



Social Capital in Georgia: Final Report and Recommendations

2011

This final report contains recommendations on how to increase social capital in Georgia. The report suggests that a particular opportunity lies in facilitating the success of social entrepreneurs in Georgia. This final report complements three other documents: the briefing paper on the situation of social capital in Georgia; a literature review that provides the relevant academic background; and a guide that highlights hands-on techniques for social entrepreneurs.

All of these documents derive from a research project on Social Capital in Georgia that was conducted by Caucasus Research Resource Centers (CRRC) for the USAID Caucasus FORECAST program. CRRC undertook this research in November and December 2010, with a literature review, extensive data analysis, six focus groups, 44 in-depth interviews, and targeted research into international best practice. This report also includes recommendations received from a social capital conference on December 14, 2010.

Since CRRC is continuing to do work on social capital, we are keen to hear your thoughts and suggestions. Please direct your comments to hans@crcccenters.org.

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Executive Summary

Social capital in Georgia is complex. Between friends and family, Georgian social bonds are incredibly strong. This ‘capital’ can be utilized by individuals, to help them in their day to day lives, to help them gain education, employment, to start businesses and to buy new homes. However, across such groups and in more institutionalized ways, Georgian society continues to exhibit the signs of poorly developed social capital. This can be seen in every corner of Georgian society, from the failure of farmers to act collectively in buying and selling, to the crumbling stairwells in apartment blocks.

Our research sought to investigate the dynamics of social capital and to identify ways in which it could be improved. The research, described in the briefing paper in more detail, showed the ways in which social capital is important and highlighted how social entrepreneurs overcome the four obstacles standing in the way of further collaboration: apathy, distrust, reluctance to institutionalize, and social economic challenges.

This final report focuses on broader recommendations. Specifically, it argues that social capital is best developed by facilitating the success of social entrepreneurs.

This can be done in four main steps:

1. setting the social capital agenda, so that efforts integrate around this broader goal;
2. providing opportunities and removing obstacles, so that more social entrepreneurs become active;
3. accelerating success for individual efforts, while also transferring lessons broadly;
4. contextualizing failure, to increase support for social ventures.

In terms of broader programmatic design, the report suggests that to stimulate collaboration, interventions should have a higher frequency of interaction so as to create more learning, lower stakes to encourage experimentation, and allow more time, so that relationships can deepen.

The report goes on to suggest particular fields of activity in which this will be most effective: agriculture, civil society, secondary education, health, residents’ associations, tourism, and sport. Moreover, it argues that several major trends make this a good moment for focusing on social capital in Georgia.

Introduction and Context

‘Social capital’ is a term used to describe people working together to achieve common aims, across society. Extensive international research has linked social capital to a range of benefits across society. Societies characterized by effective collaboration are healthier, do better economically, have better governance and more engaged citizens, and often are also found to be happier.

Research done in Georgia for this project has found that Georgians show extensive solidarity in their in-group. They will rely heavily on friends and family for short and long-term needs and, within those groups, can organize to help one another. However, they so far do not yet collaborate much in a more formalized way. According to the established terminology, Georgians show high degrees of ‘bonding social’ capital within their private networks, but much less of the ‘bridging social’ capital that facilitates collaboration across society.¹

The low level of bridging social capital manifests itself most powerfully in the absence of formalized collaboration in associations, clubs, professional organizations and cooperatives. According to the Caucasus Barometer 2007 data, less than 1% of Georgians said that they had been at a meeting of an association, club or cooperative in the previous six months. Data from the 2008 World Values Survey paints a similar picture. In aggregate, less than 5% of Georgians are members of an association, club or professional organization.

As the research found, there are four primary obstacles to increasing the level of formalized collaboration in Georgia: there is widespread apathy, and disbelief that anything can be changed; social entrepreneurs who want to organize others to address issues are faced with distrust, and levels of trust in general are low; people are reluctant to institutionalize cooperation; moreover, the general socioeconomic environment is challenging, and has pushed people to retreat into private networks. While some people will get together to fix a pressing problem, they rarely formalize their collaboration.

Formalized collaboration is highly desirable because it allows groups to develop. Institutionalization entails the regular collection of contributions, in money or time. Thus, formalized groups accumulate a pool of resources that can be invested proactively. By contrast, short-term collaboration can fix problems, but rarely manages to address issues in a forward-looking way. Spontaneous cooperation does not manage to generate the attention or means to address issues that are important without actually being urgent. Given the low level of institutionalized collaboration, many important issues in Georgia remain under-addressed.

¹ For more detail on social capital in Georgia today, please see the CRRC Briefing Paper on social capital.

Consequently, how to generate more social capital in Georgia is a primary concern.² As CRRC's briefing paper has pointed out, the low level of bridging social capital denies Georgians a number of benefits they otherwise might enjoy. By collaborating, people could live in better houses, improve standards in their profession and increase demand for what they have to offer, get access to more know-how and tailored services, have more say in their children's education, and generally help secure a better future. The lack of cooperation, therefore, is a problem for Georgian citizens, but by extension also for development organizations. Without people collaborating, it is hard to address some of the main issues in their community.

But trying to generate social capital proves difficult. At the World Bank, a flagship Social Capital Initiative (SCI) with 24 working papers and 12 projects in several continents concluded that

“On balance it seems fair to say that the SCI studies, as the social capital literature at large, have been more successful at documenting the beneficial impact of social capital than at deriving policy prescriptions and providing guidelines about how to invest in it. Certainly, the case for massive investment in social capital has not been made. Investing in social capital is more difficult than investing in human capital, where a number of time-tested approaches are available (building schools, training teachers, developing appropriate curricula, and so forth). Equivalent recommendations for investing in social capital have not yet emerged.”
[Grootaert, 2001]

Standing at the end of one of the largest research efforts into social capital, this may leave practitioners with little to go on, somewhere between experimenting, muddling through, and hoping for a younger generation to become more active.

Yet our research suggests that this may be a bleaker picture than is warranted. As the briefing paper outlined, Georgian social entrepreneurs manage to overcome the four obstacles listed above. They organize collaboration with their fellow citizens, and their successes offer many lessons from which Georgian citizens, government and donors can learn. Details of these lessons have been outlined in the briefing paper and the guide that formed part of this research effort.

However, one broader lesson their successes suggest is that the focal point of building social capital should be to facilitate the work of the social entrepreneurs themselves. These are the most likely agents of change and mobilization, since they bring commitment, persistence, and an ability to respond to the many varied local contexts.

As an effort, this is both more ambitious and more limited than many of the approaches than previously have been tried. It is more ambitious in that it integrates efforts specifically around the idea of building social capital with the main focus on facilitating the success of social entrepreneurs.

² “More social capital” here is intended to imply “more bridging social capital”. For the sake of simplicity, “bridging” is omitted. References to bonding social capital are clearly denoted throughout the document

It is more limited in that it does not actually seek to succeed on their behalf, or instigate formalized collaboration directly. The limitation derives from the track record of various attempts so far. The ambition reflects the fact that there is a unique opportunity to develop social capital in Georgia, specifically by facilitating the success of social entrepreneurs.

Focus on Social Entrepreneurship

This report argues that social entrepreneurs should be the focus of effort because everything comes together around leaders or small groups of leaders. These leaders are the key to the success of efforts to build social capital because they are actively involved with other groups members so that they can continually shape their strategy to the particular context and can immediately respond to problems as they arise. Without such social entrepreneurs, people cannot be mobilized and mobilization cannot be institutionalized. Social entrepreneurs run up directly against the legacy of socialism, cultural misconceptions and the hardships of the current socioeconomic environment.

It is useful to think of these social leaders as entrepreneurs because, like commercial entrepreneurs, they take risks to achieve results. While commercial entrepreneurs risk money, the social entrepreneur's prime risk is social and reputational. Both, however, respond to opportunity by bringing resources and people together in the pursuit of medium or long-term objectives. Thinking of social leaders as entrepreneurs helps us to think about how they are to be encouraged. Fostering entrepreneurs is not like trying to develop more doctors, lawyers or teachers. While some training may be useful, fostering entrepreneurship is not about training. It is about fostering an environment where people feel comfortable taking certain kinds of risks, of effectively communicating the benefits that can be achieved by them, and of mobilizing others to join their venture.

The focus on social entrepreneurs also highlights an important limitation. Fostering entrepreneurship is about making others succeed, rather than succeeding oneself. This field requires sensitivity to local context, and a lot of tact. When it comes to recommending good practice in the fields of infrastructure, public health and secondary education, the prescriptions are comparatively straightforward. Encouraging entrepreneurship, by contrast, is a challenge.

There is no accepted formula for kick-starting entrepreneurship, and the success of some flagship regions (Silicon Valley, Boston Route 128, Israel, Cambridge) appears to be hard to emulate even for highly developed countries. This is not just a matter of the inability of bureaucrats to provide what entrepreneurs need. The needs are not homogenous. They differ by sector, and they vary throughout the cycle of entrepreneurship.

External attempts to push entrepreneurship can have a mixed impact. While one can offer extensive support, there are risks. It is possible that in the attempt to encourage entrepreneurs one can distort existing markets, create unsustainable demand and distract attention from other opportunities by supporting, sometimes for years, undertakings that cannot succeed.

Perhaps the least sustainable scenario is one in which external intervention tries to succeed on its own terms, itself creating startups or organizations that are not actually driven by leaders connected to the demands of a constituency. As a whole sector, Georgian NGOs still lack such a connection to their constituencies. According to the Caucasus Barometer only 26% of Georgians say they fully or somewhat trust NGOs. The number is particularly striking because it is lower than the trust in practically all state institutions, except for the courts [Caucasus Barometer, 2009].

Although successful entrepreneurs cannot be produced, there is extensive room for encouraging and facilitating social entrepreneurship, and these have been outlined in the steps above:

1. putting entrepreneurship on the agenda gets different groups to think about how they can contribute to it;
2. new ventures start when additional opportunities are offered and obstacles are removed;
3. existing ventures expand and better practices spread when this success is understood and promoted so that lessons can be transferred.
4. more people engage in ventures when there is an environment that encourages risk-taking and learning.

These parallels hold both for commercial and social entrepreneurship, and can be extended further: directly producing a vibrant civil society may be as challenging as making an economy thrive. However, in both sectors successful entrepreneurs can contribute to growth, and the more modest target of helping them suggests a number of concrete measures.

In spite of many similar challenges, social entrepreneurs operate with a number of advantages over their commercial counterparts. These can be traced back to differences between physical and social capital. First, as Elinor Ostrom pointed out, social capital can actually increase with use. [Ostrom, 2000] Purchasing power, by contrast, is sharply fixed, and unlike social capital cannot be increased greatly within a single small community by a handful of engaged individuals. This also implies, secondly, that social entrepreneurship is more complementary than its competitive commercial variant. Social entrepreneurs can support and mentor each other, and only compete in a very saturated society. Third, unlike many commercial entrepreneurs, social entrepreneurs succeed locally, and almost never compete globally. Even in Georgian supermarkets, local brands of chocolate compete with products from far away, and their production has to be equally efficient by international standards in order to survive on a market. While they face an arduous task, there are no such pressures to produce and innovate on Georgian social entrepreneurs.

The four steps outlined above therefore are more likely to lead to success among social entrepreneurs. While they need to be entirely responsive to local demands and constraints, success among social entrepreneurs in general is easier to emulate than in the commercial field. Consequently social entrepreneurship has already been the focus of work, with organizations such as Ashoka and

the Skoll Foundation promoting the concept powerfully across different continents. Their focus, however, has often been on select individuals, and both organizations are affiliated in various ways with prominent universities. The Skoll Centre for Social Entrepreneurship, for example, is located at the University of Oxford. The challenge for Georgia is to have an effort that is broader, and more local.

Ambition in an Environment of Possibility

The proposed approach is ambitious, since it prioritizes social capital as a key concern. It specifically suggests integrating development efforts around the theme of social capital, with a focus on facilitating social entrepreneurship. There are arguably four reasons justifying an ambitious approach.

The Georgian Context

Georgia specifically offers a unique opportunity to develop social capital, for three reasons. First, bridging social capital, as evidenced by people formalizing their collaboration, is at an extremely low level. This is in spite of the fact that there are many problems that could be addressed through formalized collaboration, from improving housing, to parent involvement in education, to farmers cooperating. Thus, an increase in bridging social capital could make a difference in many lives, and demonstrated successes could build momentum, and overcome the belief that “nothing I do can change anything”.

Second, the idea of developing social capital is in line with the minimalist conception of the state that the Government of Georgia has put forward. In the view of several key reformers, the state should primarily enable citizens to address their own problems, instead of providing solutions for them. However, for citizens to address their issues, they need to organize themselves in a way that harnesses resources. Arguably, this self-organization is a major missing piece in current Georgian development.

Third, while the research found that apathy remains a significant obstacle, Georgia itself is highly dynamic, and the society is open to change. Since 2003, several negative self-stereotypes have been overcome. These stereotypes, strongly held and often repeated, had suggested that some aspects of Georgian culture hindered progress, so that electricity distribution would never work because people would sabotage metering systems, cars would never stop at traffic lights, corruption was culturally endemic, and cheating against state authority generally accepted across all sectors. While progress in particular aspects may seem glacial when dealing with these issues on the ground, it has nevertheless been dynamic by the standards of social change. The powerful stereotype that “Georgians just do not cooperate formally” may similarly be subject to revision, once people see successful role models and find that formalized collaboration serves purposes they care about. This idea is supported by the examples of Georgia’s small number of existing social entrepreneurs, who reported their activities having a multiplier effect.

This matters for Georgia, but it also matters beyond. Georgia has been a showcase with some of its highly successful reforms, including the elimination of street-level corruption, police, civil registry, electricity distribution, and business regulation. Where reforms were less successful or remain in progress, they also provided lessons to governments in other countries, who want to learn about the challenges of ambitious change. With social capital, if Georgia became successful in getting more of its citizens to collaborate systematically, this again would attract international attention.

Opportunity to Break New Ground

Internationally, such programming to enhance social capital would have additional relevance because there is limited experience with developing social capital systematically in a country. While the link between social capital and development is relatively well-established, the study of how to generate social capital, as noted above, is still in relative infancy.

For one, there is a lack of larger recent efforts to study. Although there have been many particular initiatives, there has not been any transitional country in which a larger concerted effort has been made to foster citizen collaboration. Recently, the British Prime Minister David Cameron has proposed a *Big Society* Program of shifting responsibility to citizens, but this comes in the context of an already existing rich web of local associationalism in Britain, much of it going back to the early 19th century and Fabian notions of gradual improvement. More importantly, it is accompanied by sharp cuts in public services, so that its critics have described it as a smoke screen for painful budgetary retrenchment. In other words, it is unlikely to work as a test case, since it starts from different conditions and other factors are not being held equal.

More specifically in development, the World Bank has shown a strong interest in social capital (with one study once calling it “the missing link” of sustainable development, next to natural, physical and human capital; Grootaert, 1998), but its recommendations were muted. Arguably the successes of the World Bank have been constrained because the World Bank focuses on poverty reduction, but the poorest are not always the most likely social entrepreneurs. Intuitively, one would expect social entrepreneurship in a country to start with relatively educated groups that already have access to some resources. As one villager in a World Bank study put it, these are at the very least “someone who is not afraid to enter offices”. [Vajja, 1154] The most likely group of social entrepreneurs thus is not the immediate target for World Bank activity.

A second constraint is that in trying to generate social capital, many attempts were trying to do too much. The participatory approach favored by the World Bank, and many other organizations, are potentially much more ambitious than those implicit in fostering social entrepreneurship. As critics note, the ideal type

“might be labelled the ‘hippy model’ of community participation, as it appears to suggest that all community members enter the decision making sphere on an equal footing, and can agree a common interest without intra-community conflicts.” [Vajja, 1147]

Yet this is a model that would not be recognized across many thriving communities and associations, where there are sharp gradations of engagement and recognition, with implicit hierarchies and conflicts, both substantive and petty.

A community should, of course, be involved in decision-making, especially on larger infrastructure projects. Participation is a great model for generating consent. It is less suitable as a model for fostering a more institutionalized collaboration, since this requires “prime movers”, i.e. individuals who take a long-term perspective in mobilizing others like them, and then take responsibility. The ideal of participation is about the involvement of all, whereas the creation of social capital mostly begins with the engagement of a few.

Collaboration as Habit: Higher Frequency, Lower Stakes, More Time

There are a range of alternative approaches that so far have not been tested systematically. One of them derives from thinking about formalized collaboration as a habit: a behavior often learned from parents, or otherwise acquired over time, requiring practices and restraints, exercised regularly, and viewed as part of one's identity. Seen from this angle, more formalized collaboration could be spread by something akin to contagion, by exposing many individuals to the benefits that collaboration can bring.

Creating such habits would require a high frequency of interaction, with relatively low stakes, over more time. A high frequency of interaction allows iteration, defined as “evaluated repetition”. Doing things over and over again is critical to forming habits. If authors such as Robert Putnam conclude, from the study of social capital in Italy, that it takes remarkably long for social capital to develop, the obvious question is whether time, as it is experienced in collaboration, can be accelerated. Trainings for high intensity jobs typically have developed such patterns of acceleration, but these rarely have been applied to development work, and thus there is an approach worth testing.

Further tweaks to underlying program design could include the lowering of stakes. The dominant development model, from which many people seem to conclude that the creation of social capital is difficult, typically focuses on addressing the explicit “top priority” in a community, such as rehabilitating schools or health posts. Yet once the top priority involved, the stakes are high, with attendant adverse effects. Local government almost invariably will be involved, other authorities (such as headmasters) mobilize, thus risking the reinforcement of existing top down structures. By contrast, projects with lower stakes (and lower cost per cycle) would allow for more experimentation, for higher frequency, more iteration and learning of how collaboration can be successful, and who one wants to collaborate with.

In this regard, many traditional development approaches are too short, lack iteration and the stakes are too high. For example, several studies in the World Bank working paper series focus on a program design that seem to see the generation of social capital as a single event cycle, rather than the creation of habits of collaboration over time. One study of an explicit attempt to create social

capital in the working paper series looked at a one-year intervention of encouraging parent participation, with a total of three meetings throughout the year. Another comparative study of 20 social fund models, in which applying communities get support if they mobilize their own contribution in participatory style, appears to describe a single event cycle of implementing one project in the target community. Unsurprisingly, the study concludes that the development intervention used social capital, rather than creating it.

Put differently, while the muted conclusions of the Social Capital Initiative have been hanging over the subsequent discussions in development, they may not be broadly applicable. They provide valuable insights, but primarily on the toolkit that has been experimented with in the context of poverty reduction, service delivery and community involvement. If one applies the dominant causal explanation for why bridging social capital is so low – that this is ultimately a reasonable reaction to the accumulated historical experience – one arrives at program designs that have not yet been tried more systematically in a transition context. In the applied sections of the report, some potential applications of this “higher frequency, lower stakes, more time” approach will be highlighted in more detail.

Learning Opportunity through Experimental Design

Another reason for being ambitious is that this is a unique learning opportunity, as a participant at the December 14 conference pointed out. This is both possible for programs that have already happened, and for future programming.

Looking backwards, organizations that have already run programs to build collaboration and social capital could be invited to specifically submit their project to a lessons learned exercise, if they believe that their intervention was extraordinarily successful. While many experiences have already been captured in this report, there might be programs that have been overlooked, and that provide transferable lessons for the future.

Looking into the future, interventions could be set up in an experimental design to maximize learning. There is a limited extent to which one can predict the impact of intuitively plausible program designs. By integrating an experimental design into interventions, one can maximize the chances of finding out what actually works.

One of the elements of an experimental design is that a number of 'treatment' groups are compared to a control group so that the impact of an intervention on the treatment group can be observed and measured. Several groups can be given different treatments to examine how these different treatments succeed in achieving the intended result. Essential to the design is that allocation into the groups is randomized so that groups are not assembled on purpose. This will enable identification of members that respond well (or badly) to a treatment. In technical terms, it is said that randomized experiments overcome the problem of endogeneity with an appropriate sample size; inherent traits cannot influence the outcome.

As a simplified example, if one wanted to test how to get school boards to function more actively, one could select 400 schools, train school boards at 100 schools intensively, give school boards at another 100 schools a new manual and discussion guidelines, and ask school boards in the third treatment group of 100 schools to allocate six consecutive small grants to various school projects (the fourth group with 100 schools would remain untouched as the control group). After some time (preferably more than one annual cycle), one would compare the three treatment groups to see what types of impacts the various interventions have had. Moreover, one could check whether these three groups perform better than the control group which would have been experiencing the same political and social environment as the others. This setup captures any changes that are due to a larger change throughout society, such as a high-profile incident that electrifies the public.

These tests are not easy to administer even though they are extremely powerful. Statistical calculations aside, the experimental design can be undercut if participants are aware of the treatments that other groups undergo (i.e. Hawthorne Effects), and there are a host of other issues. In the school example, policy changes can have an impact since ministries will not typically wait for a new measure just so as not to have an impact on an experiment. Nor are the results necessarily conclusive: decision-making on six consecutive small grants may be a good exercise for school boards, but the experimental results may not necessarily be apparent after the experimental period, especially if there is excessive parent turnover or an election with its attendant turbulence. Experimental design also needs to control for a range of minor factors. Inspiring trainers might make the training treatment particularly compelling, but these may not be available once the program is rolled out in scale. Thus, the train-the-trainer process ideally should be subjected to some of the experimental rigor.

In other words, it will not be possible to implement experimental designs across all activities even though it is desirable. They raise monitoring and evaluation costs and may take significant effort to implement. They also hinder program managers from reacting flexibly to local situations, since contextualized adaptations of programs will undercut the original experimental design. It might be worthwhile to have a default assumption that an experimental design should be drafted for any activity since experiments generate substantial insight that may be valuable for programming. Results from experimental studies receive international attention since they can yield a quantifiable measure of the change that has been achieved. Moreover, international experts in experimental design would probably be enthusiastic about participating in such studies in Georgia, especially since they will recognize the unique opportunities of such an endeavor.

Constraints

Two notes on the text: this is intended as a paper to further additional discussion, ideally around communities of practice interested in social capital. As suggested above, there may be more efforts to learn from. It was beyond the scope of this research to evaluate the entire range of projects done on social capital in Georgia. Ideally, this report gives an impulse to start a sustained conversation. In this

spirit the text typically does not name organizations, since the focus is on general program design, and how its characteristics can facilitate the development of social capital.

Also, one crosscutting opportunity not discussed in more detail is to involve the church more extensively in mobilizing collaboration. This was suggested repeatedly at the conference. As data from the Caucasus Barometer and other surveys suggest, the church is by far the most trusted institution in Georgia, with 83% saying they fully or somewhat trust the church. [Caucasus Barometer 2009] Also, more than 75% of Georgians say that religion plays an important role in the way they make decisions in life. [Caucasus Barometer 2007] Church-building already is the focus of extensive philanthropic engagement in the country. The suggestion that the church be involved therefore is intuitively plausible, and potentially a great avenue of mobilizing more collaboration. It is, however, not reflected more extensively in this report, since competent recommendations would require a more detailed understanding of the Georgian Orthodox Church, how it is intertwined with the local social fabric. While many of the broader recommendations are relevant, the specifics of engaging the church therefore would have to be examined separately.

The following section will highlight the four specific steps that can be undertaken to help social capital develop.

Steps to Increase Social Capital

Four steps can be taken to increase social capital: setting the agenda, providing opportunities and removing obstacles, accelerating success, contextualizing failure. For each step there are several components, and the section will highlight some activities that could be tried.

Set Agenda

Putting social capital on the agenda will mobilize attention, concentrate effort, and help engage government. This will promote the general issue of more institutionalized collaboration and can motivate, encourage and support social entrepreneurs. Moreover, as highlighted above, setting a strategic goal helps ensure that the focus is on social capital itself, and that succeeding on behalf of local social entrepreneurs is a poor substitute to facilitating their success. Demonstrating commitment, adjusting programs that already exist, engaging government and high-profile events are the main components of this approach.

Demonstrate Commitment

The critical component of developing social capital throughout Georgia will be a demonstrated strategic commitment by donors to achieving that aim. Implicitly, this aim is already being pursued by many donors. However, it is not necessarily integrated more explicitly with that goal. Increased strategic integration would offer a number of benefits.

As any strategic goal setting, it would facilitate the concentration and direction of effort. Efforts that pull in the same general direction, but remain fragmented, could be joined together to offer the very benefits of collaboration that social capital itself brings. Gaps are easier to identify. Moreover, a clearer strategic integration offers a criterion to guard against distraction into minor activities that may be worthwhile, but do not actually contribute to the overall goal.

An articulated strategy also prevents bigger misunderstandings. When development aid is in a hurry, it can sometimes mistake the delivery of service for the aim of getting social entrepreneurs to deliver services to their own community. Yet, this is a vital distinction to maintain since the research has highlighted the familiar finding that external service delivery can undermine local initiative.

It is a good time to focus on social capital. In the medium term, most projections suggest that there will be less development funding for Georgia. Thus, the best investment that development organizations can undertake is to support Georgian citizens to organize themselves to address their own problems. Social capital is critical for that to happen and social entrepreneurs are the most likely group to generate that social capital.

Adjust Existing Programming

Extensive programming is already available that is often relevant to generating social capital. This programming covers almost all major areas of Georgian development from education and civil society to legal reform and economic performance. In some cases, minor adjustments would suffice to provide strategic integration with the aim of furthering social capital. In other cases, a larger re-direction may be necessary. However, as this report argues, this is both a good and feasible direction to take. Most sectors in Georgia are still characterized by low levels of formalized collaboration. Practically all sectors would immensely benefit if that formalized collaboration was increased.

Equally important is that existing programs do not inadvertently undercut the nascent development of social capital. Here the record of using NGOs as project implementers is somewhat mixed. While it builds administrative capacity and can deliver relevant services through local constituencies, it potentially turns social entrepreneurs into development professionals, with a creeping transformation from bottom-up engagement toward top-down accountability.

Putting social capital prominently on the agenda could contribute to the strategic alignment discussed above. This would best be achieved by signaling a strategic commitment and then initiating many conversations around it during donor coordination, in partner meetings, but also through daily exchanges. Rather than scripted programming, there are general directions (set the agenda, provide opportunity and remove obstacles, accelerate success, contextualize failure; high frequency, low stakes, more time) that can be suggested which individual program managers need to bring to life, and to which they need to bring sensitivity, so as to respond to local context.

Engage Government

Setting the agenda should include government. Government plays a critical role in making it possible for social entrepreneurs to succeed. Together with the social entrepreneurs themselves, the government is the key constituency for any activity in this field. As Marc Howard has pointed out:

“A convincing body of research that incorporates a larger historical and comparative perspective has demonstrated that the state has played a crucial role in enabling, facilitating, and encouraging the existence and flourishing of voluntary organizations. Although it obviously cannot force its citizens to join organizations, the state can, among other things, pass legislation that protects the right of organizations, as well as provide tax or other institutional incentives that encourage organizations to recruit more members.” [Howard, 2003, p. 160]

The pivotal role of government lies both in what it decides to do, and in what it decides to stay away from. In other words, it has unparalleled possibilities to promote positive changes through its extensive reach down into the smallest school in a remote mountain village. Conversely, it needs to leave space for associations to grow by themselves. Government stifles initiative if it interferes too much. The leader of one INGO in the educational field highlighted the tension: “The challenge for

government is to do everything it can to encourage citizens to collaborate, and then to step away at the right point.”

The government can encourage this collaboration around schools and education, with residents’ associations, more broadly in the field of economics and the professions, as well as across society through the promotion of sports and culture as practiced in clubs and associations. Government can run competitions, give awards, convene town hall meetings and provide facilities as well as organizational support to associations. It can develop partnerships with associations in important fields and devolve responsibilities, eventually including the setting of professional standards. Moreover, government can cooperate by contracting associations to provide services. Government is also well placed to engage the Georgian Orthodox Church and to encourage it to participate in mobilizing citizens.

The attraction of social capital for government is that associations provide a group of constituents with which to interact. Atomized citizens are a harder constituency to reach, and while a multitude of isolated and fragmented citizens are more likely to be quiescent, their passivity does not contribute to political, social, or economic development. Conversely, in the absence of economic development, long-term political stability is far from assured.

However, as highlighted above, government also needs to keep an appropriate distance. It undermines the legitimacy of bottom-up organizations if it is perceived to be co-opting them, thus also undercutting the substantial value that these organizations can bring to the development of Georgia. Engaging the government entails that the importance of autonomy and mutual respect towards associations is understood, especially out in the regions, where local governors occasionally struggle to modernize their own understanding of democratic governance.

While government as an addressee and partner of activities is not mentioned in every subchapter that follows, it should nevertheless be thought of as an essential partner in this entire endeavor. Government can make the greatest difference to its success or failure.

High-profile Events

A high-profile event would be particularly suitable to signal a strategic commitment to social capital. One example of such an event could be a TEDx conference. Modeled after the original TED conferences in Monterey, California, TEDx events are locally organized, and also concentrate on “ideas worth spreading”. With dynamic presentations by auditioned speakers, TEDx events are consistently described as inspiring. After the event, the talks are accessible online and via YouTube. The topics, the speakers and format typically create presentations that are interesting for an Internet audience, with the most popular talks easily drawing hundreds of thousands of viewers, and a rating system promotes attractive talks.

The TEDx Yerevan event in September 2010 illustrated that such events can be successful in the Caucasus. A similar event in Tbilisi could focus on the theme of social capital, and showcase

inspiring speakers who have been working to bring people together. This could set a powerful signal about the importance of this topic, and help popularize it. As a well-established format, with the right audience, TV coverage, and availability of talks over the Internet, a TEDx conference could have a significant impact, at limited cost. (Speakers at these events are not paid.) As a project, this would be attractive to a range of donors, and might even attract sponsors such as mobile phone companies, which could highlight the potential of mobile Internet through such an event.

Organizing the TEDx event itself would be a powerful way of advertising the cause. The concept and relevance of social capital could be explained by asking for support from government, business, media, universities and maybe even the church. Getting a commitment of support, even if it is symbolic, would help set the broader agenda, and hopefully engage the relevant groups for a broader effort.

Provide Opportunity, Remove Obstacles

Providing opportunities and removing obstacles helps new ventures to start. Often this is a matter of concrete measures, and some of these are highlighted in this section: streamlining registration, improving legislation, and providing direct incentives, either through support or through collaboration. A further opportunity lies in offering instruction, so that social entrepreneurs can take the first steps by building on the experience of others. Social capital incubators could potentially encourage further initiative. There also is an opportunity for business: once people collaborate in larger groups, they become attractive clients for a range of new services.

Providing Opportunities

The first step to providing opportunities for entrepreneurs is to remove existing obstacles to formalizing collaboration. For example, agricultural cooperatives effectively face a tax penalty, since the cooperative is taxed on its income, and subsequently its members are taxed on their receipts. Thus, farmers are deterred from formalizing cooperation since productivity gains would need to be huge to offset the additional cost.

Making the incorporation and running of formalized institutions easy, attractive and accessible will also lower the threshold for formalized collaboration. As the Doing Business ranking of the World Bank has recognized, Georgia has done extremely well in streamlining business registration. Offering a similarly easy registration process for associations, making it accessible and well-known could encourage more people to formalize their collaboration, and through formalization to think about the longer-term issues they can address together.

Myriad obstacles will become visible once associations evolve and run up against new legal, financial or technical obstacles. They require a willingness on the side of government to listen and to see what can be done to address them. Disagreements are likely to remain; associations typically would prefer tax benefits or charitable exemptions. However, these can lead to abuse as for-profit entities recast their work in non-profit outfits, siphoning off profits via honoraria. Thus, the government will be understandably reluctant to grant extensive privileges. However, many smaller adjustments are likely if there is a commitment on both sides to work with each other. On the side of the government, this means that there needs to be a designated point of contact or even a working group including relevant ministries to address these issues. The point of contact would need sufficient seniority to be able to initiate relevant discussions inside government. On the side of the associations, likely the Ombudsman is well-placed to bundle the concerns since the institution already has staff with some legal expertise and is in the habit of liaising between citizens and government.

Further opportunities can be provided by direct incentives. Although the program has just concluded, it appears that the Municipality in Tbilisi has done a stellar job of offering incentives for residents to form associations to address critical issues in their buildings. The Municipality offered a generous subsidy if residents mobilize funds to repair roofs, refurbish elevators or install a door in

the entrance to the stairwell. The program appears to have mobilized many residents to join up and apply. As the program was popular, it was not yet possible to obtain data on applications (its administrators seemed unwilling to provide information because they were flooded with applications). However, an evaluation may offer valuable lessons for future program design.

Further opportunities include the cooperation of government and donors with associations for service delivery. In the instance that the briefing paper highlighted, this had already been done in that the English Teachers Association of Georgia (ETAG) had provided instruction on behalf of the Ministry of Education and Science. This model could be replicated more broadly, and appears particularly suitable for training and the delivery of social services. For example, health-related support groups could be involved in delivering support to their members.

Three risks need to be managed when collaborating for service delivery. First, associations in Georgia are nascent, with limited experience. They are not yet professional service providers. Therefore, providing this opportunity for them needs to go along with building relevant capacity. Second, if such building of capacity spills over into a full professionalization it can potentially undermine the grassroots character of organizations in that its leadership becomes accountable to donors rather than its original constituency. Famously, Rockefeller refused to fund Alcoholics Anonymous arguing that it would destroy the organization.³ Third service delivery for the government may actually deter some citizens who will begin to think that the organizations are extensions of the ruling elite. The briefing paper highlighted how the presence of a single government official impacted a meeting of an association. To develop associations as partners, the government and donors need to emphasize their autonomy. It probably is best to reinforce existing initiatives, primarily with limited project funding support rather than providing core funds. Initiating service delivery top down may overload organizations that have not developed organic capacity and may not be able to sustain themselves post-project.

Other opportunities include the government asking groups that currently are largely informal to come up with key standards for their sector. Such devolvement would follow a well-established model. For example, in several countries licensing of various sports is devolved by the state to associations and federations. Since sports are linked with the development of tourism in Georgia, this is a matter of economic development as well. Such certification should remain largely voluntary since obligatory restrictions would create artificial barriers of entry, opportunities for corruption, and would be hard to enforce.

However, certification would be attractive for clients that seek quality. Without credible certification, quality can be hard to assess. Clients need professional services precisely because they do not know what makes a safe mountain guide on Mount Kazbek, or a rafter with rescue capacity in the advanced rapids of Racha, or a reliable tandem pilot in Svaneti. By reducing risks and transaction costs, voluntary certification could increase the amount of business being done in that field. Again, as

³ See <http://www.aa.org/subpage.cfm?page=288> (retrieved January 10, 2010)

in other countries, such certification can facilitate access to insurance, which lowers the perceived risk.

Sports are given as a specific example here, but similar approaches could work in other professional fields in which client uncertainty reduces the amount of business getting done. In these fields, suppliers have a genuine interest to demonstrate their commitment to quality, and indeed this approach has already worked in business associations, as the research found. Likely this will work best in sectors in which there are a limited number of suppliers, most of which are sufficiently professional to have run up against the limitations imposed by operating without broader collaboration. Any work in this field should focus on objective benchmarks (rather than on the input of providing trainings), and be sequential so that it can build momentum through rigor and demonstrated successes.

Offer & Bundle Instruction

Social entrepreneurs in Georgia could be further supported by offering instructional materials. Right now, social entrepreneurs need to make it up as they go along, without drawing on the practical handbooks and manuals that may be available to community organizers in countries with a more established associative tradition. There are a range of insights which can support individuals who seek to organize others. Not all of these skills can easily be learned from instructional material, but such material can help avoid mistakes that regularly are made.

To start with, abbreviated and modified versions of the social capital briefing paper, of the final report, and the guide could be made available in Georgian. This could provide some of the larger context within which more practical instructional materials can be set. The working papers should be abbreviated to focus on what is relevant to the Georgian discussion, and they should be modified so as to be relatively timeless, i.e. so that they can be read in three or four years without seeming dated.

A short and accessible manual could discuss how social entrepreneurs can overcome the four challenges identified in the briefing paper: apathy, distrust, lack of willingness to formalize cooperation, and the general challenges of the socioeconomic environment. The hands-on guide offers some suggestions in this direction, although it is not yet specifically written as a handbook. Showing that these are familiar challenges would illustrate that social entrepreneurs are not alone, and that others have managed to overcome similar obstacles. While such a handbook cannot deal with every eventuality, it could nevertheless provide insights that are essential for successful social entrepreneurs in a tough environment:

- build trust before you address issues;
- invariably mobilize more patience than you expect to need;
- have a timescale of months and years, rather than weeks;
- deliver small items, possibly several, before you address any larger issues;
- take low-stakes projects to find out what works and whom to rely on for what activity;

- the optimal result is getting people to collaborate; you will rarely achieve the theoretically best outcome.

These admonitions border on the trivial, but they are not always intuitive. After all, social entrepreneurs are trying to address common problems and may expect others to join the effort with enthusiasm. Seasoned advice may temper the zeal and channel it towards improved prospects of success. Writing it together with existing social entrepreneurs would involve them in the process of consciously widening their scope to include mentorship.

Potentially, the manual could be supported by an online forum, in which social entrepreneurs can exchange their experiences. Additional material could be short video clips and interviews, to complement the lectures from a potential TEDx event. Moreover, one could translate key texts on social change, such as *Switch* by Chip and Dan Heath [Heath, 2010]. A panel could select further books for translation, to provide valuable know-how.

The importance of instructional material is underlined by the absence of role models in Georgia. Societies with a rich associative tradition offer many opportunities for learning by absorbing the habits and traditions from youth organizations onward. In the absence of such a tradition, instructional material is the primary way of transmitting experience and knowledge.

Social Capital Incubators

Social capital incubators were proposed as a further idea during the conference. These could be similar to business incubators, essentially hubs that provide networking, some essential services (Internet, printing, web hosting, basic equipment such as a camera) and potentially access to some consultancy at lower cost. This is both an old and a new idea: old in that community centers often serve as a platform for local initiatives, and some already do in Georgia; and new in that the specific focus on helping social entrepreneurs has not been tried. Bringing the social entrepreneurs themselves together in one physical location could generate advice, mutual support and new ideas, and boost membership among like-minded people. Potentially, by offering some accountancy services, the social capital incubators could provide the professional support that would allow an association to function on a volunteer basis. They could break the conundrum that resources are hard to mobilize and administer, unless you have professionalized staff, but that salaried staff can create tensions with a volunteer and membership base: “For me this is a livelihood, for you this is a hobby.”

Led by entrepreneurial staff, such incubators could be inspiring and thus motivate further initiatives. Conversely, there are several ways in which the basic idea could falter early on, for example, if staff primarily think of themselves as administrators or if criteria for entry are not well calibrated to select active social entrepreneurs. If they are too lax, the incubators could become just another place to hang out and a magnet for local cranks. Making the criteria for entry too stringent could keep out the quirky busybodies that successful social entrepreneurs often start out as. If the idea of social capital

incubators was to be developed further, potentially in the context of setting up community democracy centers, its actual design should be tried on a small scale, potentially starting with smaller clinics, in a limited set of locations, to check how to make them successful. Attracting the right staff will be critical to the success.

Highlight Opportunities on Supply-side

Another avenue of providing opportunities is to stimulate the supply of services to associations and cooperatives. Specifically, insurance is an attractive service that larger associations and clubs can offer to their members. Associations and clubs typically bundle larger numbers of people that engage in activities with similar risk profiles. This is the preferred match for insurance companies and the insured. Insurances are attractive for sports, where Western associations often include basic insurance with membership. In particular cases, insurances are structured so as to promote desired behavior. If covered for rescue costs, for example, some climbers in distress might be tempted to sound the alarm rather than to try and rescue themselves.⁴ In Georgia, with its extensive opportunities for outdoor sports and tourism, the provision of more insurance could be attractive. But insurances are not restricted to people pursuing their hobbies: they can be offered to members of professional bodies, to members of an agricultural cooperative, to the joint owners of a building, to an association of travel agents, to motorists — essentially to any larger group that engages in activity that has some associated risk due to factors beyond their control.

Stimulating the supply side could lead to insurance providers becoming more aware of such opportunities, this in turn could lead to them developing packages and actuarial profiles specifically targeted to cooperatives. Outside expertise could assist the process of developing such products, although the discrepancies between the non-existing group insurance market in Georgia and extremely mature markets in western countries require niche expertise. Among the most promising fields probably would be health insurance for skiers, since many Georgians with middle-class incomes go skiing in Bakuriani and Gudauri. With insurance in place, the associations would become significantly more attractive. Demonstrating the success of this concept could then help place it in other fields.

Similarly, from the side of supply, banks will assist the development of associations by facilitating standing orders for their customers. Standing orders are pre-agreed annual deductions from an account and serve as the instrument for collecting annual membership fees (often, as mentioned, paying for attendant insurance cover) throughout many European countries. They lower the threshold for committing to membership payments. If fees are collected by initiating a new transfer every time, a membership fee that is too low may not get paid because it will appear as a nuisance more than a contribution. However, membership fees that are too high could be viewed as a deterrent. Standing orders overcome the problem and over time help to collect sizable membership

⁴ Moral hazard of people taking higher risks because they can expect rescue is absorbed as long as it saves lives.

fees. Banks could begin to launch products specifically targeted at groups, such as accounts for residents' associations. One attractive feature could be online transparency, so that members with the access code can see all transactions, including the payment of dues of other members.

These are among the most obvious opportunities that can be provided by commercial suppliers to stimulate associations to form. If a more comprehensive program is underway, further gaps may become visible, for which products can be developed.

Accelerate Success

As this report has suggested, it is difficult for outside intervention to build social capital. However, where such social capital is already being built, outside intervention can accelerate the process. Intervention can help social entrepreneurs succeed faster, more comprehensively and thus to reach more people, and the success of one group can stimulate others to adopt their experience. Accelerating success thus entails:

- appropriate recognition for those who succeeded in getting others to collaborate;
- the highlighting of how such success happens and how challenges are dealt with;
- the transfer of these lessons and the general promotion of learning from each other;
- the building of attractive networks among social entrepreneurs and those interested in this question in general.

This section will highlight a number of ways in which the success in getting people to formally collaborate can be accelerated. There are additional possibilities, but the template of the ideas above should provide a fairly solid framework across a range of sectors. To work, these measures need to be applied with a nuanced mix of rigor and flexibility, in that the activities need to remain rigorously focused on the overall intention of accelerating the success of social entrepreneurs, while the activities themselves need to be handled flexibly to be relevant to context.

One key audience for donor activities in these fields is the government, both on a national and local level. Accelerating the success of social entrepreneurs is going to reach much larger scales once the government promotes the effort, and adopts it as part of its own approach. The audience includes the government as an entity and individuals in government at all levels. Ideally, government will understand (and respect) social entrepreneurs as potential partners, in the attempt to make more of limited resources. In designing activities that can help accelerate the success of social entrepreneurs, the ideal scale is one that national and local government could eventually continue engaging in, and direct resources to. The activities should be of the type that government officials think to themselves “Why aren’t we doing this more often? And in other sectors?” Limiting the costs of activities therefore has additional importance, so that one has a scale that can be continued with limited resources.

Amplify News of Success

One way to accelerate success is to amplify news about it. This boosts social entrepreneurs by giving them more recognition and rewards them for their efforts. Recognition can reinforce the commitment to the goals they have set themselves. Moreover, it affirms the engagement of those that have participated, and a gracious social entrepreneur will accept recognition on behalf of a larger group. Amplifying news of success also showcases role models, thus encouraging individuals that are still struggling to convince others that joint action can make a difference. Good news helps to overcome apathy, and can also increase trust.

A number of ways have been established to recognize the success of people who have worked hard to get others to collaborate. Among the standard tools are public award ceremonies. Award ceremonies generate news coverage and serve as networking events. Recognition is particularly compelling if it manages to articulate in precise words the difference that individuals have made, so that the measure of their contribution is fully understood. This, more than any general celebration, is a genuine reward for effort. Additionally, awards go along with targeted gifts that convey appreciation, without casting it in monetary terms. Especially for individuals outside of the capital city, an invitation to Tbilisi together with two or three guests is an attractive recognition. Georgia already has a number of such awards that are given fairly regularly. As suggested under the possible tweaks above, they could be integrated further to focus on social entrepreneurs that have brought other citizens together to solve problems locally.

Another established way of amplifying success is to organize high-level visits to successful projects. They accelerate success by increasing the reputation of local social entrepreneurs, and by reinforcing their legitimacy both in the eyes of their constituents and for local government. Advertised appropriately, they illustrate opportunities of engagement that can be emulated by others. Again, such high-level visits are a regular feature of development work in Georgia, and could be directed even more explicitly at supporting local social entrepreneurs.

Amplifying news of success works best if media remains closely involved, with particular journalists building experience on how to cover these stories in ways that engage their audience. Teaching community-oriented coverage at journalism schools is one option of expanding the understanding of the next generation of professionals. However, the institutional and financial base for quality journalism in Georgia likely will remain limited, which is why development organizations continue to draw competent journalist into their own orbit, either part or full time to look for bright spots, and report on them. This is an imperfect solution, but retaining PR staff can be a temporary fix to overcome the problem of rapid turnover and relatively inexperienced staff at national media organizations in Georgia. Moreover, as has been pointed out, many organizations themselves nowadays are “content providers” since curious citizens go directly to their websites, or use social media to keep track of what organizations they “like” are up to.

Local Media, Alternative Media

Local media plays a critical role in bringing people together. By reporting on local issues and highlighting what some locals are already doing about them, local media can boost citizen initiative. At its best, local media generates a sense of community, interacting regularly with its listeners by getting people to call in, inviting various figures to contribute, highlighting remarkable features of the community, from the person celebrating her 95th birthday, to the local choir, or the student returning from a scholarship abroad.

Radio can play a particularly prominent role, since its production, transmission and distribution costs are lower, and listeners can contribute via telephone. Radio stations can broadcast specifically about

the community, and its members, and serve a powerful purpose even where they consciously remain apolitical. Such a choice to be apolitical need not only come in response to the repeated concern that in various regions of Georgia political modernization has been lagging, but also as a deliberate focus on mobilizing the community around concerns which every citizen can help address, offering coverage that is less about “them”, the politicians, and more about “us”, the experiment of a farmer to plant avocado, the new veterinarian, the local Peace Corps volunteer, or the group of diabetics helping each other with advice. To be sure, other models such as local TV, print media, and local investigative journalism remain desirable, but as models they require more resources than community-focused radio, and may be less suitable instruments for bringing people together.

To succeed in this endeavor, local radio stations need to learn how to create a sustainable business model around this engagement (including, if necessary, sponsored features that remain interesting and credible), how to share programming, or program templates, and how to be as effective as possible in engaging their community. Whereas donor provision of some basic goods may be useful, direct financial support is risky, since well-intentioned media support to Georgia over the last 10 years has created a number of short-lived business models, or temporary expansions that later could not be sustained.

The Internet offers new opportunities in this regard, since it facilitates research for the station (for example, for basic agricultural programs), not all programming needs to be tied to a schedule, attractive programs can be shared more easily between different stations, and there will be further opportunities for engagement and interaction. Along with these opportunities come new challenges, as an audience that can draw on the endless opportunities of the Internet will be less captive. While local media is a critical component of accelerating the success of local initiative, they will need to negotiate a path through these technological and social changes.

It was beyond the scope of this research project to examine to what extent existing USAID media programs already address these issues, but small tweaks – including the highlighting of successes, and a mentorship program in which successful local radio stations help those in other regions — should be easy to implement.

Highlight & Transfer the ‘How’ of Success Stories

Success stories are vital to identifying the bright spots of what already works. However, they should be focused on the specifics of how challenges were addressed. This focus on how to negotiate obstacles can help to calibrate expectations. By contrast, one-dimensional PR pieces understate the messiness of many group processes, and thus lead to unrealistic expectations, which feed into a cycle of disappointed initiatives. While looking at the abstract desirability of collaboration, it is often forgotten that countries with much associationalism often have ambivalence about its preoccupation with minute problems. Typically, there is a rich stock of caricature and even vocabulary to describe the dictatorship of the busybodies and its pettiness. Collaboration of broader groups rarely achieves

optimal results. Nevertheless group-results mostly are better than no result or no collaboration at all. This is a territory of trade-offs that deserve to be understood.

Formalized collaboration should be portrayed as a balancing act that involves solving one problem after another rather than a realm of joy and harmony. This would shape expectations about collaboration as well as generate more patience and a willingness to move away from maximalist positions when collaborating with neighbors or people with shared interests.

Public portrayals of the practical angles are all the more important since, in the absence of functioning associations, there are few opportunities in Georgia for the type of enculturation that young people growing up in places with rich traditions of associationalism offer. In such contexts, there are many opportunities to learn the nuts and bolts of collaboration by emulating more experienced practitioners across a range of skills as simple as how to prepare and run meetings, how to deal with dissent, and how to develop accurate minutes. In Georgia, role models need to be showcased in the media, since one is less likely to meet them.

Knowledge and experience could also be transmitted through a mentorship program. In a very first stage, social entrepreneurs from other post-socialist countries could mentor their Georgian colleagues, as this already happens across other sectors. Subsequently, successful Georgian social entrepreneurs could mentor those with less experience. This can happen through formal programs, online-forums, or via networking events, which bring together different levels of experience and expertise.

Lecture & Working Paper Series

Two additional activities could further contribute to the acceleration of success. A lecture series and working papers identify what works particularly well, help disseminate these lessons, and make them broadly available. It would also direct the attention of Georgian and international researchers to a concrete topic to which they can contribute their insights, from various disciplines.

A series of lectures, all of them organized specifically to encourage discussion, would offer a forum to discuss the development of social capital, and identify key lessons that are worth transmitting among practitioners. The series should bring together practitioners, researchers of the local academic community (including think tanks), and advanced students. For appropriate profile, renowned academics could be invited for occasional events, such as the kickoff.

The format should encourage candid discussion, and a joint exploration of workable ideas. As discussed above, the value of this inquiry is to find out how particular programs or measures get citizens to collaborate effectively, and how successes could be replicated, rather than making a more sweeping assessment that they have failed or succeeded. Events would require regularity, appropriate timing and location to be schedulable for practitioners, and consistent moderation that keeps the events attractive and in line with the overall goal of identifying the lessons of building social capital. Such a series does require regularity of commitment, but there are some parallels to the types of

commitments one suggests for Georgian citizens to undertake more consistently in the pursuit of larger goals.

Working paper series would be an ideal complement to the lectures. Working papers would seek to articulate the lessons in succinct and accessible style, so as to make relevant insights available to a broader audience, and over a longer time. The working papers would be written both for practitioners and researchers, synthesizing a practical and reflective tone. As “lessons learned” documents they direct attention to practices that seem to work, thus accelerating successes. To test the working papers with a local audience, their drafts could be presented in the lecture series for further discussion and refinement.

Having such a working paper series would bundle the relevant experience in Georgia. Remarkably, the working papers by the Social Capital Initiative of the World Bank remain a focus of attention even though the last paper was published in April 2001, since the presentation and range of materials makes this collection particularly attractive. Moreover, such a series would be an attractive forum for practitioners or researchers that want to articulate their experiences through a publication. This would fill a sizable gap between the tight prose of technical evaluations and the extensive bibliographic detail of academic publication.

The working paper series could illustrate to Georgian and international researchers which questions need to be answered, and in what style, to accelerate development in Georgia. It offers orientation in a context in which researchers are not always sure how they can make their expertise relevant. A series of accessible working papers would also engage practitioners and researchers from other countries (which obviously would not be drawn into a lecture series in Georgia), ideally benefiting both Georgia and the development of social capital in other countries as lessons are transferred.

Typically, papers should focus on lessons learned in Georgia, while demonstrating an appropriate grounding in the field. As noted, this paper is written in the proposed style, and the other documents of this research project could be integrated into the series of working papers. For the short term, this effort could be hosted by the Think Tank and Public Policy component of the G-PAC effort. The resources required would be limited (following academic practice, it may not be necessary to pay the authors of working papers), while they helping to accelerate a “lessons learned” culture.

Contextualize Failure

The reality is that many initiatives are not going to succeed despite the significant need for more collaboration. Some will fail early, some will peter out after modest successes, and painfully, others will succeed initially to then fragment in more disappointment. Such failure is part of taking risks. While a few entrepreneurs are drawn by the risk itself, it can deter more cautious individuals from starting to address issues that are important to them.

Interventions could help to diminish the fear of failure by changing how it is perceived. Failure can be shown to be a part of experimentation on the way toward success. While external intervention can only reduce, but not eliminate, the risk of failure, it can make that risk less intimidating. As some of the literature puts it, shrinking the change helps people get over thresholds they previously considered insurmountable. [Heath, 2010]

Silicon Valley, often studied for its culture of entrepreneurialism, has gone as far as developing a ‘fail fast’ mantra. The essential idea is that entrepreneurs should lower the stakes, increase the speed, and ‘adjust and pivot’ (i.e. learn from everything that does not work). As one author puts it, “good judgment comes from experience, but experience comes from bad judgment”. While Silicon Valley is a model to itself, there is a transferable lesson. Taking risks is facilitated not only by increasing reward, but also by diminishing the fear of failure.

Again, there are a number of measures that can be undertaken to support this change. Most of them cost comparatively little, and the additional advantage they offer is that they may also encourage commercial entrepreneurship and experimentation in other fields.

Be Candid about Difficulties

Being candid about failure and how it has spawned lessons can be supported by the content and tone of public presentations. Development organizations can help strike that tone, by openly talking about “what has worked less well”, explaining “what we learned in the process”, and connecting this to current action, “so we decided to...”. Such an approach, highlighting that eventual success often requires experimentation, could provide a role model for the appropriately reflective tone of relevant public presentation. Many development professionals already take this tone, but it could be reinforced further and in more “lessons learned” publications, as well as additional platforms such as TV. The message requires some crafting between excesses of modesty and assertion, but providing role models in itself offers opportunities for an audience to learn by showcasing behavior that is attractive to emulate.

More costly activities could include a series of interviews with successful people who describe how experimentation, iteration and even failure allowed them to get things right eventually. This would be worthwhile for a journalism school or as a regular feature in magazines, or as a theme for a run of talk shows.

More ambitious activities could focus on generating a broader change of perspective through television. Targeted programs have introduced new ideas and perspectives to a broader public. The idea of a ‘designated driver’, a person who will stay sober throughout the evening to drive a group of friends home from the bar, was introduced to the United States by unobtrusive inclusion in a range of TV series. Sponsored short radio comedies in Africa have succeeded in creating an archetype of misbehavior, with a memorable name, thus helping to cut the transmission of disease. [Heath, 2010] While Georgia imports the majority of its television programming, the existing programs may offer similar ways of contextualizing setbacks through role models, while also type-casting particular behavior that prevents collaboration.

There is significant opportunity in that theme for Georgian media. The residents of a single building can create an excellent focus for TV programming. They can work both for situational comedy (sitcoms) and for soap operas that are more dramatic and topical. As the location is fixed, the series can be relatively inexpensive to produce. Several commercially successful soap operas across Western countries (Coronation Street, East Enders, Goede tijden slechte tijden, Lindenstrasse, Neighbours) have chosen this very neighborhood theme, negotiating issues that are recognizable to a broad audience. They have often broached sensitive topics, from disabilities to HIV, providing a focal point for public discussion. Short of the TV series, regular newspaper columns or talk shows dedicated to the theme of collaboration can help to address similar themes, and create role models of persistence.

Importance of Education and Sport

A recurring theme is that to succeed, social entrepreneurs need to work consistently over time and overcome sizable obstacles. Psychologists have described this trait as grit or “perseverance and passion for long-term goals” [Duckworth, 2007]. Education generally and sports specifically can play a significant role in fostering grit. This is not directly the remit of development organizations, but a field in which they can make expertise available to the government.

Although there is limited research on the link between social capital and sports so far, the available findings suggest a significant link. Sports can teach dedication and perseverance, the importance of the team, the adherence to rules in adversity, as well as tolerance for disappointed efforts. The educational importance attributed to sport is mirrored by its prominence in many educational institutions across the world. In Georgia, sport remains marginalized in education and society. Membership numbers in sports clubs are extremely low, as less than 2% of Georgians say they are members of a sports club (Ukraine 10%, Serbia 18%, Italy 29%, Sweden 44%; World Values Survey, 2005-2008).

Since 2003, the government has taken considerable steps to promote sports, for example by refurbishing sports facilities throughout major towns. These include both major facilities and relatively minor items, such as basketball courts in city yards. A continued and potentially expanded investment into sports might yield further gains in social capital. (Some authors even refer to public sports facilities as instances of social capital.) Intuitively, one would expect that sports that require

consistent team effort might generate more social capital than sports that thrive on the physical prowess of a few forward players in the team. If this line of reasoning is correct, the beneficial impact of various sports should roughly be in reverse proportion to the number of celebrities they produce. These hypotheses could be tested by emphasizing different sports in different schools, through random allocation, with a control group in which no additional instruction in sports is offered. Experimental findings would be relevant to educational design in Georgia and beyond.

An even more direct connection to grit is the fostering of stamina. Long-distance running has been one proxy by which educational and military institutions throughout the world have developed persistence in the face of exhaustion. Long-distance running is rare in Georgia. No larger marathon run has been organized in Georgia so far, although such an event could be symbolically powerful, suggesting that significant achievement requires preparation, a sustainable pace, and tenacity for successful completion. Organized attractively, an annual Caucasus Marathon could become part of the calendar of international running events, attract a significant cohort of runner-tourists to Georgia, and largely finance itself. To lower the entry-threshold, the first few annual cycles could allow relay teams to participate, for example from universities, banks, police and the military. A limited investment (perhaps best undertaken by sponsors and government) could introduce the theme of persistence and grit into various news cycles (conception, organization and advertisement, recruitment of runners and teams, live coverage of the event, award ceremony).

Tentative: Teach Grit

Preliminary research suggests that grit is powerfully connected to general educational achievement. It has been linked to better performance in school tests, higher retention rates at West Point, and eventual career progression. [Duckworth, 2007]

A study of an internationally administered mathematics and science test for schoolchildren found that a major predictor of performance was the extent to which the students had completed the self-administered demographic questionnaire. Over 50% of the differences in national means was attributable to the variable of Student Task Persistence (STP). [Boe, et.al., 2002] Similarly, the marshmallow experiment by Walter Mischel at Stanford, which recently has received additional attention in part through an entertaining TED talk, suggested that children's eventual educational performance is strongly linked to their ability to delay gratification. [Shoda, et.al., 1990] These studies are intuitively plausible even though they have not been replicated in Georgia.

One area of potential innovation could thus be the development of curricula specifically designed to foster grit. While such enculturation often starts with children's books such as "The Little Engine That Could" and the building of stamina is implicit in several school sports, there has been comparatively little work in purposefully designing a curriculum to foster student task persistence. Introducing successful curricula across schools picked through a randomized procedure would yield valuable insights about the impact of such an intervention. If the studies above are correct, an increase in student task persistence should yield very significant benefits for educational and eventual

life achievement. Moreover, it is at least plausible to assume that increases in grit could also contribute to further collaboration. The cost of introducing such an experimental curriculum would be comparatively low, while the potential benefit would be relevant in Georgia and beyond. Again, it is likely that international experts would be attracted by the possibility of contributing to such a program.

Internal Resources

In contextualizing failure, or at least in encouraging experimentation, international organizations can draw on a powerful resource that often is neglected: their own staff. Hundreds of highly qualified Georgians are employed by international organizations. These organizations can set standards, and specifically encourage their own employees to engage. Such extracurricular engagement can offer valuable impulses to society, but also generate insights into the challenges faced by social entrepreneurs. While volunteerism is already encouraged in many organizations, a more specific integration around mobilizing fellow citizens would harmonize with the overall strategic goal of developing social capital. Moreover, the mostly informal support for social initiative may benefit from formalization, since it otherwise risks being crowded out by deadlines and administrative workload. A similar expectation could apply to international staff that may have their own experiences to contribute to local groups, and could help activate them, from sports and cultural groups to alumni organizations. Other ways of emphasizing engagement would be a communicated importance of volunteering in job descriptions, and employment and scholarship criteria.

The added advantage of encouraging staff to engage is that they are less exposed to risk. Anchored by reasonably attractive salaries and work environments, they have the stability that allows them to try new things that may seem daunting to other people in Georgia. If some of these initiatives do not succeed, they will illustrate that failure can be absorbed, and provide lessons that can feed directly into work.

Fields and Conclusion

Agriculture, primary and secondary education, civil society, as well as health, residents associations, tourism and sport are suitable target areas for working on social capital. They are suitable because social capital is low, improvements yield sizable benefits, while the reach and importance of the fields is considerable. The steps outlined above are relevant to these sectors as well, as well as the general approach of *high-frequency, low stakes, more time*. Using online tools to increase cooperation present a particularly important opportunity. As already stated, this is a learning opportunity that should be evaluated thoroughly, ideally with experimental approaches.

Although there is not sufficient space to thank all the interviewees and conference participants, the research benefited from many people who generously gave their time and ideas. Their main ideas are synthesized here, and with the prospect of setting up communities of practice, more detailed suggestions can contribute to future discussions as well.

Agriculture

Agriculture is a crucial target for fostering cooperation. It is arguably the sector with the largest unrealized potential in Georgia. As is often discussed, more than 50% of Georgian fields are estimated to lie fallow. Moreover, only around 10% of GDP is made through agriculture, although it employs about 50% of the population. [Eklund, 2010]

Previous approaches of fostering cooperation have not been successful. A range of reasons is given for this failure: the general inefficiency of the sector, the small size of landholdings, the relative diversity of agriculture across Georgia, migration into the cities, legislative obstacles, as well as the conservatism of farmers. As the head of an INGO commented, you need to train farmers three times before some of them will even experiment with new techniques.

One recommendation, in line with the thrust of this report, is to focus the effort on existing entrepreneurs in agriculture and food processing, rather than on farmers in general. Arguably, it will be easier to explain the benefits of additional collaboration to a commercial entrepreneur. The general mindset of entrepreneurialism will already be in place. By contrast, subsistence farmers will be beset by a degree of resignation, and may well doubt that they can make a difference. Such entrepreneurs include those that are in trading, cold storage, or individuals with larger holdings targeting international markets. Downstream, farmers with smaller holdings may be convinced to join up if they see successful models already in operation.

Additional recommendations generally follow the template highlighted above: conference participants suggested that a national agenda needs to be set, with a long-term strategy for developing agriculture, by the government. This strategy should ensure appropriate business involvement, so as to be sustainable, focus on the whole value chain, and address the skills gaps that

keep farming less productive than it could be. Involving the Georgian Orthodox Church would give the issue additional visibility. Recent statements by the parting head of the EC delegation, as well as the president of AmCham underscore the relevance of farmers cooperatives in a national agriculture strategy. [Eklund, Lee, 2010]

Practitioners also highlighted that opportunities need to be provided, and obstacles removed. Among the broader comments, two participants provided concrete suggestions for creating a more favorable legislative environment for farmers' cooperatives (which they refer to more broadly as farmers organizations):

- Develop special supportive legislation for farmers organizations, based on broad consultation.
- Increase the minimal level of non-taxable annual turnover for farmers' organizations producing primary agricultural products, from GEL 100,000 up to GEL 250,000 per year.
- Increase the amount of the arable land on which owners are exempt from land tax from 5 ha up to 20 ha, if this land is cultivated by a registered farmers' organization.
- Give a first year tax-break to registered farmers organizations and small and medium-sized enterprises working in agricultural production or processing.
- Clarify the ownership and operation of irrigation channels (specifically tertiary gravity fed irrigation schemes previously owned by communities); closely involving municipal governments and consulting with farmers.⁵

These suggestions illustrate that there is material for a detailed policy discussion. While the Ministry of Finance may be reluctant to concede too many tax privileges, fearing that some businesses will game the system, there is an opportunity for exploring what types of incentives can be set, similar to those that the Tbilisi Municipality offered to residents' associations, to encourage them to cooperate.

Highlighting the importance of accelerating success wherever you find it, participants pointed out that it is critical to demonstrate benefits, since the people that have stayed on the land to farm are conservative. However, once they see and believe in change, they do adopt it. As the head of one INGO commented:

“The potato seed producers – these are cash crops here. Ten years ago, this was the least valued thing, if anyone suggested buying potato seeds, people would laugh. Now it is working, there really is a visible change in mindset. It took 10 years, engaging with the people, consistency, involving civil society in monitoring. It's also having them develop an

⁵ These specific suggestions kindly provided in writing by Irakli Kasrashvili and George Glonti.

entrepreneurial mindset. For example, we encourage them to keep track of their expenses in log books, to have records they can compare against.”

In terms of accelerating success, the head of another INGO working in agriculture suggested that 20 functioning farmers cooperatives could change farming throughout Georgia, since they would illustrate in a tangible way how collaboration works, and what benefits it brings. Ways of reaching out to accelerate success include consistent programming on TV and radio (eventually available even as podcasts), specifically addressing farmers questions, and highlighting successes, especially those of collaboration. To connect practitioners and transfer lessons, conference participants suggested setting up a moderated online forum. In line with the idea of *high-frequency, low stakes, more time*, suggestions highlighted the importance of working with smaller groups and then connecting them. A counter-suggestion was to work with the entire village, not just farmers.

Since intuition is an insufficient guide for predicting success, a rigorous experimental effort would be particularly powerful, especially given the opportunities for agriculture in Georgia. Some of the study could also look backward: apparently there were successful cooperatives predating the Soviet collectivization, highlighting that the stereotype that “Georgians just do not collaborate” is not correct. There are many challenges in agriculture, but also many concrete suggestions for exploiting opportunities.

Education and Parents

Secondary education remains a prime area for potentially building more collaboration. Schools have a reach throughout the country. As children are ‘conscripted’ into schools, the institutional framework already is in place, requiring less entrepreneurialism to organize people to become engaged. Parents have a vested interest in the quality of education available to their children. The typical geographic focus of schools means that successful engagement could spill over to generate additional initiatives. Moreover, seeing parents’ successful collaboration in schools could be a model for the children that pass through them.

The first attempt to initiate such parent engagement through boards of trustees has not been seen as a success. While there was early enthusiasm, one expert at USAID estimates that less than half of boards of trustees actually meet at all. Only a handful of boards are seen as engaged. The shortcomings have been attributed to insufficient training, a lack of clarity of expectation, relatively high turnover, and to the limited remit given to the boards. While in principle boards should be involved in the budgetary process, it has been suggested that they often understand their role as formally approving the budget. Moreover, the range of decision-making is limited: typically, more than 80% of the budget is spent on teachers’ salaries, and reportedly more than half of Georgia’s 2100 schools run deficits.

In spite of these shortcomings, an invigorated effort focusing on engaging parents in secondary education would seem one of the best ways of testing the potential of getting citizens engaged. As

the head of one education-focused INGO pointed out, the previous attempt to get boards of trustees to work was “like that brand-new, shining car which you wanted to drive across the country with, and which you failed to put any fuel into”. Broadly, the institutional design was there, but it was not resourced to succeed. In terms of setting the agenda, the first step would be to clarify what type of engagement by parents one is seeking to promote, and how that fits within broader policy priorities that are likely to remain stable over the next few years.

One attractive feature of introducing such a program across schools is that it lends itself to the experimental designs described in the early part of this report. Since there are so many schools, different interventions could be tried to make the boards of trustees work in specific treatment groups. This could yield information to what extent training, mentorship and twinning, a clearer allocation of roles, better instructional materials, and other innovative measures experimenting with higher frequency and lower stakes, such as small consecutive grants to practice decision making, can make a difference.

Civil Society Support

Civil society is inherently connected with social capital. A network of organizations that represent the interests of citizens who are organized in various groups is one of the manifestations of social capital. The need to build more social capital is pronounced, since currently civil society organizations primarily rely on funding from international donors. In the longer term, this is not sustainable and also disconnects the organizations from their own base. Thus, workable models of generating social capital are in particular demand. From the current situation, there are two main thrusts that could be addressed.

The first thrust should focus on currently successful civil society organizations. These have established their name, often enjoy significant trust, have the capacity to administer and implement projects, and have institutionalized successfully as evidenced by various transitions of leadership. However, as mentioned above, these organizations right now rely on external funding.

Most of these organizations would be strengthened further if they could build a broader base of support among citizens. In particular, this would give them a longer-term prospect of operation. Moreover, it would increase their legitimacy, since they would then speak on behalf of a larger constituency. In part, this is a matter of demand: many of these organizations have shown themselves to be highly responsive to donor requests, which suggests that they in principle should be able to engage a broader base as well, if asked to do so.

One complimentary vehicle to build their constituency would be an increase in volunteer engagement. Winning volunteers and then giving them meaningful tasks and a rewarding experience is not easy. However, if done well, it can strengthen an organization, increase its impact and reach, while offering work experience to young people who otherwise may have limited opportunities. Some Georgian organizations already are successful at mobilizing volunteers on short-term

assignments, such as elections. Institutionalizing this further, and building good models of volunteering could help engage more citizens. In an ideal scenario, some volunteers could then go on to transfer skills to support their own projects.

Georgian organizations that are already successful in mobilizing volunteers could mentor those that are still learning, so that the success in this field accelerates further. Conversely, donors may need to be cautious about overtaxing existing civil society organizations with project implementation. While this can deliver desired results, implementation may crowd out the focus on building a sustainable local constituency.

A second focus could be on small-scale social entrepreneurs. This effort would again follow the template of setting the agenda, providing opportunities and removing obstacles, and then accelerating successes. Activities would center on facilitating success, rather than on trying to bring it about. In other words, social entrepreneurs should receive access to means that help them succeed, rather than direct funding. This focus will help generate sustainable initiative that is locally driven. By not actually offering salaries, it would select for entrepreneurs that are fundamentally committed to achieving goals for their own sake, rather than as a professional obligation to a donor organization.

Many initiatives could contribute to helping small-scale social entrepreneurs succeed, and various activities are highlighted above. In addition to the theme of facilitation rather than implementation, guiding ideas should focus on relatively low stakes and high frequency. Low stakes reduce the perceived risk and allow for some experimentation. Higher frequencies create the iteration that promotes rapid learning about what works, and who to work with. It thus should help groups to emerge whose success can be accelerated and emulated by others.

Technically, the implementation of such an approach brings various challenges. The costs of administration are higher as such an effort takes time. Some staff may struggle with the approach, since program managers may want to engineer success, rather than facilitate it. Moreover, the *high-frequency, low-stakes, more time* approach may appear like a trivialization of the significant social and economic problems that many communities face. (“We do not have jobs, struggle to get by, and you want us to play games? Who came up with that idea?” might be one reasonable response.) However, the problem can be sidestepped. One solution is to focus the effort on youth since this would fit with existing expectations of a more playful approach.

Although superficially tempting, it is an explicitly bad idea for small- to medium-sized organizations, especially those outside Tbilisi, to model themselves on a few professionalized NGOs in the capital. The amount of funding for such organizations will remain limited, which is why social entrepreneurs will have to focus on mobilizing their own constituents to become and remain successful. Donor support should be calibrated to support social entrepreneurs in this effort, rather than drawing them into activities that cannot be sustained.

Again, there already are many efforts underway that pull in this direction. Being even more explicit about social capital may have the benefit of integrating more of those efforts, and of providing the framework to talk about the lessons that have been learnt.

As an aside, one area which so far has received little attention is older people in Georgia. While they have been supported with comparatively generous increases of their pensions, they nevertheless have experienced a radical break that has devalued many of their lifetime achievements. The impact of this break is discernible in data. The older generation is less happy with their lives than younger people are. Of those 56 years and older, 61% say they are dissatisfied with their life. In spite of high unemployment, the numbers are almost the reverse among those under 36 [EVS, 2009]. Connecting youth with an effort to listen to the older generation, to record their experiences (wartime, de-Stalinization and the Khrushchev thaw, the politics of the Georgian language and culture under Brezhnev, as well as just everyday history), collect their photos, and showcase them -- this would bring people together, involve schools and local communities, and allow the young generation to work with electronic and social media, while offering a gracious symbolic gesture of respect to a generation that otherwise seems sidelined by history.

Health, Residents' Associations, Tourism and Sport

Four other sectors stand out as potential sectors to experiment with in order to increase social capital. They are highlighted relatively briefly here, since an appropriate scoping would help to understand the best point of entry. Such a scoping need not be formal research, but could consist of a semi-internal planning exercise. The general sequence can be applied to these sectors as well: setting the agenda, providing opportunity and removing obstacles, plus accelerating success (and contextualizing failure).

Health is a critical sector that can benefit from engagement and collaboration. In a literal way, it is a field in which “feeling the pain”, identified as one of the core motivators for collaboration, can drive people to be engaged. Primary target areas could be issues that affect many families, such as cancer, in which increased organization could offer support for patients and promote education and more systemic early screening. In the conference, participants suggested terminal care (hospice style) as a field that could profit from increased collaboration. Next to a flagship initiative that tries to address significant numbers, the needs of smaller health-related support groups (such as those suffering from rare conditions) could also be supported by facilitating self-organization and accelerating their success. A number of organizations are already active across these fields, and accelerating their success and transferring the lessons they have learned via networking and mentorship could help other groups to form.

Residents' associations featured extensively in the research, and they are an excellent focus for increasing collaboration. The inhabitants of buildings are already locked into proximity and shared interest. They do not need to overcome distance, or identify a shared abstract goal, since the needs are immediate and visible. Thus, collaboration is patently sensible. In this field, a better

understanding of the municipal program described above should point to the successes that future programming can build on. Certainly, the news about any such successes should be amplified to provide role models, overcome apathy and help to build confidence that collaboration can make a difference. If indeed a manual for social entrepreneurs is be put together, it could draw extensively on the experience that neighbors had when collaborating with each other.

The tourism sector is highly fragmented. Individual guesthouses, tour operators, mountain guides, and adventure sports outfits operate largely independently. For them, collaboration could bring better access to customers, increased safety and confidence by clients, expertise (for example, in the establishment of booking systems, or in exchanging experience on various logistical aspects), joint activities such as architectural beautification (which Gudauri, for example, is in need of), lobbying for and investment into critical resources (again, in Gudauri, expansion of drinking water access and wastewater treatment) and access to insurance. Fledgling cooperation has been promoted, and now could be accelerated further. A focus on one or two key tourism areas, so as to build successes that can be showcased, probably is preferable to going for a wider geographic scope. Again, the key would be to facilitate rather than implement, so that participants can take this further by themselves.

Lastly, an investment in the sports would probably yield long-term benefits, because of the benefits that increased engagement in sports is likely to bring, some of which have been noted above. It is an attractive target because Georgians are interested in sport and proud of their achievements in rugby, wrestling and judo. As one author has pointed out in 2008, once Olympic performance is measured in relationship to the GDP, Georgia would come in second worldwide.⁶ There thus is an impressive record of success to draw on. Moreover, sport is the exemplary realm of *high frequency, low stakes, more time*. Here the main audience for cooperation is the government itself, which could be supported in developing a strategy for invigorating the sports sector with a richer engagement of clubs and associations.

Experiment with Online Tools

Social media adds a dynamic dimension to all of these questions and enables people to express themselves and connect over the Internet. Clearly, social media makes it much easier to find and exchange new information, to find like-minded people, and to establish a relationship with them. Therefore, it creates a rich web of links. In the research literature, these links would primarily be described as “weak”, in that they are the conduit for information, and not necessarily for collaboration or even solidarity. However, as Mark Granovetter suggested in his book “The Strength of Weak Ties”, such information flow often is critical and helps people hear about things they may not get from their immediate social circle.

⁶ See <http://www.portfolio.com/interactive-features/2008/07/Country-Olympic-Medal-Count-Vs-Wealth/> (retrieved January 5, 2011)

In a positive interpretation of the potential of the Internet, the weak ties that Facebook and other social media such as YouTube, Twitter and blogs create can bring people together. At the very least, they exchange information, and thus also help the diffusion of knowledge and standards. This is more important than may at first appear, since pre-Internet one of the functions of many associations was to aggregate information and make it available via the association journal or magazine. There thus are significant benefits that are much more available than would have been without the Internet.

In international discussions there is no consensus on whether or not the Internet represents a net benefit for social capital. Critics suggest that it may bring various downsides. First, rather than people going “bowling alone” as Robert Putnam suggests in his book, they may not go bowling at all – but rather stay at home by themselves, exchanging links to YouTube videos. Second, it has been suggested that the Internet may lead to narcissistic self-absorption, in which people primarily engage with those that reinforce their point of view and that even as this brings some people together, they engage around reinforcing mutual self-esteem, and thus are not likely to try and tackle substantive problems. Third, the Internet allows people to pick their own sources of information and this may generate information silos in which people inhabit the reality they choose. This may be particularly detrimental to local engagement.

Few of these concerns are actually relevant to Georgia. The Internet is not a risk to associational life, since this barely existed pre-Internet. In a literal way, people in Georgia did not go bowling anyway. The signs of engagement that are visible therefore are encouraging, and the reputed number of 340,000 Georgian Facebook users suggests that it is beginning to reach a significant proportion of households throughout the country. Even a cursory scan shows extensive engagement, with occasional political discussions drawing more than 100 comments and including leading political figures, businesses advertising and engaging via Facebook, sports aficionados exchanging information and posting videos, and there even is a farmer/fruit trader who has begun blogging in English, so as to reach his international clients. Georgian Art has nearly 15,000 “likes” on Facebook, the Georgian Paragliding site has more than 5,000 — even though neither have formalized into a club yet.

As a cross-cutting measure, the Internet thus offers an extraordinary opportunity. One opportunity lies in emulating the work of Internet sites that have already worked in other contexts. These include a bundle of projects under www.mysociety.org, a British effort that facilitates local and national engagement: by helping people highlight problems to local authorities under websites such as www.fixmystreet.com, or ways in which they can write directly to their member of Parliament through a web interface at www.theyworkforyou.com. The genius of this effort is that unlike many NGOs, which seek to grow their projects in staff and funds, MySociety designs sites so that they can largely run with minimal attention. FixMyStreet has recently been launched in Georgia and could be broadened if it is successful. A further role model is Volunteer Match, a site that allows volunteers to find organizations they would want to work with. As many young people are online, this could reach the target audience quickly, although the capacity to absorb volunteers in NGOs would need to be

increased. Micro-giving is yet another possibility: people may not be able to afford a 20 GEL donation, but they may have 2 GEL they can spare. By offering micro-giving services (increasingly possible via mobile devices as well), groups and associations may have better chances of raising funds for a modest project. While it may be too early for some of these ideas to work, not all good ideas will need to be invented anew. There are compelling models, and many of them share their platforms for free.

Next to emulating existing efforts, experiments could be undertaken to see how online friendships can turn into off-line engagement. Here, less can be learned from Western models, since these already have the off-line engagement, which the Internet is competing with. Could there be YouTube channels for Georgian farmers (on plowing, seeding, pruning, spraying, harvesting), available over mobile phones? Would a rural online listing service work, for advertising the availability of farming machinery that is for hire, or cold storage that has spare capacity? Can patients be connected into health support groups, online? Could insurance companies target sufficient numbers in the same risk pool to offer targeted services? How can social entrepreneurs turn a “Like” into ‘do’ or ‘give’? What are the conversion rates? Could one develop an online social capital incubator? Might there be easy to use Internet platforms for nascent associations to demonstrate transparency and build trust?

The low barriers of entry and lack of predictability makes this an exciting field for experimentation. Not much time will be needed to find out what works, but otherwise the mantra of “high-frequency, low stakes” is especially applicable. The Internet is notoriously unpredictable. Few people believed that total strangers would buy and sell goods online, but through a well-designed ratings system eBay exceeded all early expectations. Conversely, Google, a well-practiced giant, failed with its Wave, which some thought would supersede e-mail. An agile approach is needed to accelerate success.

The Internet will definitely transform Georgian society. The challenge is to nudge some of that transformation in a better direction.

Conclusion

This report has outlined a number of steps that will help the promotion of social capital, as well as mechanisms that will help to establish which approaches prove to be the most successful. The costs of prioritizing the facilitation of social capital are minimal, yet the potential benefits are huge. In areas as diverse as education, agriculture and community associations, the successful mobilization of social capital is crucial to improving standards, quality and efficiency.

Georgia has a track record of successfully implementing major reforms with the help of international partners. Achievements in recent years have done much to banish negative stereotypes about the country as ‘stagnant’ or ‘endemically corrupt’. Yet these successes have mainly been top down initiatives, and the country lags behind in almost all measures of active civic engagement. Research suggests, however, that there is a great deal of potential for the expansion of bridging social capital in the country. Although nascent, collaborative organizations across Georgia are already furthering their members’ interests in a range of fields, and a strong community spirit and sense of fair play is evidenced in Georgian society at large.

There is thus an opportunity to tap into this incipient social capital in Georgia, and foster the growth of the collaborative organizations, clubs and societies that are necessary for the country’s further development. If the promotion of social capital is put firmly on the agenda of the government and donor organizations, then it is possible that the notion of Georgians as a people who just do not cooperate will soon come to be seen as just another negative stereotype that no longer rings true.

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An extensive list of materials is in the literature review that informed this research project, and is available separately.