built on a vertical bond with the church (Putnam 1993 in Guiso *et al* 2003) and allow for the forgiveness of sins, and hence findings for Catholicism may also be relevant to Orthodox Christianity. To begin with general trust, attendance of religious services for both Protestants and Catholics was correlated with increased trust. Both were seen more intolerant than non-religious people, and both were found to trust governments and legal systems more than non-religious people. When it comes to economic attitudes, Protestants were found to be the only denomination to trade off equality for incentives, meaning they were more willing to accept inequality if it came with greater opportunities. Nevertheless, Catholics were found thriftier and more competitive than Protestants. Both denominations found poor people lazy, but a greater correlation was found among the Protestants.

Since Eastern Orthodoxy was not examined as a separate category in the previous study, Minarik (2014) based his study on finding the role of religion in post-communist countries using the same methodology as Guiso *et al* (2003). His study is based on a dataset from 1984-2004 and includes data from European Value Survey (EVS) together with the WVS. Due to differences found in Georgia's data on religious denominations by WVS in comparison to other sources, Georgia was dropped from Minarik's study. In general, he found the role of religion to be less significant in post-communist countries than in Guiso's study, possibly due to the communism's atheist legacy. Concerning specifically Orthodox Christianity, his study showed mixed and hence inconclusive responses towards economic attitudes. One specificity of the religious denomination, however, was that it saw welfare of the people as the government's rather than the individual's responsibility. As one of the most religious countries in the post-Soviet countries, excluding Georgia creates a loophole in Minarik's study. On the other hand, Fish (1997) measured the relationship between post-Soviet countries' religious denomination and their GDP per capita in 1990, where he found Western Christianity to be more prone to successful economic growth than Eastern Orthodoxy or Islam. When measuring religion in relation to five other independent variables through a multivariate regression, however, he finds its role to be less significant, and the result of the initial elections to be the most significant.

As the abovementioned studies are conducted on an aggregate basis, they allow for limited room for the interpretation of individual countries and are built on the assumption that a religious denomination has the same impact on each country. Although this may be the case for Protestantism, the particularity

of the practice of Eastern Orthodoxy in each country makes a generalization of its impact on economic development difficult. Hence, an analysis and a subsequent comparison of countries on a micro-basis will allow for a better interpretation on the role, if any, religion has had in its development. The remaining of this research will be based on studying the impact of religion on economic development through the case studies of Georgia and Estonia. The examination and the comparison of the two countries history, politics, and religiosity will allow for a clearer understanding of the different impact religion has had on their post-Soviet development.

2. POLITICS AND ECONOMICS OF POST-SOVIET GEORGIA AND ESTONIA

2.1. Georgia and Estonia in the neoclassical framework

In a study of post-Soviet economic development, Steven Fish (1997) combines the liberalization and privatization scores of post-Soviet countries according to the World Bank data from 1996 to create an overall economic reform score for each country. In the liberalization score, a country's domestic prices and markets, foreign trade and currency convertibility, and openness to new business entry are incorporated; in the privatization score, the portion of the private sector sharing the country's GDP is considered. According to the data, Estonia had a liberalization score of 9.3 and privatization score of 61 and hence ranked second-to-best in the list of post-Soviet countries according to its economic reform score. In comparison, Georgia had a liberalization score of 5.8 and a privatization score of 30 and ranked twenty-first in its overall economic reform score. The table with the ranking of the post-Soviet countries based on their economic reform scores can be seen below:

Table 2. Economic reform score of post-USSR countries

Czech Republic	8.2
Estonia	7.7
Hungary	7.5
Poland	7.4
Slovak Republic	7.3
Lithuania	7.1
Latvia	7.0
Albania	6.7
Croatia	6.7
Russia	6.4
Slovenia	6.2
Kyrgyz Republic	6.1
Mongolia	6.1
Macedonia	5.9
Romania	5.5
Armenia	5.2
Bulgaria	4.9
Moldova	4.9
Ukraine	4.7
Georgia	4.4
Uzbekistan	4.2
Kazakhstan	4.1
Azerbaijan	3.5
Belarus	3.0
Tajikistan	2.7
Turkmenistan	1.9

Source: Fish 1997

As Table 2 shows, after the first five years of independence, Estonia already showed more promising figures for successful economic development according to the neoclassical theory. Twenty-six years later, Estonia's GDP per capita (PPP in current international dollars) is almost three times greater than Georgia's - with it reaching \$29,743 in 2016 while Georgia remains at \$10,004 (World Bank). Aside from having better figures to begin with, Estonian membership to the European Union (EU) in 2004 can also be regarded as a factor in further stimulating its growth from a solely economic perspective. Joining the EU gave Estonia access to its single market and hence to the free movement of goods, capital, services, and labor – factors regarded as beneficial for growth by the neoclassical theory. After its membership in 2004, Estonia's per capita growth rate reached 10% (World Bank). The disparity between the two countries GDP per capita can be seen in Figure 2 below.

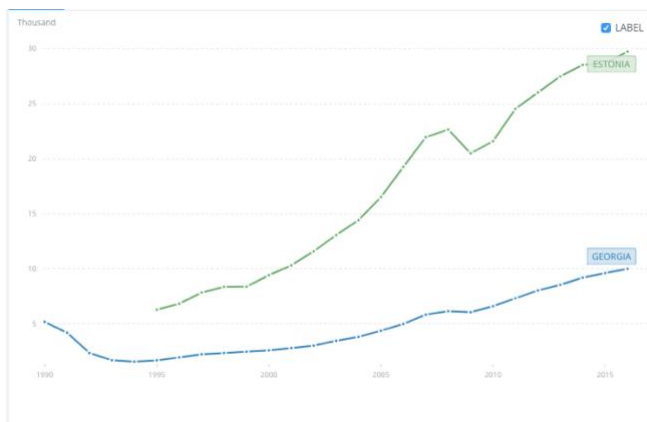


Figure 2. GDP per capita, PPP (current international \$) – Georgia and Estonia 1990-2016

Source: World Bank 2018

As Figure 2 shows, the difference between the countries' GDP per capita to this day remains substantial. However, neither better economic indices post-independence from the USSR nor Estonia's EU membership is sufficient in explaining Estonia's successful performance in comparison to Georgia's. When measuring possible determinants of the economic reform scores, Fish (1997) finds that the countries' economies post-independence– their debt and/or the amount of international assistance received– to be insignificant in determining their performance five years later. Similarly, European Union (EU) membership – and consequently trade liberalization – cannot be considered a factor in stimulating economic growth if favorable political and economic conditions were not present

in the country to begin with. As Sedelmeier (2014) writes on EU's eastern enlargement of 2004, the union's influence on the newly-joined members depended heavily on favorable domestic conditions in these countries. For instance, Romania, Bulgaria, and Greece have the lowest levels of GDP per capita (in PPP) within the EU (Eurostat 2018) simultaneously with indicators of bad governance (World Bank 2018) - defined by Gel'man (2017) as the "lack and/or perversion of rule of law, corruption, poor quality of regulation, ineffectiveness of government." Hence, it is not enough to state that Estonia performs better than Georgia since it is a member of the EU but rather to find the reasons behind favorable domestic conditions in the former in comparison to the latter.

2.2. Understanding the Good Governance disparity

2.2.1. Historic legacies

Table 3 below presents the results of Georgia and Estonia from 2006 to 2016 in the World Bank's six good governance indicators - voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption. In each indicator, Estonia is substantially ahead of Georgia, although Georgia's progress from 2006 to 2016 is conspicuous. In the literature on post-Soviet development, two prevailing schools of thought exist on the recipes for good governance. On the one hand, the structure-based theories emphasize the significance of the institutions that developed as a result of the historic legacy of each country in either hindering or promoting good governance. On the other hand, the agency-driven theories develop the argument that policies and the initial reformers mattered more than the country's historic legacy and past institutions. In both cases, religion has played a determining yet neglected role in development studies. In the case of former, religion is merely discussed as a component of the countries' historiography that had no influential power on its own; in case of the latter, religion is barely mentioned as a constrain or an advantage on the leadership of the two countries.

Table 3. Georgia and Estonia in the World Bank’s Worldwide Governance Indicators.



Source: World Bank 2018

As one of the leading advocates of the structure-based, institutionalist theory, Acemoglu and Robinson (2012) would most likely explain the economic disparity between Georgia and Estonia by analyzing them through the historical lens before their independence from the USSR. On the one hand, Georgia and Estonia share the same past under the Russian empire and later USSR, and hence their disparity in good governance indices, as Gel’Man (2017) argues, cannot be explained by their historic past – as

this was similar in each post-Soviet country. Nevertheless, as it will become evident throughout this chapter, the Soviet Union's legacy differed in each country depending on the country's ethnic composition and pre-Soviet past. Concerning the former, it is a general assumption in academic literature that nations with troubles with national minorities pre-USSR had greater difficulty in building an inclusive polity post-USSR (Pigenko and Novac 2002). In case of the latter, the countries willingness and/or ability to integrate minorities depended largely on their geopolitics and pre-Soviet historic legacies. As Samuel Huntington (1996) writes in his article "The West: Unique, Not Universal," Western Europe has inherited unique qualities of rationalism, Roman Law, and Western Christianity from the classical civilization that has consequently shaped its unique identity. Although Islam and Orthodoxy have also adopted from the classical world, Huntington writes that they inherited "nowhere near same degree as the west."

When studying Georgia's post-Soviet economic development, development scholar Anders Åslund (2012, 26) identifies the country's "ancient minorities, national disputes, and political violence" as the main constraints to its economic development. These constraints, accordingly, can be traced back to Georgia's historic past before and during the Soviet rule. Although it had its short-lived independence from 1918-1921, Georgia throughout history existed as a fragmented territory (Wheatley 2009) mostly under Ottoman, Persian, or Russian rule. As the only Christian country under the former two powers, Christianity became a defining feature of its national identity (Chikovani 2012) and hence a form of self-preservation under a cultural threat. As Metreveli (2016) writes, it is common for ethnic-nationalism to develop in nations that "continuously experienced a struggle for an independent state but rarely achieved it." Consequently, Georgia's self-identification as one of the first Christian nations, together with its unique language and culture, paved way to, as Chikovani (2012) puts it, the "notion of ethnic exceptionalism" to develop among the population. In turn, ethnic nationalism in Georgia left an ambiguous place for and created tensions with Georgia's ethnic minorities, which only intensified following the Soviet occupation of the country.

Although during the Soviet rule there was an attempt to diminish such national sentiments in the hope of creating a common Soviet identity (Chikovani 2012), it may have had a reverse effect in Soviet Georgia - nationalism nevertheless prevailed, and USSR's ethno-federalist division of the Union served as the foundation for Georgia's post-independence inter-ethnic tensions (Wheatley 2009;

Chikovani 2012). The Soviet Union was divided territorially into a hierarchical system mostly based on the nationality of the residing population, and consequently three autonomous units were carved out within Georgia - Abkhazia, South Ossetia, and Adjara (Wheatley 2009). The former two due the population's "distinct nationalities," and the latter due to its large Muslim population. A combination of strong national sentiments, the USSR's fragmentation of Georgia on an ethnic-basis, and Russia's strategic interests in the country resulted in two wars to break out in Georgia post-independence –in Abkhazia in 1992 and South Ossetia in 2008. By the end of 1992, Georgia's GDP had fallen by 44.2% (Wheatley 2009), by the end of 2008, by 3.65% (World Bank). Figure 3 displays the GDP growth rate of the two countries from the earliest data available after their independence.

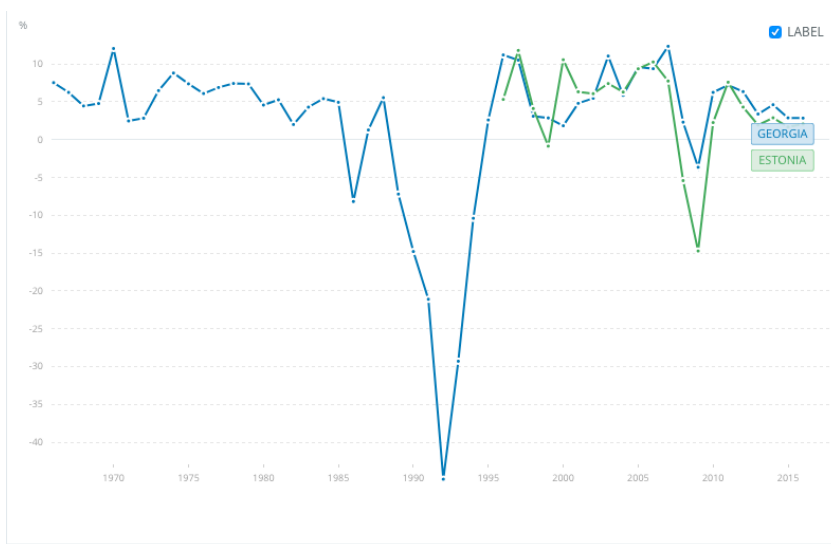


Figure 3. GDP growth (annual %) – Georgia and Estonia 1990-2016

Source: World Bank 2018

As Figure 3 shows, Georgia's GDP growth decreased immensely in 1992 and substantially again in 2009 –coinciding with the years after the two wars in the country. Hence, Georgia's barriers to economic development can be partly attributed to its historical background that gradually created and strengthened a strong sense of ethnic identity among the Georgian population. Aside from direct economic effects, ethnic nationalism in Georgia has also had indirect outcomes on Georgia's economic development as it impeded the development of good governance indices in the country. For

instance, one dimension of governance measured by the World Bank's Worldwide Governance Indicators – voice and accountability – measures the “the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media” (World Bank). Georgia's history and policies that prioritize “ethnic” Georgians over ethnic minorities impede the development of the inclusive society necessary for the development of good governance.

When it comes to post-Soviet Estonia, Åslund (2012) cites Lieven (1993) that it was “ripe for full democracy and radical economic reform. Its national objectives were firmly set: to turn their back on Russia, to reintegrate with the West, and to establish ordinary Western systems.” The reason why Estonia was “ripe for full democracy and economic reform” while Georgia was not can be explained by the German and Swedish domination of the country – which resulted in the qualities “unique” to the West (Huntington 1996) to also become imbedded in the Estonian identity – Western Christianity, rationalism, the Roman Law. Consequently, when Estonia was later under the Russian and the Soviet rule, it did not succumb to its influence and, as Estonian historian Made (2003) writes, was portrayed as a part of the western civilization during the restoration period starting in the 1980s.

The German domination prevailed in Estonia from the thirteenth century until the early twentieth century; although referred to as “700 years of slavery” (Made 2003) before the 1940s, the contemporary perspective of Estonian history recognizes that the centuries long conquest resulted in culturally linking Estonia to Europe – Western Christianity was established in the Estonian territory in the thirteenth century (ibid), and the Protestant Reformation lead to the establishment of Protestantism as the dominant religious denomination in the country (Ringvee 2001). The German legacy was not merely cultural – its institutions served as a blue print for Estonia's developing public sector from the late nineteenth century onwards, where the German legal system was especially influential. Furthermore, industrialization, urbanization, and technical modernization lead to the development of “modern European political trends such as socialism and liberal democracy to the Baltic provinces.” (Made 2003) Similarly, the Swedish conquest of the seventeenth century is referred to by Estonian historian Reiman (in Kuldkepp 2013) as the “a dawn before the real time of the dawn.” As he writes, the Swedish rule resulted in the “the seeds of freedom and civilization” to be planted in

the country that begun “to flourish when the time of the dawn (Estonian independence) began to arrive.”

The difference in Estonia’s and Georgia’s pre-Soviet past can be considered as one of the factors why the Soviet influence was more difficult to overcome in Georgia. Although both countries turned to nationalism for self-preservation from the hardships of the Soviet domination, instead of turning to its “ethnic exceptionalism” like Georgia did, Estonia’s nationalism consisted of “identifying itself as a part of the wider group of nations in order to complete its cultural identity and to ensure freedom” (Kuldkepp 2013). Pigenko and Novac (2002) provide an explanation for this by stating that the role nationalism had on different societies cannot be generalized and can be “understood only when it is recognized as a part of the articulation of social formations.” Hence, instead of turning to its “unique” ethnicity like Georgia did, Estonia turned to Finland, Scandinavia, and Europe (ibid).

Overall, the analysis of the historical legacies of Estonia and Georgia before and after the Soviet Union show that the certain values of the two countries can be traced back to the impact of centuries-long domination by the great powers. In Estonia’s case, the values mostly developed as a result of German rule, which Huntington (1996) identifies as unique to the West and includes qualities like individualism, the rule of law, Western Christianity. On the other hand, Georgia developed a strong sense of ethnic nationalism as, unlike Estonia, its conquerors were of a mostly different cultural and historical origin. Consequently, as the proceeding section will show, these qualities influenced the policies and reforms of the post-Soviet leaders following the countries’ independence.

2.2.2. Post-Soviet reformers

As Kotkin and Beissinger write, the “cultural schemata” play a prominent role in the transition of past institutions and practices to the present, as past regime practices may define whether certain conduct is normal or unacceptable. (Gel’Man 2017). Hence, the post-Soviet reformers of Georgia and Estonia were in part either constrained or benefited by the past institutions and legacies that they inherited of their respective countries. Although both Estonian and Georgian reformers were constrained by the Soviet-bureaucratic organization of their institutions, the pre-Soviet legacy of the countries to an extent determined their ability to overcome the Soviet legacies. In Georgia’s case, this was ethnic nationalism; in Estonia’s case, this was the “regional” nationalism, and qualities identified by

Huntington (1996) as unique to the West – rule of law, Western Christianity, and individualism. Nevertheless, the policies and actions of the leaders of the two countries may also be considered independently of their historic legacies considering the amount of power and autonomy they possessed – and hence the prevalence of ethnic nationalistic sentiments in Georgia and Western values in Estonia can also be regarded as results of their rule.

The first president of the post-Soviet Georgia was Zviad Gamsakhurdia, infamous for his “ethnic chauvinism” and target of “ungrateful” minorities (Wheatley 2009). Religion made up an integral part of Gamsakhurdia’s rhetoric, and the two concepts were close to indistinguishable (Batiashvili in Sutidze 2015). Consequently, as Åslund writes, his rule consisted mostly of trying to maintain control over the autonomous territories of Abkhazia and South Ossetia and less on political and economic reform. Nonetheless, a civil war broke out in Abkhazia in 1991 and total chaos and lawlessness prevailed in the country, the new state, as Wheatley (2009) writes was “utterly incapable of executing its core functions.” In 1995, Shevardnadze – a former First Party Secretary of Georgia and Foreign Affairs Minister of the Soviet Union - became the President of the country. His political elite, like him, consisted of former communist members. Throughout his rule, corruption was conspicuous in everyday life – seven out of ten motorists stopped by the traffic police were said to be giving a bribe (Nasuti 2016) and Georgia was ranked as one of the top ten corrupt countries in 2003 (Transparency International). According to Batiashvili (in Sutidze 2015), religion as an institution gained the most power and legitimacy during Shevardnadze’s rule, as the Georgian Orthodox Church provided the citizens with a sense of security that the state was incapable of offering.

Governance only began to improve in the country throughout Mikheil Saakashvili’s rule, who took over the presidency after a revolution ousting Shevardnadze in 2003. A Western-oriented leader, Saakashvili transitioned Georgia from the most corrupt country in 2003 to one of the cleanest in 2012 (Nasuti 2016). This was done through a zero-tolerance policy towards corruption - in the police department, for instance, all of the police officers of Shevardnadze’s time were fired, resulting in the police force to be voted as the second most trusted institution in 2011. The country’s major cities were modernized and infrastructure was improved – creating a hospitable environment for tourism and foreign direct investment in the country (Papava 2009). Furthermore, Saakashvili attempted to transition the country from an ethnic to a civic-based nationalism by attempting to better integrate the

country's minorities. Nevertheless, Saakashvili's policies towards the minorities were regarded by many as an attempt to assimilate them to Georgians (Nasuti 2016) rather than provide them with a free and safe space for the practice of their own culture. (Wheatley 2009). Saakashvili's 2004 speech supports this claim, where Georgian ethnicity seems to be implied as being superior to the rest:

“True heroes are Shorena [a young teacher who addressed the conference earlier] and hundreds of other young idealists like her, remarkable people for whom their homeland is more than simply empty words and drum-beating . . . This is her daily work. . . . She gets up at six o'clock and takes four different buses to go from Tbilisi to Sadakhlo [a place with a large ethnic Azerbaijani population]. She spends more than half her salary on these buses, so that she can teach not just the Georgian language, but also Georgian national consciousness. These are the kind of people who are building the new Georgia.” (Wheatley 2009)

The state's encouragement of ethnic-nationalism can also be seen in its relationship with Georgia's Orthodox Church, which, as the next chapter will show, remained the most trusted institution throughout his rule and was given priority by Saakashvili's government over other religious institutions.

When it comes to Estonia, Abrams and Fish (2015) state that – like most other post-Soviet countries – the country lacked institutions conducive of a market economy and basic statehood. Additionally, no law existed on regulating corruption until it became a priority in 1996. (Wheatley 2009) Hence, one can argue that what made Estonia more successful than Georgia was not the presence of inclusive institutions in the country but rather the presence of a group of reform-oriented leaders who used their leadership to develop Estonia following the neoclassical standards. As Åslund writes, whereas post-Communist rent-seekers dominated the leadership of most of the Commonwealth of Independent States (CIS), liberal reformers dominated the Baltics (2012, 48). Disregarding the post-independence institutions of each country- which was relatively similar everywhere- two reasons can be identified as of why some countries elected liberal reformers while the others kept rent-seekers in power – 1) whether such leaders were present in the political circle at the time, or 2) the ideologies and beliefs of the population that consequently led to the reformers' victories.

In the first post-independence election of 1992, Mat Laar's coalition came to power in Estonia, whose government, as Abrams and Fish write, viewed national sovereignty, regime change, and radical economic transformation as "mutually interdependent imperatives." Laar's government took on radical and quick reforms, which mostly consisted of imposing hard budget constraints (HBC's) on political capitalists and hence marginalizing them from power. As Åslund writes, the imposition of HBC's is especially crucial in economic development since, if they are not imposed on enterprise managers, they will be convinced that the rules have not changed and hence will not adjust their practice accordingly. Additionally, radical reforms are generally regarded more efficient than gradual reforms in prompting economic development. Although radical reformers are at greater risk of losing their position, Laar's government was "willing to sacrifice its political survival for the sake of reform" (Wheatley 2009).

On the one hand, one can argue that Saakashvili's government took on the same reforms as Laar's but more than a decade later. Nevertheless, two explanations can be laid out for why his reforms did not produce the same results as Laar's in Estonia: 1) the reforms were implemented too late after the collapse of the Soviet Union – when certain Soviet qualities were imbedded in the politics of the country and 2) state power did not become successfully institutionalized in Georgia. When it comes to the former, Fish (1997) finds when measuring different variables that could have affected the economic development of post-Soviet countries that the outcome of the first elections after independence were the most significant. Åslund's explanation may give a reason for this, who states that radical reforms change the intellectual paradigm of the country, while more gradual reforms keep rather "parochial economic ideas alive in CIS countries" (2012, 36). When it comes to the institutionalization of state power, although both Laar and Saakashvili inherited a weak-functioning state and placed primary significance to policies rather than institutions, Laar nevertheless institutionalized state power, whereas Saakashvili did not fully do so. According to Wheatley (2009), his rule can be characterized by the principles of democratic centralism, with the leadership monopolizing the decision-making power.

2.2.3. A place for religion?

The opportunities and constraints on Georgia and Estonia's post-Soviet leaders for the implementation of certain policies and reforms were to a large extent determined by the countries' historic past. It can

be concluded by the comparison of the countries' historical legacies and development that Estonia's Western values and consequently reform-oriented leaders lead the country to develop more successfully than Georgia in the neoclassical indices. However, although most historical analyses imply that Western Christianity has been an integral part of Estonia's Western identity and Eastern Orthodoxy has been an integral part for Georgia's ethnic identity, limited attention is given to studying religion independently as a dynamic factor that has shaped the values and qualities, and consequently the economic development, of the two countries. Furthermore, similarly few studies exist analyzing how the prevalence of religious institutions could have either hindered or supported the economic development of post-Soviet countries. Hence, to better understand the disparity in development of Georgia and Estonia, it is important to examine the role the religious institutions have played and continue to play in the politics of the countries and how the level of religiosity in the two countries may shape the values of their respective societies and leaders.

3. THE ROLE OF RELIGION - THE CHURCH AND STATE TIES & THE WORLD VALUE SURVEY

3.2. Church/state ties

As Christianity entered present-day Georgian territory in the fourth century, Georgia is often considered as one of the earliest Christian nations. Consequently, the historiography of the country since the early medieval ages has been characterized as the “struggles of Christian kings against Muslim invasions” (Javakhishvili *et al* 1943, Javakhishvili 1960 in Gurchiani 2017). People of non-Orthodox religion were considered as “French” if they were Catholic Georgians and “Tatars” if they were Muslim Georgians (Gurchiani 2017). As a Georgian religious sociologist Emzar Jgerenaia points out, the mainstream historiography of the country – consisting of “the fight for the preservation of Christianity” - has left an ambiguous place for Georgians of a non-Christian origin (Jgerenaia in Sutidze 2016). To this day, Eastern Orthodoxy makes up an integral part of a Georgian’s identity and is regarded as an essential aspect of “Georgianness” (Gurchiani 2017). According to the WVS data from 2014, 97% of the population claimed religion to be from “rather important” to “very important” in their daily lives (WVS 2018). 93.1% of the population are Orthodox (*ibid*), and the Georgian Orthodox Church is the most trusted institution in Georgia (Gurchiani 2017).

Considering the significance of religion in the history and self-identity of Georgia, the Georgian Orthodox Church as a religious institution has had a prominent role in shaping the country’s politics and economic development. Although religion remained crucial in Georgia despite the Marxist-atheist ideology of the Soviet rule, the Georgian Orthodox Church itself gained its power and legitimacy post-independence during Eduard Shevardnadze’s rule in the 1990s (Batiashvili in Sutidze 2015). As Batiashvili puts it, this was the period when the “secularization” of the church occurred – the church refused to become the national religion of Georgia, but nevertheless, due to the weakness of state institutions during Shevardnadze’s time, begun to exercise profound informal power over the

Georgian citizens by offering them the basic security that they lacked from the state. The church built its legitimacy by combining Georgia's national identity with religion and implying in its behavior, as Georgian religious expert Levan Sutidze (2015) puts it, that the "Georgian identity exists because of me" or "If you do not ask for my opinion, you are going against the Georgian nation." Although as a result of the Concordat of 2002 the church had no formal power (ibid), everything that has cultural legitimacy has to-this-day remained in the hands of the Georgian Orthodox Church (Batiashvili in Sutidze 2015).

Consequently, although the 1995 Constitution of Georgia declared the freedom of religion and the independence and separation of the Georgian Orthodox Church from the state, it nevertheless emphasized the "special role of the Orthodox Church in history of Georgia" (Grdzeldze 2010). The "special role" given to the Orthodox Church has been conspicuous throughout the rule of Mikheil Saakashvili, who continued to provide government funding to the Georgian Orthodox Church with the premise of compensating it for the damage done under the rule of the Russian empire and the Soviet Union. Furthermore, the church became free of the revenue tax and taxes related to its production, non-commercial property, and land. (ibid). In 2013, Transparency International estimated that the Georgian Orthodox Church received 200 million Georgian Lari – approximately 125 million US Dollars - of funding (Metreveli 2016) throughout the past twelve years. Saakashvili's regime also increased the funding to the church from November 2007 – the period when his regime faced both internal and external criticism for the crackdown of opposition protests in the country (Gredzildze 2010). Regardless the reason for the government funding of the church, the fact that the Georgian government has had to turn to the church for the trust and legitimacy of its people says much about the church's significance in the Georgian society. The amount of state funding allocated to the Patriarchate from 2002-2013 can be seen from the Figure 4 below, with a clear increase from 2007 onwards.

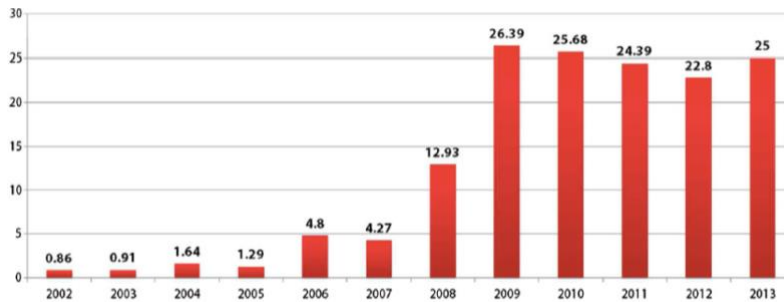


Figure 4. State budget funding allocated to the Georgian Patriarchate in 2002-2013 year (GEL million)

Source: Metreveli 2016

In turn, the significant place of the Orthodox Church in Georgia’s politics can be considered both a direct and an indirect hindrance to Georgia’s economic development - direct because the substantial portion of the government revenue given to the church could instead have been spent on factors that could hasten Georgia’s economic development, and indirect because the church has revealed tendencies and characteristics that counteract factors conducive to economic development. For example, the Georgian Orthodox Church has called for the re-establishment of a monarchy in Georgia (Grdzelidze 2010), which would subsequently strengthen the ethnic nationalistic sentiments in the state and impede democratization. Furthermore, Sutidze (2015) states that although the Patriarchate of Georgia theoretically supports Georgia’s development and Westernization, its actions have proven otherwise. For instance, during a visit to Adjara – a Georgian region with a significantly large Muslim population – the Patriarch assured the citizens of the region that they “too” are Georgians. The Georgian expression of you too – *tkvents*- he used, however, leaves a connotation that the population are still partly, rather than fully, Georgians.

When it comes to Estonia, it has become Christianized during the German conquest of the thirteenth century (Made 2003) and has become dominantly Lutheran from seventeenth century onwards (Ringvee 2001). Similar to Georgia, religion has to an extent shaped Estonia’s history and identity. Nevertheless, whereas religion has become an integral part of Georgia’s ethnic identity partly as a reaction to the cultural threat posed by foreign domination, in Estonia religion has served as an instrument in integrating the country to its “positive other” (Peresoo in Kuldkepp 2013) - the West - and has shaped its legal and educational systems throughout German and Swedish conquest (ibid).

Today, Estonia is one of the most atheist countries in Europe, if not the world. According to the WVS data from 2011, only 25.3% of the country's population considered religion from "rather" to "very" important in their daily lives. 64.1% of the population do not belong to any religious denomination, while 7.6% are Protestant and 23% are Orthodox. (World Value Survey 2018) For historical reasons, however, the Estonian Evangelical Lutheran Church has maintained a leading role as a religious institution until the early twenty-first century (Ringvee 2001).

Considering the minimal role religion has in the public life of Estonia, the role of the religious institutions in the country's politics has also remained minimal. Although the Estonian Evangelical Lutheran Church and the Russian Orthodox Church can be considered the largest religious associations in the country (Ringvee 2001), they make up such a minor portion of the Estonian society that their impact on the politics has been insignificant. Respectively, the state has given no preference to any association - the country's constitution emphasizes the freedom of consciousness and religion and declares that there is no state church (ibid). Additionally, the Law on Churches and Congregations "places all religious communities on equal ground," and gives each person – Estonian citizen or not – the right to establish its own religious community, which has to have at least twelve members and must be registered in the Estonian government (ibid). According to Ringo Ringvee, the relationship between the church and state in Estonia has been built on the mutual trust between the two parties, and on the notion of "less control, more trust." Ringvee states that the religious communities constitute too insignificant of a place in the Estonian society to make requests for special treatment that will be accepted by the society at large (2001).

Consequently, whereas the place of the Orthodox Church in Georgia can be considered as an impediment to Georgia's economic development, the religious institutions in Estonia seem to have no defining role in the country's politics and economics. The proceeding section will compare how the difference in the two countries' religiosity differently shapes their values conducive to economic growth. Additionally, it will compare the significance of the religious institutions in the two countries to the significance of government institutions according to the WVS data to better understand the reason behind different place of religion in the Georgian and Estonian societies.

3.2. World Value Survey data analysis

Unlike the previous studies done on religion and economic development through the WVS, this one is based on merely two countries, and hence the values and attitudes taken for measurement will be examined on a case-by-case basis using the history, politics, and the practice of religion in Georgia and Estonia discussed in the previous chapters. The WVS values chosen for a comparison are the ones that showed the greatest divergence between Georgia and Estonia –attitude towards science vs. religion, significance placed on tradition, and trust in religious vs. government institutions. Since these values are considered either directly or indirectly conducive to economic development, they were cross-tabulated with the populations’ religiosity to determine whether religion can to an extent explain the divergence in the respective values.

Table 4. General religiosity of Georgia and Estonia.

	TOTAL	Country Code	
		Estonia	Georgia
A religious person	60.0%	30.9%	97.1%
Not a religious person	32.4%	55.9%	2.5%
An atheist	4.3%	7.4%	0.2%
No answer	0.3%	0.5%	-
Don't know	3.0%	5.3%	0.2%
(N)	(2,735)	(1,533)	(1,202)

Selected samples: Estonia 2011, Georgia 2014

Source: WVS 2018

To begin with, the general religiosity of Georgia and Estonia is laid out in Table 4 above. As is evident from the figures, the difference between Georgia and Estonia’s religiosity is substantial and can partly be explained by the contrasting impact of religion in shaping the two countries history discussed in the previous section. In addition to their religiosity, Georgian and Estonian societies also diverge in their attitudes towards science vs. religion, tradition, and trust in institutions. The proceeding sections will begin by measuring the difference in these variables and continue by cross-tabulating them with the countries’ religiosity to determine whether they are correlated to each other.

3.2.1. Attitudes towards tradition and science

The divergence between Georgia and Estonia in the traditional vs secular-rational dimension displayed in the Inglehart-Welzel Cultural Map in Figure 1 of the first chapter can partly be explained by their contrasting attitudes towards science vis à vis religion. Science is a determining factor in the development of three factors identified by the neoclassical theory as essential for output growth: labor quality and/or quantity, capital, and technology (Todaro 2010, 128) and hence the difference in the two societies attitudes towards science and religion may partly explain the countries' divergence in economic development. The table below presents the responses to the following question: "Whenever science and religion conflict, religion is always right."

Table 5. Science vs. religion

	TOTAL	Country Code	
		Estonia	Georgia
Strongly agree	12.5%	2.1%	25.8%
Agree	19.5%	9.0%	32.9%
Disagree	31.2%	36.5%	24.5%
Strongly disagree	26.9%	43.8%	5.5%
Don't know	9.8%	8.6%	11.4%
(N)	(2,735)	(1,533)	(1,202)

Source: WVS 2018

Whereas more than half of the Georgian respondents agree –“strongly agree” and “agree” - that religion is to be trusted more than science, merely 11.1% of Estonian respondents share the belief. The historical significance of religion in shaping Georgia’s national identity may explain the reason behind the prioritization of religion over science in the Georgian society. On the other hand, Western Christianity in Estonia can to an extent be attributed to its scientific development, and hence the reverse argument holds true in Estonia. To test whether the dominance of religion over science can be attributed to the difference in Georgia and Estonia’s religiosity, the tables below cross-tabulate the Georgian and Estonian populations’ attitudes towards science/religion and their religiosity.

Table 6. Attitude towards science vs. religion when religiosity = “religious person”

	TOTAL	Country Code [Religious person=A religious person]	
		Estonia	Georgia
Whenever science and religion conflict, religion is always right			
Strongly agree	20.1%	5.4%	26.0%
Agree	29.7%	20.6%	33.4%
Disagree	28.7%	39.4%	24.4%
Strongly disagree	11.0%	25.2%	5.2%
Don't know	10.4%	9.4%	10.9%
(N) A religious person	1,640	473	1,167

Selected samples: Estonia 2011, Georgia 2014

Source: WVS 2018

Table 7. Attitude towards science vs. religion when religiosity = “not a religious person”

	TOTAL	Country Code [Religious person=Not a religious person]	
		Estonia	Georgia
Whenever science and religion conflict, religion is always right			
Strongly agree	1.0%	0.5%	16.7%
Agree	4.5%	4.2%	13.3%
Disagree	37.7%	38.0%	30.0%
Strongly disagree	49.2%	50.5%	13.3%
Don't know	7.6%	6.9%	26.7%
(N) Not a religious person	887	857	30

Selected samples: Estonia 2011, Georgia 2014

Source: WVS 2018

Table 8. Attitude towards science vs. religion when religiosity = “atheist”

	TOTAL	Country Code [Religious person=An atheist]	
		Estonia	Georgia
Whenever science and religion conflict, religion is always right			
Strongly agree	3.5%	2.7%	33.3%
Agree	2.7%	2.8%	-
Disagree	18.5%	19.0%	-
Strongly disagree	71.3%	72.3%	33.3%
Don't know	4.1%	3.3%	33.3%
(N) An atheist	117	114	3

Selected samples: Estonia 2011, Georgia 2014

Source: WVS 2018

As tables 6-8 show, the respondents of both countries who identify themselves as religious place greater reliance on religion than do non-religious or atheist respondents. Nevertheless, the difference between religious Georgians and religious Estonians is substantial – with 60% of religious Georgians agreeing that “Whenever science and religion conflict, religion is always right,” whereas 25% of the religious Estonians share the belief. From the non-religious people – which in Estonia’s case is the majority of the population - only 5.5% trust religion over science, and in Georgia the number reaches

30%. The numbers are similarly low in the respondents who identify themselves as atheists. Consequently, it can be concluded that although – naturally - religious people in both countries show greater trust in religion vis à vis science than do non-religious or atheist respondents, the figures are nevertheless significantly higher in religious Georgians – implying that there may be something particular to Georgia’s religiosity leading to these results.

Similar to the divergence in attitudes towards science, there is also a substantial gap between the significance the population of the two countries place on tradition. Table 9 below displays the results to the following WVS question: “Tradition is important to this person; to follow the customs handed down by one’s religion or family.”

Table 9. Significance of Tradition in Georgia and Estonia

	TOTAL	Country Code	
		Estonia	Georgia
Very much like me	32.8%	14.4%	56.2%
Like me	27.8%	25.4%	30.9%
Somewhat like me	18.8%	27.1%	8.2%
A little like me	11.4%	18.6%	2.3%
Not like me	5.6%	9.1%	1.2%
Not at all like me	2.0%	3.3%	0.2%
Don’t know	1.6%	2.0%	1.0%
(N)	(2,735)	(1,533)	(1,202)

Source: WVS 2018

As the figures above show, around 87% of the Georgian population finds tradition significant in their lives - “very much like me” and “like me” -, whereas merely 40% of the Estonian population share the belief. Orthodox Christianity’s emphasis on tradition, religious symbolism, and religious faith (Tomka 2011 in Metreveli 2016) may explain the diverging attitude towards tradition in the two countries. To test whether a greater emphasis on tradition can be attributed to the difference in the two countries’ religiosity, the question is again cross-tabulated with the two populations’ religiosity.

Table 10. Significance of tradition when respondent = “religious person”

	TOTAL	Country Code [Religious person=A religious person]	
		Estonia	Georgia
Schwartz: Tradition is important to this person; to follow the customs handed down by one's religion or family			
Very much like me	47.8%	25.7%	56.7%
Like me	30.5%	29.3%	30.9%
Somewhat like me	11.9%	22.4%	7.6%
A little like me	5.7%	14.1%	2.2%
Not like me	2.4%	5.4%	1.2%
Not at all like me	0.6%	1.3%	0.3%
Don't know	1.2%	1.8%	1.0%
(N) A religious person	1,640	473	1,167

Source: WVS 2018

Table 11. Significance of tradition when respondent = “not a religious person”

	TOTAL	Country Code [Religious person=Not a religious person]	
		Estonia	Georgia
Schwartz: Tradition is important to this person; to follow the customs handed down by one's religion or family			
Very much like me	11.1%	10.0%	43.3%
Like me	24.4%	24.3%	26.7%
Somewhat like me	29.8%	30.0%	23.3%
A little like me	19.4%	19.9%	6.7%
Not like me	9.7%	10.0%	-
Not at all like me	4.0%	4.1%	-
Don't know	1.6%	1.7%	-
(N) Not a religious person	887	857	30

Source: WVS 2018

Table 12. Significance of tradition when respondent = “atheist”

	TOTAL	Country Code [Religious person=An atheist]	
		Estonia	Georgia
Schwartz: Tradition is important to this person; to follow the customs handed down by one's religion or family			
Very much like me	5.8%	5.0%	33.3%
Like me	15.6%	16.0%	-
Somewhat like me	26.9%	25.9%	66.7%
A little like me	27.1%	27.8%	-
Not like me	15.8%	16.2%	-
Not at all like me	7.2%	7.4%	-
Don't know	1.6%	1.7%	-
(N) An atheist	117	114	3

Source: WVS 2018

As it was the case with the previous variable, significance placed on tradition is higher among the religious respondents of both Georgia and Estonia, yet the difference between the religious respondents of the two countries is still significant – with almost 88% of religious Georgians claiming tradition to be important whereas only 55% of religious Estonians share the belief. The significance of tradition is nevertheless substantially high among the non-religious respondents of Georgia – reaching up to 70% - which proves that the significance one places on tradition does not merely have

to do with their religiosity and may depend on other factors - such as the country’s domestic conditions and/or historic legacies.

3.2.2. General trust & trust in institutions

Guiso *et al* (2003) have found in their aggregate study of religion and economic development that religious people tend to trust others and the government institutions more than non-religious people. Trust is an important component in economic development since it enables the formation of social capital (Bornschieer 2004, 38) – or “non-economic factors that affect economic growth” (ibid). When comparing general trust and trust in institutions in Georgia and Estonia, however, there is a substantially high difference between the two countries. The table below shows the Georgian and Estonian populations response to the following WVS question: “Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?”

Table 13. General trust

	TOTAL	Country Code	
		Estonia	Georgia
Most people can be trusted	25.7%	39.0%	8.8%
Need to be very careful	72.4%	58.3%	90.4%
No answer	*	0.1%	-
Don’t know	1.8%	2.7%	0.7%
(N)	(2,735)	(1,533)	(1,202)

Selected samples: Estonia 2011, Georgia 2014

Source: WVS 2018

Whereas almost 39% of the Estonian respondents tend to trust people in general, merely 8.8% of the Georgians share the belief. The disparity can be partly understood by the different historic legacies of the two countries. To test whether the disparity may also be explained by the countries difference in religiosity, the proceeding tables cross-tabulate people’s trust with their religiosity.

Table 14. General trust when respondent = “a religious person”

	TOTAL	Country Code [Religious person=A religious person]	
		Estonia	Georgia
Most people can be trusted			
Most people can be trusted	17.0%	37.6%	8.7%
Need to be very careful	82.0%	60.6%	90.7%
No answer	0.1%	0.2%	-
Don't know	0.9%	1.6%	0.7%
(N) A religious person	1,640	473	1,167

Selected samples: Estonia 2011, Georgia 2014

Source: WVS 2018

Table 15. General trust when respondent = “a non-religious person”

	TOTAL	Country Code [Religious person=Not a religious person]	
		Estonia	Georgia
Most people can be trusted			
Most people can be trusted	39.0%	39.8%	16.7%
Need to be very careful	58.0%	57.2%	80.0%
Don't know	3.0%	3.0%	3.3%
(N) Not a religious person	887	857	30

Selected samples: Estonia 2011, Georgia 2014

Source: WVS 2018

Table 16. General trust when respondent = “an atheist”

	TOTAL	Country Code [Religious person=An atheist]	
		Estonia	Georgia
Most people can be trusted			
Most people can be trusted	41.5%	42.6%	-
Need to be very careful	55.8%	54.6%	100.0%
Don't know	2.7%	2.8%	-
(N) An atheist	117	114	3

Selected samples: Estonia 2011, Georgia 2014

Source: WVS 2018

As the tables show, the difference between the trust in religious, non-religious and atheist Estonians is minimal, and hence once can conclude that religiosity plays a limited role in determining one's trust in Estonia. Nevertheless, Weber's claim that Protestantism has served as the initial spark of the capitalist work-ethic and may not necessarily be the primary influence anymore should be taken into consideration. When it comes to Georgia, the difference is more conspicuous in the results of the

religious and non-religious respondents, where the latter tend to trust others more than the former. The reason why religious Georgians are less trusting is an interesting question for further investigation.

When it comes to trust in institutions, the Estonian society again shows to be more trusting than Georgian, with the exception of the trust in churches. The tables below present the results of the Georgian and Estonian respondents' trust in churches and trust in religious institutions.

Table 17. Trust in Churches

	TOTAL	Country Code	
		Estonia	Georgia
A great deal	36.9%	15.7%	64.0%
Quite a lot	34.2%	42.8%	23.1%
Not very much	15.9%	22.5%	7.4%
None at all	7.9%	10.5%	4.7%
No answer	0.2%	0.3%	0.1%
Don't know	5.0%	8.3%	0.7%
(N)	(2,735)	(1,533)	(1,202)

Selected samples: Estonia 2011, Georgia 2014

Source: WVS 2018

Table 18. Trust in Government

	TOTAL	Country Code	
		Estonia	Georgia
A great deal	5.7%	7.1%	4.0%
Quite a lot	38.1%	45.7%	28.5%
Not very much	36.0%	32.5%	40.5%
None at all	17.4%	13.3%	22.6%
No answer	0.3%	0.1%	0.5%
Don't know	2.4%	1.3%	3.9%
(N)	(2,735)	(1,533)	(1,202)

Selected samples: Estonia 2011, Georgia 2014

Source: WVS 2018

Table 19. Trust in Parliament

	TOTAL	Country Code	
		Estonia	Georgia
A great deal	3.2%	3.4%	2.8%
Quite a lot	32.6%	37.5%	26.5%
Not very much	39.6%	37.7%	42.0%
None at all	21.0%	18.7%	23.9%
No answer	0.2%	0.2%	0.3%
Don't know	3.4%	2.5%	4.5%
(N)	(2,735)	(1,533)	(1,202)

Selected samples: Estonia 2011, Georgia 2014

Source: WVS 2018

The significance of the church in the Georgian society is evident from Table above. Although a profound trust in religious institutions may not necessarily be considered an impediment to a country's economic development, the combination of the freedom of the priests allowed by the theological foundation of Eastern Orthodoxy with the values many of these priests promote to the adherents makes it a worrying sign. When it comes to Estonia, considering the minimal role of religion in the country, the figures from the table above reveal that a surprisingly large number of the population to nevertheless trust the churches. However, when these figures are compared to people's trust in state institutions, a general tendency to trust institutions in Estonia is revealed. In Georgia, on the other hand, the trust in other institutions remains significantly low, while the trust in churches remains high. Perhaps difference between the trust in churches in comparison to other institutions in Georgia may partly explain the reason why religiosity has a different impact on Georgia and Estonia in the various values examined in this chapter.

3.2.3. Conclusion

Through the WVS data analysis, one can conclude that Georgia's religiosity in particular can be blamed on the divergence between the two countries in their attitudes towards science vis à vis religion and their trust in others. Their attitude towards tradition, on the other hand, seems to have limited correlation with religiosity, as non-religious and religious respondents' place similar significance on tradition. In Estonia, the difference in these variables between religious and non-religious respondents are less significant – suggesting that not religiosity *per se* but religiosity in Georgia impacts the development of these attitudes conducive to economic development.

CONCLUSION

Overall, the aim of this thesis was to study whether religion can be considered a contributing factor in the economic development of Georgia and Estonia following their independence from the Soviet Union. Although Max Weber and Samuel Huntington have written about the significance of religion in shaping a country's politics and economics, their works are rarely consulted in contemporary development studies - possibly due to the fact that the secularization theory contemporary Political Science is built on has assumed religion to have been privatized and hence no longer a concern of the public state. The role of religion in Georgia and Estonia's economic development was researched by first studying how dominant development theories explain the economic disparity between the two countries and then searching for a place for religion in these theories. As good governance was found the determining factor in their economic development, this thesis consequently researched how religion could have impacted the development of good governance indices in the two countries by analyzing the historic legacies, the legacies of the post-soviet reformers, the church and state ties, and the values of the two societies considered conducive to economic development.

Through such analysis, this thesis found religion to have shaped and concomitantly to have been shaped by the historic legacies of the two countries, which consequently affected the development of certain values in the two countries that to-this-day shape their identity and determine the development of certain good governance indices. In Georgia's case, ethnic nationalism – shaped mainly by Eastern Orthodoxy – developed as a result of its historic past and has impeded good governance and successful economic development in the country. In Estonia's case, rationalism, rule of law, and individualism - developed as a result of the country's inheritance of what Huntington identifies as Western values from its conquerors– has resulted in the development of good governance indices and successful economic development in the country. Consequently, the post-Soviet leaders of the two countries were to an extent impeded or advantaged by these historic legacies. Nevertheless, the two countries' leadership cannot be considered too constrained by these legacies as they also had enough autonomy

to reform. Whereas Georgian leadership allowed the Georgian Orthodox Church profound informal power through state funding and an ethnic-rhetoric, the Estonian leadership took on radical reforms following the independence from USSR and was not constrained by neither the Evangelical Lutheran nor the Russian Orthodox church of the country.

For a clearer understanding of how religion impacts contemporary Georgia and Estonia, the countries' church and state ties and their populations' values conducive to economic development were studied. In Georgia, the Georgian Orthodox Church was found to have a prominent place in the country's politics ever since it emerged as the people's guardian when the state institutions were weak during Shevardnadze's rule. Since then, it has received substantial state funding and exercised profound informal power over the Georgian society. On the other hand, the religious institutions in Estonia have had a minimal role in the Estonian society due to the insignificant role of religion in the country and Protestantism's emphasis on a one-on-one relationship with God. When it comes to the values examined through the World Value Survey, this thesis found the Georgian and Estonian society to diverge the most in their attitudes towards science vis à vis religion, tradition, and trust in others and in institutions. When these variables were cross-tabulated with the two-populations' religiosity, it found religious Georgians to be more supportive of tradition, science, and less trusting of others. In Estonia's case, the difference between religious and non-religious Estonians in these variables were minimal – suggesting that the divergence in these values are not a result of religiosity *per se* but something specific to religiosity in Georgia.

Overall, the findings of this thesis suggest that the secularization theory is wrong in assuming that the impact of religion has disappeared from the public sphere. Although religion no longer plays an active role in Estonia today, its influence is still significant in the theoretically secular Georgia. Hence, religion must be considered and studied as a dynamic, active factor in development rather than considering it as a mere component of a country's history and politics. Such analysis will allow for a clearer understanding of the constraints to a country's development and consequently prompt more effective development policies to form in the country. This thesis introduced merely one method of studying religion in economic development – by incorporating it into contemporary development studies. For further research, the reason why Georgian religiosity impedes the development of certain values in the country can be investigated more closely. For instance, research can be done on Eastern

Orthodoxy as a whole, or perhaps on the post-Soviet Eastern Orthodox nations, to find whether they follow a common pattern in development, or if Eastern Orthodoxy impacts each country differently. Furthermore, the European Value Survey and the Caucasus Barometer can be incorporated with the WVS for better and more credible results.

LIST OF REFERENCES:

- Åslund, A. (2007). *How Capitalism was Built*. New York: Cambridge University Press.
- Acemoglu, A., Robinson, A. J. (2012). *Why Nations Fail*. New York: Crown Publishers.
- Bornschier, V. (2004). *Culture and Politics in Economic Development*. New York: Routledge.
- Bulgakov, S. (1909). The National Economy and the Religious Personality – *Journal of Markets and Morality*, 11:1, 157-179.
- Chikovani, N. (2012). The Georgian historical narrative: From pre-Soviet to post-Soviet nationalism – *Dynamics of Asymmetric Conflict*, 5:2, 107-115.
- Eurostat. (2017). *GDP per capita in PPS*. Accessible: <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tec00114&plugin=1>, 9 May 2018
- Fish, M. S. (1997). The Determinants of Economic Reform in the Post-Communist World – *East European Politics and Societies*: 12:1, 31-78.
- Fish, M. S., Abrams, A. N. (2015). Policies first, institutions second – *Post-Soviet Affairs*, 31:6, 491-513.
- Gel'man, V. (2017). Political foundations of bad governance in post-Soviet Eurasia: towards a research agenda - *East European Politics*, 33:4, 496-516.
- Giddens, A., Sutton, W. P. (2013). *Sociology*. 7th ed. Malden: Polity Press.
- Grdzeldze, T. (2010). The Orthodox Church of Georgia: challenges under democracy and freedom – *International Journal for the Study of the Christian Church*, 10:2-3, 160-175.
- Guiso, L, Sapienza, P. Zingales, L. (2003). People's opium? Religion and economic attitudes – *Journal of Monetary Economics*, 50, 225-282.
- Gurchiani, K. (2017). How Soviet is the Religious Revival in Georgia: Tactics in Everyday Religiosity – *Europe-Asia Studies*, 69:3, 508-531.

- Huntington, S. (1996). *The West: Unique, Not Universal*.
 Accessible: <https://www.foreignaffairs.com/articles/1996-11-01/west-unique-not-universal>,
 11 April 2018
- Kuldkepp, M. (2013). The Scandinavian Connection in Early Estonian Nationalism – *Journal of Baltic Studies*, 44:3, 313-338.
- Kupatadze, A. (2016). Georgia’s Break with the Past - *Journal of Democracy*, Vol. 27, No. 1, 110-123.
- Kubalkova, V. (2013). *The “Turn to Religion” in International Relations Theory*. Accessible: <http://www.e-ir.info/2013/12/03/the-turn-to-religion-in-international-relations-theory/>, 17 January 2018.
- Made, V. (2003). “Estonia and Europe: A Common Identity or an Identity Crisis?” in Lehti, M. & Smith, D.J. (eds) - *Post-Cold War Identity Politics: Northern and Baltic Experience* (London, Frank Cass), pp. 181–95.
- Metreveli, T. (2016). An undisclosed story of roses: church, state, and nation in contemporary Georgia – *The Journal of Nationalism and Ethnicity*, 44:5, 694-712.
- Minarik, P. (2009). Religion and economic attitudes in post-communist transition – *Post-Communist Economies*, 26:1, 67-88.
- Nasuti, P. (2016). Administrative Cohesion and Anti-Corruption Reforms in Georgia and Ukraine – *Europe-Asia Studies*, Vol. 68, No. 5, 847-867.
- Pigenko, V., Novac, C. (2002). Economic Reforms and Ethnic Nationalism in the Context of Transition to Democracy: The Case of Four Eastern European Nations – *Democratization*, 9:4, 159-172.
- Rakodi, C. (2012). A framework for analyzing the links between religion and development – *Development in Practice*, 22:5-6, 634-650.
- Ringvee, R. (2001). Religious Freedom and Legislation in Post-Soviet Estonia – *BYU Law Review*, 2001:2.
- Rodrik, D. (2007). *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth*. Princeton: Princeton University Press.
- Sedelmeier, Ulrich. (2014). *Europe after the Eastern Enlargement of the European Union*.
 Accessible: <https://eu.boell.org/en/2014/06/10/europe-after-eastern-enlargement-european-union-2004-2014>, 11 April 2018
- Sutidze, L. (2016). *Conversation on Religion: The Sociology of Religion – Emzar Jgerenaia*.
 [საუბარი რელიგიაზე: რელიგიის სოციოლოგია - ემზარ ჯგერენაია]. Accessible: <https://www.youtube.com/watch?v=tz5NuFrVXng>, 11 April 2018

- Sutidze, L. (2015). *Conversation on Religion: Nutsa Batiashvili – Nationalism and Religion* [საუბარი რელიგიაზე: ნუცა ბატიაშვილი - ნაციონალიზმი და რელიგია]. Accessible: <https://www.youtube.com/watch?v=Ld22kWvNxAE>, 11 April 2018
- Todaro, P. M., Smith, C. S. (2010). *Economic Development*. 11th ed. Boston: Pearson.
- Papava, V. (2009). Georgia's economy: post-revolutionary development and post-war difficulties *Central Asian Survey*, Vol. 28, No.2, 199-213.
- World Bank Databank. (2018). [Custom cross-tabulation of data]. Accessible: <https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD?locations=GE-EE>, 9 May 2018
- World Bank. (2018). *Worldwide Governance Indicators*. Accessible: <http://info.worldbank.org/governance/wgi/#home>, 9 May 2018
- World Value Survey. (2018). *Findings and Insights*. Accessible: <http://www.worldvaluessurvey.org/WVSContents.jsp?CMSID=Findings>, 7 May 2018
- World Value Survey. (2018). *Online Data Analysis*. [Custom cross-tabulation of data]. Accessible: <http://www.worldvaluessurvey.org/WVSONline.jsp>, 7 May 2018
- Weber, M., In Gerth, H. H., & In Mills, C. W. (1982). *From Max Weber: Essays in sociology*. London: Routledge.
- Wheatley, J. (2009). Managing ethnic diversity in Georgia: one step forwards, two steps back – *Central Asian Survey*, 28:2, 119-134.