

**Political Economy of the Policies Promoting Minority and Marginalized  
Community Rights:**

*A Case Study of Georgia and Post-Communist States*

A Master's Thesis by Levani Tevdoradze

Supervised by Cristina Corduneanu-Huci

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### **Author's Declaration**

I, the undersigned **Levani Tevdoradze**, hereby declare that I am the sole author of this thesis. To the best of my knowledge, this thesis contains no material previously published by any other person, except where due acknowledgement has been made. This thesis contains no material, which has been accepted as part of the requirements of any other academic degree or non-degree program, in English or in any other language. This is a true copy of the thesis, including final revisions.

Date: June 15, 2020

Author (printed letters): **LEVANI TEVDORADZE**

Signature: 

## **Abstract**

Within the four years of 2014-2017, the Georgian Parliament received two progressive policy proposals. In 2014, the Georgian government initiated the anti-discrimination bill to prevent discrimination instances based on gender identity and sexual orientation. In 2017, the Georgian parliamentary members proposed the draft law about drug policy reform, decriminalizing the narcotic substances currently enlisted as limited for circulation. General demands of these policy proposals were similar in nature as both aimed at achieving progressive institutional change to protect extreme minorities of the Georgian populace. However, the anti-discrimination bill was enacted whereas the drug policy reform initiative was suspended. What explains this variation: Why did the Georgian Parliament enact the former while suspending the latter? Can we generalize the attributes of these policy proposals at the broader level of 15 post-communist countries? The thesis applies mixed methods and analyzes the given research questions through the perspective of the scholarly field of the Political Economy of Reforms. In the context of Georgia and within the chosen post-communist countries, the thesis finds external leverage of the international actors, such as the European Union, and the obstructing capacity of the domestic non-institutional veto players as the most cogent explanations for understanding the variation.

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## 1. Introduction

The dissolution of the Soviet Union produced the need for transforming the socialist institutional setup of the former communist states. These transformations, however, were economic in essence and omitted a spectrum of policies, such as those protecting civil liberties (Stiglitz 2007, 11), which thus emerged independently from the post-communist transitive paths. Nevertheless, knowledge about their emergence has been limited. General trend suggests that civil liberties' provision synchronizes with democratic development: authoritarian states violate while the democracies respect them (Horowitz 2007, 326). However, democracy, unless firm, cannot predict such advancements (Bueno De Mesquita, Downs and Smith 2005, 440).

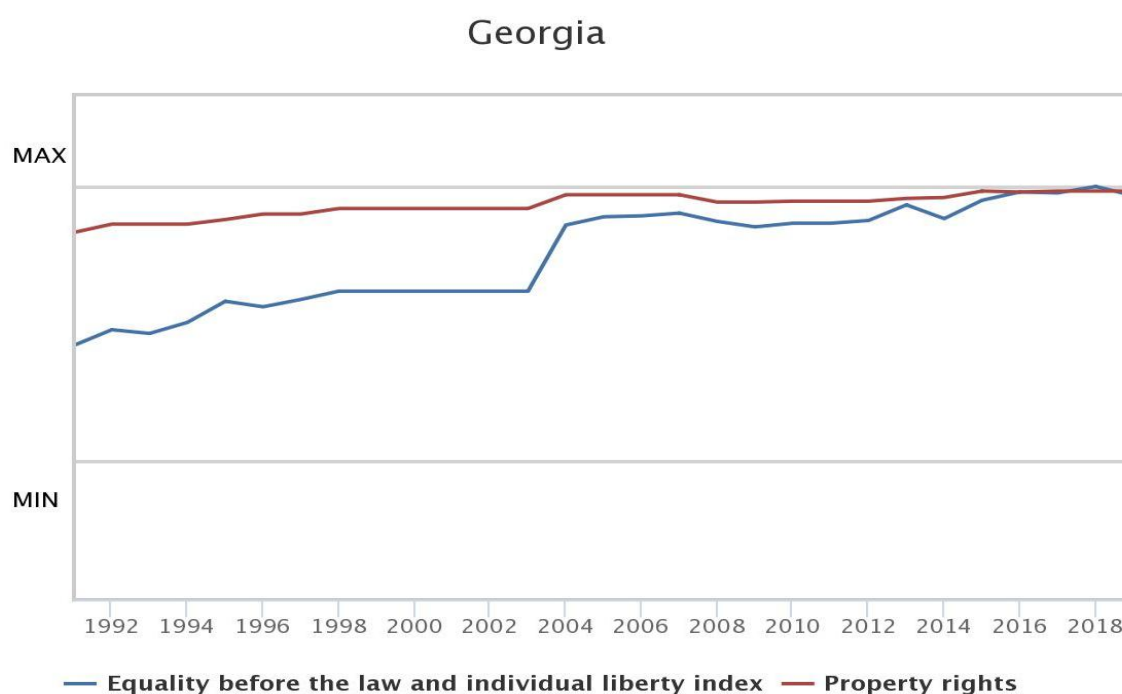
Indeed, disregarding the extent of democratization, some of the post-communist societies have already seen their governments deliberating on the policy proposals targeting civil liberties. Substantially, latterly these deliberations have been elevated to the progressive domain and have attempted to protect the rights of minorities and marginalized communities before the law. Such policies sometimes are enacted even though the countries pursuing them are labeled as transitive democracies according to the international rankings of the political regimes. The recent developments in Georgia represent one of such confound instances.

Within the four years of 2014-2017, the Georgian Parliament received two policy proposals, promoting the rights of minorities and marginalized communities. In 2014, the Georgian government initiated the anti-discrimination bill to prevent discrimination based on gender identity and sexual orientation, among the oppressions against the other particular groups of people. Despite the oppositional attitudes, the Parliament enacted the bill. Three years after, members of Georgia's ruling coalition, the "Georgian Dream," presented the draft law about drug policy reform to the national Parliament and attempted to decriminalize punishable narcotic

substances currently enlisted as limited for circulation in Georgia. In contrast to the anti-discrimination bill, the drug policy reform initiative went through the single committee hearing, and deliberation on it has been suspended.

While analyzing Georgia, one solely thinks of the successful example of economic transition. Rapid deregulation, anti-corruption, and tax legislation reforms created the libertarian miracle in the country (Erikson 2017). However, besides the policies bolstering economic development, the recent decision-making in Georgia has excessively prioritized promotion of the individual liberties. The graph below well demonstrates the latter trend.

**Figure 1:** Emergence of Individual Liberties and Property Rights in Georgia



**Source:** Varieties of Democracy (V-Dem)

As shown, if the year 1991 captured stark differences between protections of individual liberties and property rights, since 2014, Georgia has equally protected the two. Substantially, the surging trend of protecting individual liberties is in close line with the initiation of the anti-discrimination



bill and the drug policy reform. Therefore, these two instances, belonging to the similar, progressive domain but having different outcomes, are in particular interest of this thesis.

Given the recent focus on minority and marginalized community rights promotion, what explains the variation between the proposals of the anti-discrimination bill and drug policy reform: Why did the Georgian Parliament enact the former and suspend the latter? Can we generalize the attributes of the taken policy proposals at the broader level of 15 Post-Communist countries? Utilizing a mixed methodology of qualitative and quantitative research, I attempt to address these research questions through the perspective of the scholarly theories of the Political Economy of Reforms. While the academic domain of Political Economy of Reforms has explained the nature of economic shifts, the mechanisms behind the emergence of policies promoting minority and marginalized community rights have been overlooked. Through the theoretical lens, the thesis intends to fill this gap.

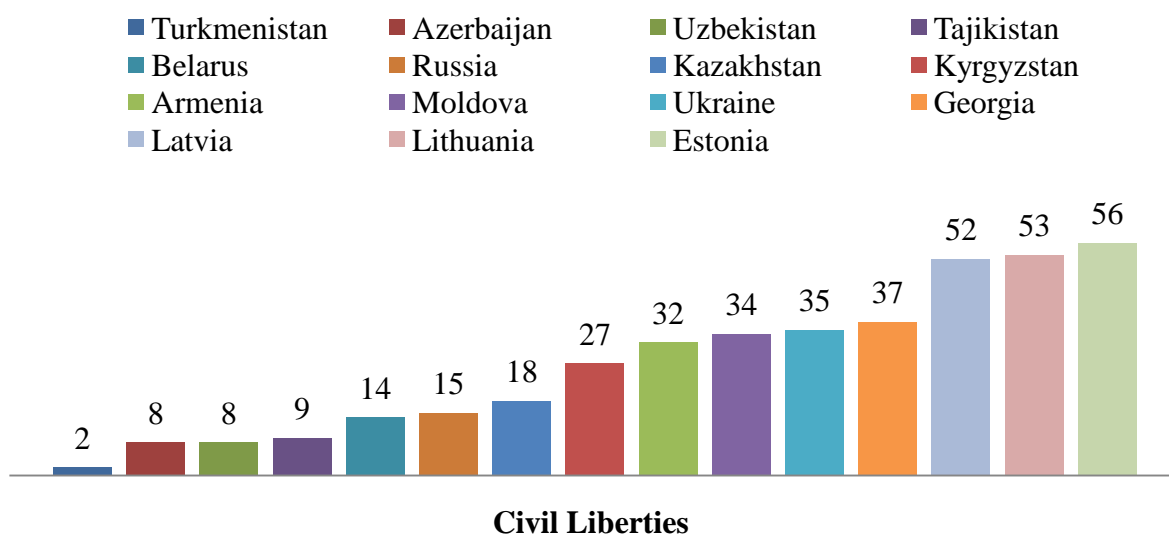
Based on the theoretical review, I explore the scholarly arguments regarding the emergence of policies and draw three hypotheses tested twice in the thesis. Firstly, the hypotheses are observed through a qualitative study, which utilizes seven semi-structured, in-depth interviews with the political elite representatives of Georgia to compare the cases of the enacted anti-discrimination bill and the suspended drug policy reform. Therefore, the research explains determinants of the differing outcomes between the taken policy instances and concludes on the emergence of such progressive proposals in the Georgian policy domain. Secondly, utilizing quantitative methods, the thesis tests the hypotheses at the broader regional level of 15 post-communist countries and intends to understand the more general driving factors behind the emergence of such specific, progressive policies.

The thesis is organized as follows: the first chapter introduces the research, while the second chapter overviews the evolution of progressive policies, those promoting minority and marginalized community rights in Georgia. The third chapter provides methodological guidance for the research. Theoretical arguments suggested by the scholarly field of Political Economy of Reforms are overviewed in the fourth chapter. The fifth chapter introduces a qualitative, comparative study of the Georgian two policy proposals. Findings of the Georgian case study are challenged through quantitative methods at the broader level of the 15 Post-Communist countries in the sixth chapter. The seventh chapter concludes.

## 2. Background

The Freedom House (FH) recognized Georgia as the partly free state in Freedom in the World 2020 report, where, notably, Georgia has ranked fourth amongst the 15 post-communist countries according to the obtained scores in Civil Liberties (Freedom House 2020). The aforementioned progressive performance has remained stable and in place for more than a decade.

**Figure 2:** Global Freedom Scores 2020



**Source:** Freedom House 2020

Nonetheless, the stability of the given trend might misleadingly suggest that civil liberties-oriented policy-making has been relatively complete in the country. Contrary, the Georgian policy-making had long neglected circumstances around the significant constituents of civil liberties such as promotion of minority and marginalized community rights before the law. It is,

thus the new normalcy, or anomaly, that these issues have penetrated the focal point of the Georgian domestic politics.

At the early stage of transition, the scope of the civil liberties-oriented decision-making in Georgia was perceived through the perspective of the Zero Tolerance policy of the Georgian government. In its primary essence, Zero Tolerance policy addressed the embedded organized crime practices and criminal influences of the thieves in law in the country (Kanonieri Kurdebi in Georgian) (Slade 2011, 11). However, the policy was counterproductive in its inner nature. Firstly, it criminalized a broad set of offenses, including misdemeanors such as pickpocketing. Secondly, under insufficient power balances between the political institutions, it encouraged the impunity of law enforcement agencies and incentivized human rights violations on the streets, in the police stations, and, primarily, in the Georgian prisons. Excerpt from the Human Rights Watch (HRW) report of 2007 captures the extent to which the Zero Tolerance Policy contradicted with the promotion of civil liberties:

"The Georgian government initiated a violent crackdown on protesters, causing a serious human rights crisis. This crisis occurred in the context of an emerging but dominant view among the governing political elite and its supporters that short-term, supposedly minor sacrifices in human rights are justifiable to build a stronger state, which can better protect civil liberties in the longer term." (Human Rights Watch 2008)

As the provided quote depicts, the Georgian government prioritized the short-term economic or political victories over the short-term protection of civil liberties. Therefore, this typical prioritization remained in the center of critics that evaluated the progress attained in civil liberties' promotion in Georgia. Consequently, the annual reports from the influential international monitors, such as the HRW, had long been limited in their assessments. On the one hand, these evaluations reasonably referred to the level of political repression in Georgia;

condemned inhumane treatment towards the prisoners; urged the government about the police impunity and expressed concerns about oppressing the anti-government media (HRW 2007; HRW 2008; HRW 2009; HRW 2010; HRW 2011; HRW 2012). However, the aforementioned violations faded challenges regarding minority and marginalized community rights promotion in Georgia, which remained practically nonexistent part of the political agenda prior to 2013.

On May 17 of 2013, the civic activists rallied for the International Day against Homophobia (IDAHO) in the capital of Georgia, Tbilisi while thousands of ultra-orthodox counter-protesters, led by the group of priests, attacked the demonstration advocating for Lesbian, Gay, Transgender, Queer and Intersex (LGBTQI) rights. The police could not ensure the security of the activists, out of which dozens got injured and hospitalized (Amnesty International 2013).

A month after the brutal incident, the Georgian police detained a civic activist, Beka Tsikarishvili, for possessing 65 grams of Marijuana and sentenced him to 14 years of imprisonment. The decision sparked the grassroots movement of the "White Noise," requesting drug decriminalization in Georgia. Following the case of Tsikarishvili, in 2015, Georgian constitutional court recognized 14 years of detainment of the individuals purchasing or consuming up to 70 grams of Cannabis as unconstitutional (Georgia Today 2015).

The violent event of May 17, alongside the resonant case of Beka Tsikarishvili, substantially expanded the scope of the political debates in Georgia. As an indication for the latter trend, the Human Rights Watch (HRW), which has monitored Georgia's progress in promoting the individual liberties since the beginning of 2000s, has incorporated the chapter on Gender Identity since 2014 and has reviewed the national Drug Policy since 2018 in the annual human rights evaluations of the country (HRW 2014; HRW 2018). Thus, the promotion of civil liberties has not been stagnantly successful in Georgia; the evaluation by the Freedom House that leads the

given chapter might mislead the one. Albeit, it has been expansive in nature, and has only recently prioritized minority and marginalized community rights promotion.

Moreover, besides penetrating the focal point of the Georgian political agenda, minority and vulnerable community rights promotion became integral parts of the actual, deliberative policy-making during two significant episodes of the modern Georgian parliamentarism, in 2014 and 2017-2018 through the lenses of the anti-discrimination bill and Drug Policy reform proposals. This contribution is dedicated to understanding the difference in outcomes of the policy instances mentioned above.

### **3. Methodology**

The variable of interest of this thesis is a change in policies that promote minority and marginalized community rights. I seek to elucidate what factors are associated with enactment or suspension of these typical policy proposals in Georgia's particular context and within the broader geographical area of the 15 post-communist states. The thesis applies mixed, qualitative, and quantitative, methodology to achieve the research goals.

#### **3.1 Qualitative Methods**

The qualitative part of the thesis compares policy processes around the anti-discrimination bill and drug policy reform in Georgia, in an exemplary instance of economic liberalism. I justify the selection of Georgia to understand the dynamics of such progressive policy processes amidst the demonstratively market-centered developmental path that the country has taken. Moreover, I apply similar cases approach to compare and explain the variation between the chosen two policies of the enacted anti-discrimination bill and suspended drug policy reform.

The chosen cases are similar in several dimensions: the general, and the most substantial, layer of similarity is their progressive nature that challenges the conservative, tacit understanding of nondeviant patterns of behavior in Georgia. The initiation of such policies is electorally disadvantageous in the country: in the World Values Survey (WVS) of 2014, 88% of Georgians claimed that they would rather not have drug addicts or sexual minorities as their neighbors (World Values Survey 2014, 13). Hence, benefitting from enacting these policies is not the majority of the Georgian populace but the extreme minorities, vulnerable groups such as the Injecting Drug User (IDU) community, which comprised only a percent of the country's overall inhabitants according to the estimate of 2015 (GHRN 2015, 8). In addition to this, both of the

policy proposals emerged amid the governing period of the same ruling coalition, the "Georgian Dream," which publicly supported the legislative initiatives. Lastly, the chosen policy proposals strived for achieving the institutional change - the bill aimed at creating a robust institutional mechanism against discrimination based on ethnic, religious, sex, political affiliation, gender identity, and sexual orientation. Similarly, the reform not only intended to introduce amendments to the criminal code for mere decriminalization of the penalized narcotic substances, but it objected to elevate problematic drug use to a matter of health.

Despite the identified functional similarities, the chosen policies had different outcomes. To understand the driving factors of such results, following the literature review, I propose three hypotheses, which are then tested in chapter five of the qualitative case study of Georgia and are challenged later in chapter six of the quantitative research of the 15 post-communist countries.

As for the field methods, to compare the cases, the qualitative study analyzes the semi-structured, in-depth elite interviews with the Georgian parliamentary members that participated in the high-level decision-making around the two chosen policy instances. I contacted eight parliamentary members, out of which seven responded and agreed on interviews. The research applied a snowballing technique with three participants, which were suggested by their fellow respondents. Due to the health emergency of Covid-19, I conducted the interviews online per the convenience of the study participants. The average time of the interviews was 47 minutes. The language of the interviews was Georgian, and all English translations represent the works of the author of this thesis. Appendix 1 lists the interviewees and their occupations; however, the respondents' identities remain anonymous per their requests considering the extent of sensitive information revealed throughout the interviews.



### 3.2 Quantitative Methods

Subsequently to introducing the qualitative case of Georgia, the given thesis tests the incorporated three hypotheses at the broader level of the following 15 post-communist countries: Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. These fifteen states were recognized as soviet republics and were highly centralized economies throughout the soviet rule. This determined their painful paths to market liberalism later in time. However, the new institutional setups of these countries have been considerably diverse. Thus, besides consisting of the states having same colonial origins, the sample is representative through the political regime point of view and includes non-democracies like Turkmenistan alongside the democracies like Estonia. Such selection enhances the variation in the dependent variable and elevates the predictive capacity of the employed quantitative models. As for the timeframe, the thesis incorporates the data of 2005-2017 years per availability of the quantitative observations that exhibit the emergence and progress of the policies promoting rights of minorities and marginalized communities within the given geographical area.

To understand the drivers for the progressive policies, those targeted at minority and marginalized community rights promotion at the post-communist level, the quantitative research utilizes the University of Gothenburg's Quality of Governance (QoG) databases from 2019. Empirical strategy and the thorough description of the quantitative methods are intentionally provided in a subchapter of 6.1 of this thesis as their introduction follows coherence of the theoretical review and qualitative case study.

In the following chapter, I introduce theories from the domain of the political economy of reforms, based on which I draw three hypotheses, tested twice throughout the thesis.

## **4. Theoretical Review**

Why do the governments enact some policies while suspending the others, which try to achieve similar goals in the same policy domain? What factors explain this variation? The scholarly literature has provided vast explanations about mechanisms that contribute to the emergence of the new policies. Nonetheless, the particular subfield of the changes targeting the minority and vulnerable community rights has been overlooked. The existence of such a gap is reasonable as these policy proposals represent new phenomena. However, it is of theoretical importance to understand the commonalities between such progressive policy changes and the rest typologies of reforms. Through the latter rationale, below, I analyze the existing theories in the scholarly field of the Political Economy of Reforms. Therefore, I attempt to apply the offered concepts to the new generation of policy changes that exclusively focus on promoting the rights of minorities and vulnerable communities. The theoretical review is divided into three Meta subchapters. Each part draws a hypothesis, which is later tested in chapters 5 and 6.

### **4.1 Vetoes, Interests and Elite Power**

A large number of political economy literature has explained the variation in the reform occurrence from the perspective of internal challengers (Tsebelis 2002; Acemoglu 2003; Acemoglu and Robinson 2008; Cerami 2009; Gehlbach and Malensky 2010; Taylor 2014). This set of contributions argues that the polity-typical power interplay between the interest groups or veto players elucidates why specific policies are chosen while others are obstructed. In his pioneering work: "Veto Players: How Political Institutions Work" (2002), George Tsebelis addresses this perplexing topic. As Tsebelis denotes, when the policies are adopted, a certain amount of veto players, both institutional (recognized by the constitution) and partisan (recognized by the political game), agree on the proposed shift from the legislative status quo

(Tsebelis 2002, 5). An empirical study of the veto players' theory in the post-communist spaces bolsters the rationale of Tsebelis; however, estimations demonstrate high leverage of the informal veto players within the post-communist spaces as a significant factor that often conflicts with the policy enactment (Gehlbach and Malesky 2010). Moreover, Bryan D. Taylor (2014) evinces that multiple veto players engage in the policy process in Russia, where the decision-making occurs not in the legislative but within the executive branch, with the Ministry of Internal Affairs (MIA) holding substantial veto power (Taylor 2014, 246).

Similar to the theoretical argument of George Tsebelis, Daron Acemoglu outlines the significance of the political elites and their rational calculations for the policy enactment. According to Acemoglu (2003), inefficient policies or institutions persist because they serve the best interests of the power holders, who cannot move to the efficient equilibrium as political power distribution has an inherent commitment problem. In the later work: "Elite power and Persistence of Political Institutions," Acemoglu and Robinson (2008) emphasized the intrinsic asymmetry of power between the political elites and the electorate. This asymmetry enables the elites to invest in their *de facto* political capacities. Hence, whenever the political game favors *de jure* power allocations, the elites enhance investments in their *de facto* influences (Acemoglu and Robinson 2008, 269).

The explanations mentioned above differ from what Raquel Fernandez and Dani Rodrik (1991) define as the phenomenon of status quo bias, which retains the exiting policy equilibrium even though it is Pareto inefficient (Rodrik and Fernandez, 1991). Fernandez and Rodrik show that when it comes to economic shifts, sometimes the power holders are uncertain about the future, which results in the opposition towards the policy change. Later in the context of pension reforms, Tito Boeri and Guido Tabellini (2010) reinforced the argument of Fernandez and

Rodrik, exposing that more informed individuals demand the policy changes (Boeri and Tabellini 2012).

Centering on the rational calculations or excluding them, the political economy literature has suggested that the policy change occurs within the country's institutional context, and it has to meet the ideologies of the state alongside the demands of the interest groups. Therefore, any of the potential explanations of policy shifts have to investigate interactions among actors, veto players, and other relational dimensions (Cerami 2009). Thus, based on the given set of theories, I propose the first hypothesis:

**H1:** *Veto Players, both institutional and informal, obstruct policy proposals.*

## **4.2 Political Costs of the Reforms**

Besides the power interplay between the veto players, academic literature demonstrates how the chances of reelection affect incumbents' behavior. Notably, electoral pressures influence the decision-making of power holders about which reforms to choose and when to pursue them (Merilee, Grindle and Thomas 1989; Pacek 1994; Rodrik 1996; Frye, Mansfield 2004; Alesina et al. 2006; Buti et al. 2008; Buti et al. 2010; Alesina et al. 2019; Furceri et al. 2019).

The crisis affects the political process, diminishes autonomy of the incumbents, decreases the sample of policies that might be selected, and enhances the policy inefficiency (Merilee, Grindle and Thomas 1989, 229). Hence, the fate of the specific typologies of policy proposals changes according to the episodes of "politics as usual" and "crisis circumstances" (Merilee, Grindle and Thomas 1989, 216). In the context of Central and Eastern European Countries (CEEC), economic conditions influence electorate's voting patterns. Primarily, conditions such as hyperinflation affect the general turnout levels in the CEECs. The voters punish the reformer

governments and switch their support to more extremist parties (Pacek 1994, 739). Thus, electoral behavior influences the government's decision-making about when to pursue the reforms. The latter factor has explained the postponement of the fiscal stabilizations in the industrial areas of Europe (Buti et al. 2008). Such stabilizations only increase the reelection prospects of the incumbents when enacted during the economic expansions, and unless the public requests them, stabilizations decrease reelection probability (Buti. et al. 2008, 20).

Significantly, Rodrik summarizes "Hypotheses about the reforms" (Rodrik 1996, 32). Rodrik's findings suggest that the policy shifts do not occur during the random policy episodes, but they emerge throughout politically or economically significant times. Hence, the reforms, by default, have political price. An empirical investigation by Davide Furceri et al. (2019) explores the nature of such costs. According to the authors, reforms are associated with political prices and electoral losses if they are pursued before elections. Major reform, more significant than two standard deviations than the average, is associated with a three percentage point decrease of electoral support. On the contrary, reforms that are pursued at the beginning of political terms do not influence the reelection prospects of the incumbents (Furceri et al. 2019, 15).

With the above-mentioned reasons, the governments have inherent selection bias while supporting or opposing the policies. The incumbents intentionally discriminate between the reforms, considering the chances of their reelection after pursuing them (Buti. et al. 2010). Lastly, Alberto Alesina, Silvia Ardagna, and Francesco Trebbi (2006) demonstrated that fiscal stabilizations are more likely to occur during the initial years of the government's ruling. The public less favors the structural reforms that are enacted during the economic contractions. Such reforms, if carried out before elections, are costly for the incumbents (Alesina et al. 2019, 2-3).

To sum, the provided set of literature highlighted the importance of specificities of the incumbent's decision-making about choosing the reform as the voting behavior of constituencies changes in accordance with the government's selection of policies. Hence, building upon the given scholarly works, I introduce the second hypothesis:

**H2:** *Policies structured during the post-election cycle are more likely to be enacted.*

### 4.3 External Leverage and Conditionality

While revisiting the Veto Players theory, Karleen Jones West and Hoon Lee (2014) noted that a complete analysis of the policy changes has to acknowledge the role of International Institutions (West and Lee 2014, 250). Apart from West and Lee, a wide range of the scholarly literature has indicated the impact of the International factors on the domestic policy-making (Vachudova 2001; Schimmelfennig, Engert and Knobel 2002; Mayer and Mourmouras 2002; Kapur and Webb 2000; Cameron 2007; Apstein 2008; Sasse 2008; Levitsky and Way 2010; Vachudova 2014; Besimi and Monastiriotis 2019).

A number of academic contributions exploring the impact of external leverage on domestic policy emergence, understood the nature of economic shifts. Through the latter lens, Devesh Kapur and Richard Webb (2000) demonstrated the mechanisms behind the conditionalities the International Financial Institutions (IFIs) created to decrease non-compliance with the borrower countries. The primary nature of such conditionalities was an *ex-ante* demand to fulfill specific criteria before borrowing (Kapur and Webb 2000, 2). However, only the governments, which might be willing to comply with the international conditionalities, are insufficient factors in explaining variation in compliance and non-compliance. Internal conflicts shape their capacities

to meet the conditionalities of the International Financial Institutions (Besimi and Monastiriotis 2019).

International linkages have meaningfully shaped regime trajectories within the post-communist competitive authoritarian spaces (Levitsky and Way 2010, 39). During the post-cold war era, the European Union and the United States pressured democratization of the Eastern European countries. The different tools of influence that the international actors frequently used to direct the regime dimensions towards democratization varied from direct democracy promotion to multilateral conditionality (Levitsky and Way 2010, 39). In her book "In Pursuit of Liberalism: International Institutions in Post-Communist Europe" (2008) Rachel Epstein reveals that without the ideological interventions and policy requests of the international players, the post-communist-spaces of the Central and Eastern Europe (CEE) would not be able to pursue significant reforms such as democratizing civil-military relations (Epstein 2008, 146). However, as Epstein argues, the effectiveness of these pressures was visible only when the domestic social context favored the requested reforms (Epstein 2008, 201).

As denoted, one of the most significant sources of international conditionality in the post-communist states has been linkage to the European Union (EU). Nevertheless, its influence on domestic policy-making differs from what Steven Levitsky and Lucan Way (2010) referred to in the context of the US as direct democracy promotion. Alternatively, the EU reinforces conditionalities reactively (Schimmelfennig, Engert and Knobel 2002, 2). It does not proactively punish or reward for non-compliance, but responds merely by rewarding or by withholding these rewards. Through the lens of compliance, Frank Schimmelfennig et al. denote that the conditionalities work only "where they are least needed" (Schimmelfennig, Engert and Knobel 2002, 37).

EU's democratizing effect has been dominant in the contexts of its candidate countries, which have enacted dramatic policy reforms to meet the criteria set by the EU (Vachudova 2014). Besides, such policy changes positively affect democratic variables of these countries if significant institutional reforms accompany such shifts. Thus, it is in the compliant countries' interests to reform their political and economic legislative spaces (Vachudova 2014, 123). However, building these institutional setups increases *de facto* leverage of the interest groups, offsetting the impact of the employed changes (Vachudova 2014). Alternatively, the countries might choose not to pursue fundamental institutional shifts if the level of reforms is higher than the status quo level requested by the public (Besimi and Monastiriotis, 2019, 17).

Milada Anna Vachudova (2001) differentiates between the leverages that the European Union has introduced in the candidate countries. Passive leverage depicts the simple attraction of the EU membership, and active leverage sets conditionalities during the pre-membership period (Vachudova 2001, 4). While passive leverage was successful in the liberal pattern states, within the countries with more nationalist patterns only the active Leverage incentivized the governments to pursue the reforms (Vachudova 2001, 5).

Lastly, through the lens of minority policies, the literature has revealed that the EU's conditionality has been mainly formal in developing countries, as the EU itself does not possess a robust legal framework to execute such policies successfully. Thus, the mechanisms and tools applied to ensure the compliance to them has been mostly ineffective (Sasse 2008).

Considering the given set of academic literature, I suggest the third hypothesis:

**H3:** *External leverage of the international actors influences the outcomes of policy proposals.*



#### 4.4 Theoretical Framework

Evidently, the domain of the progressive policies, promoting minority and marginalized community rights, has been underexplored by the scholarly field of the political economy of reforms. The given thesis attempts to fill this gap. With the latter intention, I introduced three alternative hypotheses:

**H1:** *Veto Players, both institutional and informal, obstruct policy proposals;*

**H2:** *Policies structured during the post-election cycle are more likely to be enacted;*

**H3:** *External leverage of the international actors influences the outcomes of policy proposals.*

The following parts of this thesis challenge the given hypotheses and explore whether they explain the variation in the taken, progressive policy changes. Following the organization of the thesis, the fifth chapter employs the qualitative research methods of similar cases and tests the hypotheses within the context of Georgia's two chosen policy instances: the enacted anti-discrimination bill and the suspended drug policy reform. Within the sixth chapter, the thesis tests the hypotheses at the broader Geographical level of 15 post-Communist countries.

## **5. Qualitative Research: A Case of Georgia**

The given chapter is built upon seven semi-structured, in-depth interviews with the Georgian political elite representatives that took active roles in the high-level decision-making around the chosen policy instances, the enacted anti-discrimination bill and suspended drug policy reform. Following the hypotheses specified above, below, I introduce determinants of the differing outcomes of the policy proposals. Firstly, I argue that both of the policy instances faced intense veto group pressures. However, the veto players around the anti-discrimination bill and the drug policy proposal were dissimilar. Secondly, I demonstrate that it was necessary, albeit not sufficient, that the chosen policies were timed throughout the post-election cycles. Thirdly, I exhibit international conditionality towards the introduced cases as the most cogent explanation for the diverging outcomes of the anti-discrimination bill and the drug policy reform.

### **5.1 Veto Players: Orthodox Church and the Ministry of Interior**

At a glance, the anti-discrimination bill and the drug policy request equally provoke a conservative pattern of rational behavior in Georgia. Thus, both of the policy requests should have faced a similar extent of opposition. However, the research participants outlined that in the case of the former, informal veto player, the Georgian orthodox Patriarchate drove hostility, whereas the Ministry of Internal Affairs (MIA) contributed to obstruction of the drug policy proposal.

"One of the Members of Parliament (MP) even abstained their voting" (Interviewee 1, 2020) highlighted the respondent while referring to the influence of the Georgian Orthodox Church on the policy process around the anti-discrimination bill. By avoiding voting, the politician declared their unconditional support towards the orthodox Patriarchate, which has played a substantial

role in shaping the public image of the Georgian political elites. The participant emphasized that the church was bargaining with the politicians:

"The priest came to me saying, "Follow my rules, you know the number of voters that come to my church, right?" (Interviewee 1, 2020)

While attending the hearing at the Human Rights and Civic Integration Committee, orthodox priests outspokenly condemned the clause of the bill, which prevents discrimination based on sexual orientation and gender identity. These two phrases spurred the disagreement between the bill's supporters and the church representatives, according to whom the Parliament legitimized unpardonable sins of Sodom and Gomorrah (Georgian Public Broadcaster 2014).

To curb scapegoating of the parliamentarians, the government negotiated with Ilia II, Orthodox Patriarch of the country. Participants signified that such parleying was of utmost need as some priests misleadingly referred to the motivations behind the bill. Politicians who facilitated the negotiations acknowledged uncertainty regarding the potential conflict between the bill and the canonical orthodox norms as one of the core drivers for fearfulness of the Church (Interviewee 6, 2020).

The majority of the participants opined that, despite the dialogue, the Patriarchate kept condemning the bill until its adoption. Here, the politicians referred to the former Prime Minister of Georgia, Bidzina Ivanishvili, as a decisive figure who impeded the influence of the policy spoilers and pushed for the proposal's enactment.

Bidzina Ivanishvili, the richest man of Georgia, according to Forbes (Forbes 2020), founded political party the "Georgian Dream," which came into the country's power in 2012. A year after the victory, Ivanishvili left the political occupation but has, nowadays, informally ruled the

country. Participants noted that even though Ivanishvili was no longer in the fore of the Georgian politics, he actively supported the anti-discrimination bill. One of the interviewees remembered the meeting chaired by Ivanishvili:

"We met him, and Mr. Bidzina warned everyone about the consequences of voting down the proposal. Without his involvement, I cannot imagine passing the bill." (Interviewee 1, 2020)

Alternatively, none of the interviewed politicians outlined the positive contribution of Ivanishvili to the policy process around the drug policy request. One of the authors of the reform signified that Ivanishvili supported the policy; nevertheless, his endorsement was not enough, as the ruling elite's political will was formed elsewhere (Interviewee 5, 2020).

If the anti-discrimination bill faced the non-institutional veto of the Orthodox Church, the Drug Policy reform met systemic, institutional resistance of the law enforcement agencies. One of the respondents well captured this systemic nature of the opposition towards the proposal:

"Law enforcement authorities have historically sought to fortify their power and have benefited from the current punitive drug laws. This has not been the problem of particular police officers but deficiency of the system." (Interviewee 6, 2020)

The drug policy proposal demanded the decriminalization of all narcotic substances, currently limited for circulation in Georgia. Five members of the ruling coalition, in partnership with the Georgian advocacy network, initiated the legislative proposal to the national Parliament. Initiation on behalf of the ruling coalition should have guaranteed the policy enactment; however, the draft law substantially conflicted with the interests of the law enforcement agencies and their benefits from the legislative status quo (Interviewee 3, 2020).

Since the dissolution of the Soviet Union, central mechanisms for patrolling and prosecuting have not changed in Georgia. Draconian drug policy and malpractices of policing have served as a core instrument for the routine operation of law enforcement agencies. Planting drugs on citizens has emerged as a bargaining unit that the police utilize to increase its systemic leverage. Moreover, detecting the drug-related crimes positively affects the national crime statistics of the Ministry of Internal Affairs (MIA) as they do not require investigations once they are detected. One of the participants highlighted that the law enforcement agencies utilize the drug-related crimes to boost their performance (Interviewee 6, 2020). The latter factor has restricted them to support progressive changes regarding drug policy. The participant explained their insight further:

"It is a critical instrument for them to do their job. The instrument works as follows: you have strict legislation that defines you can imprison someone for 12 years for heroin consumption, and then you can do whatever you want with that person during this time." (Interviewee 6, 2020)

When asked whether the law enforcement agencies were mere recipients of the political will or they formed such willingness to retain the status quo, one of the interviewees suggested that these agencies have mainly shaped the government's position related to the amendments in criminal code of Georgia (Interviewee 7, 2020).

Consequently, bound by the powerful veto of the law enforcement authorities, the reform proponents negotiated with them. One of the participants opined that such collaboration should have happened at the earlier stage, prior to the initiation of the draft legislation (Interviewee 5, 2020). As a result, the discussions froze the momentum and closed window of opportunity to enact the drug policy proposal.

## 5.2 Elections and the Opportunity Window

The political agenda in Georgia seldom includes new policy topics. The given research revealed that it is significant to have an opportunity window so that the policy changes protecting the minority and marginalized community rights were not easily obstructed. On the other hand, elections open such window of opportunity. Proposals that do not target the majority of the Georgian populace have a high political price, paid only after the elections when the incumbents have surging electoral legitimation. Nonetheless, if adopted, such policies necessitate political compensation due to the interest group pressures. Participants argued that these compensations offset, although not fully counterbalance, the provided positive outcomes.

Political victory partially enabled the "Georgian Dream" to enact the anti-discrimination bill. In October 2012, Bidzina Ivanishvili-led "Georgian Dream" outperformed the "United National Movement" of Mikheil Saakashvili (the Rose Revolution leader and the former president of Georgia) in the parliamentary elections, marking the first democratic transition of political power in the history of independent Georgia. Therefore, the first quarter of 2014, when the government initiated the bill to the Parliament, depicted not only the post-election cycle but also exhibited beginning of the ruling mandate of the "Georgian Dream." According to the dominant view of the participant politicians, the latter factor catalyzed the bill's adoption:

"Our legitimation was not only high but at the historical maximum after the Rose Revolution. Our victory was a triumph for Georgia, and we utilized the momentum."  
(Interviewee 2, 2020)

Substantially, the majority of politicians generalized the significance of proper timing as an attributable feature to the policy changes that are regularly enacted in Georgia. The political elite

that benefits from high electoral legitimation is eager to pursue reforms right after it inaugurates the political leader. Enactment of changes at the beginning of term occurs in the name of the electorate, which supported the incumbent. The necessity of planning the policy changes according to the election cycles is driven from the need to counter the pressures of the non-institutional veto players. Thus, the post-election political episode gives the government *carte blanche* to offset the negative influence of the informal interest groups. Analysis of the policy process around the drug policy reform reaffirms the latter proposition.

Although the Georgian Orthodox Church was not in the fore of the opposition against the drug policy reform, it attempted to obstruct the policy. The research participants emphasized that, however, the reform initiators explained the motivation of the changes to the Patriarchate, which decided to neutralize its resistance towards the proposal. In January 2018, Ilia II, the Orthodox Patriarch of Georgia, even called the Georgian government publicly for more humane drug laws (RFE/RL 2018). Proper timing of the policy request elucidates why the Orthodox Church supported the legislative initiative: the non-institutional actor is powerless when the political legitimation of the government is high, which, on its behalf, occurs only after the elections (Interviewee 4, 2020).

Thus, similar to the bill, the proponents of the changes initiated the drug policy reform after the "Georgian Dream" regained its political power in the 2016 parliamentary elections. The participants highlighted that the elections again opened the opportunity window for the progressive reform advocates. The beginning of the new political mandate established hope for the potential success of the employed policy strategy. "You cannot initiate the same policy now, for example. It would cause the revolt" (Interviewee 3, 2020) the participant denoted:

"One might argue that if we had initiated the reform during the initial term of the "Georgian Dream," it would raise the chances of its adoption. Nonetheless, considering the level of bureaucracy deliberating on the draft law, we should bolster the rationale about its flexible timing." (Interviewee 3, 2020)

Hence, the timing cannot explain differing outcomes of the chosen policy instances; however, it has been regarded as a prerequisite for enacting the progressive policies in Georgia.

Notably, even the beginning of the ruling term does not provide the political elite with sufficient sovereign power to ignore the interest group pressures; significantly, the policy pressures streamed from the Orthodox Church. As most of the Georgian electorate is the regular churchgoer, reelection prospects have tempted the governments to compensate the adopted progressive changes.

Shortly after the Parliament voted for the anti-discrimination bill, the ruling coalition started deliberating on the constitutional changes approved in 2018. Amongst the amendments, the ruling coalition introduced a new clause in the Georgian constitution, defining marriage as a union of man and woman. The study participant, one of the founders of the "Georgian Dream," explained that such changes were required to convince the church and the citizens alike that by supporting the anti-discrimination bill, the government did not aim at legitimizing same-sex marriage in the country (Interviewee 4, 2020). The constitutional amendments offset the positive outcome of the progressive policy changes. However, the interviewed politicians outlined the anti-discrimination bill's high significance as a precedent that creates institutional mechanisms to protect the individual rights of minorities in Georgia.



### 5.3 Conditionality through Association

Why do, then, specific policies, such as the anti-discrimination bill, emerge while others, such as the drug policy proposal, fail to occur while both of the instances are similar in their broad demands and alike in their structuring? If the beginning of the political term enabled the "Georgian Dream" to oppose the interests of the Georgian Church, what explains its reluctance to counterbalance the veto of the law enforcement to the drug policy proposal? Bargaining power of the institutional veto players in Georgia might outweigh the influences of the non-institutional groups, like the Orthodox Church, when it comes to politics around the progressive policy changes in Georgia. However, is the latter argument sufficient factor to explain the different outcomes of the chosen policy cases? Answers to these questions are partially intertwined with analysis of the international conditionalities set to Georgia at the time of adopting the anti-discrimination bill.

On June 27 2014, Georgia signed the Association Agreement (AA) with the European Union (EU). The AA has guided political, social, and economic relations between the signatories. The association agenda obliged Georgia to harmonize its national legislation with one of the EU. For the given contribution, two legal requests of the association agenda are of utmost importance. Primarily, the AA explicitly called Georgia for amending its legislative framework to ensure the provision of anti-discrimination. Nevertheless, combating the discrimination nationwide was only a part of the broader cooperation agenda of the AA in Employment, Social Policy, and Equal Opportunities (European Parliament 2014, 117). While Georgia has not fully harmonized the national legislation with the same agenda until today, promoting the anti-discrimination seemed urgency before the initial stage of signing the AA.

Participants outlined that in the context of Georgia, the provision of anti-discrimination had tight linkage to the promotion of Visa-free movement and readmission of people between the signatory parties (European Parliament 2014, 6). The potential of free movement increased the risks of intensifying Georgian migrant flows to the EU, which put the realization of the Visa-liberalization regime at stake. A substantial number of the Georgian asylum seekers to the EU declared themselves as discriminated in Georgia. Consequently, the association agenda demanded from Georgia robust institutional mechanisms against the instances of individual oppression. In case of its existence, such a mechanism would ensure Visa-Free travel of Georgians to the Schengen area (Interviewee 2, 2020; Interviewee 4, 2020).

The aforementioned logic explains the willingness of the "Georgian Dream" to enact the anti-discrimination bill in 2014. Even though timed and structured properly, the driving force of the political process supporting the anti-discrimination bill was encouraged by the EU-generated conditionality. Signing the AA represented political and electoral responsibility of the new ruling elite of Georgia, led by Bidzina Ivanishvili. The existence of such responsibility explains Ivanishvili's involvement in and commitment to the deliberations around the anti-discrimination bill. One of the interviewee elaborated in-depth on the given matter:

"His incentive was clear: the "Georgian Dream" would struggle to enact the policy three years after the beginning of its term. He had to sign the Association Agreement in the name of the victorious electorate." (Interviewee 1, 2020)

The drug policy proposal did not benefit from such robust, encouraging international support or conditionality in sharp contrast to the anti-discrimination bill. The respondents denote that the attempt of drug policy reform was more nurtured within the domestic political context of Georgia. External challengers positively contributed to the policy process through provision of

funding. However, primarily private foundations, such as Open Society Foundation (OSF), alongside the international think tanks, such as the Global Commission on Drug Policy (GCDP), expressed the external support (Interviewee 5, 2020).

Therefore, consolidated, institutional effort did not aim to determine success of the drug policy proposal. The latter happened as the promotion of evidence-based and humane drug policies lies in the sovereign discretion of the states worldwide. International players, the United States (US) and the European Union (EU), that frequently influence domestic political context of Georgia, naturally are not enabled to encourage protection of drug consumers' rights within their spheres of influence: they themselves pursue ambivalent drug policies. The latter argument is more vividly visible in case of the US, which has long supported the United Nations (UN) drug conventions of 1961, 1971, 1988 (UNODC 2010) that enlists the substances limited for intra or inter-state circulations and have emerged as basis for the punitive drug policies globally.

"Law of Georgia on Narcotic Drugs" explicitly demonstrates the mentioned reference while declaring that, centrally, the legislation fulfills requirements under international agreements (Georgian Parliament 2013). One interviewee explained why the promotion of the drug policy could not be part of the international conditionalities:

"The world is bewildered around the topic. The UN and the World Health Organization (WHO) cannot provide cohesive drug frameworks; however, this is how you would enact such progressive policies in peripheral democracies." (Interviewee 7, 2020)

Moreover, the participants highlighted that the opponents utilized the international drug policy framework as a counterargument to the proposed legislative changes. When the parties agreed on the decriminalized drug thresholds for private consumption within Georgia, the conflict emerged about criminalizing the same decriminalized amounts while importing and crossing the border.

One of the reform initiators argued that if the case of possessing a certain amount of drug did not belong to the national criminal code, then it was unclear why someone would be incarcerated for possessing the same doses when entering the country (Interviewee 5, 2020). Another respondent explained why: "How can we humanize the national legislation for the drug dealing?" (Interviewee 3, 2020) the interviewee asked:

"We participate in the United Nations conventions and we cannot simply change the clause dictated by the UN. We know that the international law severely punishes drug trafficking, right?" (Interviewee 3, 2020)

Therefore, the global regulation has not only restricted the inclusion of drug policy as part of the international conditionalities but also contributed to the failure of the practical deliberations around the drug policy proposal of 2017-2018 in Georgia. To sum, if presence of international conditionality resulted in enactment of one policy, absence of it constrained success of another.

## 5.4 Findings

Based on the theoretical review, I proposed three hypotheses to explain the variation between the two policy instances: anti-discrimination bill and the drug policy reform, similar in their progressive demands to target minority and marginalized community rights promotion but different in their eventual outcomes. The proposed hypotheses are read as follows:

**H1:** *Veto Players, both institutional and informal, obstruct policy proposals;*

**H2:** *Policies structured during the post-election cycle are more likely to be adopted;*

**H3:** *External leverage of the international actors influences outcomes of the policy proposals.*

The employed qualitative study of the two chosen policy instances of Georgia finds validations for each of the aforementioned hypotheses. Both the formal and informal veto players significantly and negatively influenced the policy proposals. Agreement with these interest groups, acting according to their preferences, was essential to move away from the legislative status quo. However, the obstructing capacity of the institutional veto players has been impactful, disregarding external circumstances around the policies while the bargaining power of the non-institutional veto holders was weakened during the post-election cycles.

Moreover, the timing of the chosen legislative proposals targeting minority and marginalized rights promotion has been outlined as necessary, albeit insufficient condition, for the policy enactment. Both instances, the anti-discrimination bill and the attempt of drug policy reform were timed according to election cycles: at the beginning of the governing term of the "Georgian Dream." Primarily, the initial phase of the political mandate was associated with high political legitimacy, which bred bravery of the ruling elite to pursue such non-conventional policy proposals. Secondly, the legitimacy was essential to counterbalance the pressure of the non-institutional veto players, such as the Georgian Orthodox Church, which obstructs the policies that are proposed prior to elections.

Lastly and substantially, the presence of international conditionality and the potential of the international association was demonstrated to be the most influential explanatory factor for the emergence of the anti-discrimination bill in Georgia. The association agenda with the EU incentivized the "Georgian Dream" to create a robust institutional framework to prevent discrimination. In contrast to the anti-discrimination bill, the attempt of drug policy did not benefit from consolidated international support, considering the punitive global regulation of drugs, which discouraged the occurrence of the humane drug laws at the national domain. The

current global regulatory framework, represented through the UN drug conventions of 1961, 1971 and 1988, was utilized as a counterargument to the proposed comprehensive drug policy request in Georgia, and thus it significantly motivated the policy obstruction.

The next chapter attempts to generalize the findings of the qualitative study. Thus, it applies quantitative methods to test the three hypotheses of the given thesis and explains the emergence of policies protecting minority and marginalized community rights at the broader regional level of the following 15 post-communist countries: Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

## 6. Quantitative Research: Post-Communist Context

To generalize the arguments of the qualitative study, below, I present quantitative analysis that observes pace of the progressive policies, targeted at minority and marginalized community rights, in 15 post-communist countries in 2005-2017 years and through the perspectives of the three hypotheses of the thesis. A comparative case study of Georgia's two progressive policy proposals provided validations for all of the three hypotheses. The comparison revealed that:

1. such policies contradict the interests of veto players;
2. they have to be scheduled after the elections;
3. International actors, either directly or indirectly, affect the chosen policy proposals.

Through the latter lens, the cases captured the positive influence of the EU association and the negative effect of the global drug regulation frameworks. The subchapters below check for the validity of these findings quantitatively.

### 6.1 Empirical Strategy

The quantitative analysis incorporates data from the Quality of the Government Institute's (QoG's) 2019 databases and includes proxy variables to replace directly immeasurable concepts such as the variable of central interest of this thesis and the variables capturing hypotheses. The general model is Ordinary Least Squares (OLS) regression in Time-Series, Cross-Section (TSCS) panel data format with country, year fixed effects and is read as follows:

$$\begin{aligned} PaceofProgressivePolicies_{it} = & \beta_0 ExternalLeverage_{it} + \beta_1 VetoGroups_{it} + \beta_2 PolicyTiming_{it} + \\ & + \beta_3 ControlVariables_{it} + CountryFixedEffects_{it} + YearFixedEffects_{it} + u_{it} \end{aligned}$$

The estimation employs two alternative proxies for the dependent variable (DV). Initially, the main estimation incorporates annual change in Bertelsmann Transformation Index's (BTI's) Welfare Regime as DV. BTI's Welfare Regime comprises the measures of Social Safety Nets

and Equal Opportunity (QoG Institute 2019, 139). The former observes compensations for social risks and tracks policies that target marginalized communities. In parallel, equal opportunity looks at the institutional mechanisms that ensure anti-discrimination. Vividly, Welfare Regime captures scope of the two policy proposals reviewed in the case study of Georgia, thus, while taking it as dependent variable, the quantitative analysis proxies for the variable of central interest of the thesis.

Similarly, the second phase of the quantitative analysis introduces annual change ( $t-(t-1)$ ) in Varieties of Democracy's (V-Dem's) Liberal Democracy Index as the DV. The theoretical concept of the dependent variable is directly immeasurable quantitatively; hence, the second phase of the analysis attempts to check for validity of the main estimation. The liberal democracy index captures mechanisms protecting minority rights from the tyranny of the majority (QoG Institute 2019, 646). However, in contrast to the welfare regime, the measure for Liberal Democracy observes a larger pool of policies promoting civil liberties and the rule of law (QoG Institute 2019, 646).

Both estimations differentiate between two types of the international association. To capture the general association, they incorporate the KOF Index of political globalization, which captures membership in international organizations (QoG Institute 2019, 196). Moreover, the models observe the countries' level of integration to the European Union (EU) and incorporate ordinal, coded variable that ranges from zero to four. Zero denotes no association with the EU; 1 is assigned if the country signed Peace and Cooperation Agreement (PCA); 2 is given if the country became part of the Eastern Partnership regime (EaP); 3 is distributed if the country signed the Association Agreement (AA) with the EU; 4 refers to the EU membership. The findings of the qualitative study legitimize the incorporation of two proxies for the international



association. Political globalization might capture membership in the UN regimes, which contributed to the obstruction of the drug policy reform in Georgia. On the other hand, the EU association played a decisive role in the enactment of the anti-discrimination bill.

Moreover, the estimations include two proxies for veto groups' influence. Institutional vetoes are observed through the World Bank's measure for checks and balances (QoG Institute 2019, 176). Informal veto players are distinguished through the BTI's Effective Power to Govern, capturing informal veto players' interference into the political process (QoG Institute 2019, 129). The impact of the election cycles is captured through the World Bank's measure for the timing of the legislative elections (QoG Institute 2019, 184).

The estimations incorporate standard controls for the logarithm of per capita Gross Domestic Product (GDP) and population size and control for Party and Electoral Systems (QoG Institute 2019, 135; QoG Institute 2019, 189). Country and year fixed effects are added to consider the differences in time or legislative norms. Standard errors are clustered at the country level.

## **6.2 Empirical Analysis**

### **6.2.1 Pace of Welfare Reforms**

Table 1 presents results of the main regression estimation, where dependent variable is Pace (t-(t-1) of Welfare Reforms. The baseline regression model includes EU association as independent variable (IV) alongside the fixed effects.

**Table 1:** Main Estimation, Dependent Variable is Pace (t-(t-1) of Welfare Reforms

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
EU Association	0.218** (0.074)	0.169** (0.068)	0.170** (0.068)	0.141* (0.077)	0.153** (0.069)	0.154** (0.068)	0.168** (0.058)
GDP Per Capita (log)		0.496 (0.396)	0.412 (0.378)	0.405 (0.332)	0.435 (0.317)	0.268 (0.347)	0.491 (0.343)
Population Size (log)		-1.179 (0.941)	-0.976 (0.866)	-0.622 (0.790)	-0.150 (0.718)	-0.075 (0.746)	-0.791 (0.870)
Party System			0.038 (0.049)	0.041 (0.052)	0.058 (0.061)	0.056 (0.066)	0.047 (0.057)
Electoral System			-0.079 (0.409)	-0.166 (0.390)	-0.183 (0.331)	-0.228 (0.332)	-0.149 (0.360)
Political Globalization				0.012 (0.009)	0.014 (0.009)	0.016 (0.009)	
Legislative Elections				-0.185** (0.085)	-0.162* (0.089)	-0.197* (0.096)	-0.151* (0.077)
Non-Institutional Vetoes					-0.073* (0.036)	-0.084* (0.042)	-0.039 (0.028)
Institutional Vetoes						0.043 (0.045)	
Observations	104	104	104	89	89	87	104
R-squared	0.251	0.276	0.281	0.339	0.365	0.381	0.319
Number of Countries	15	15	15	15	15	15	15
Country Fixed Effects	YES	YES	YES	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses  
 \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

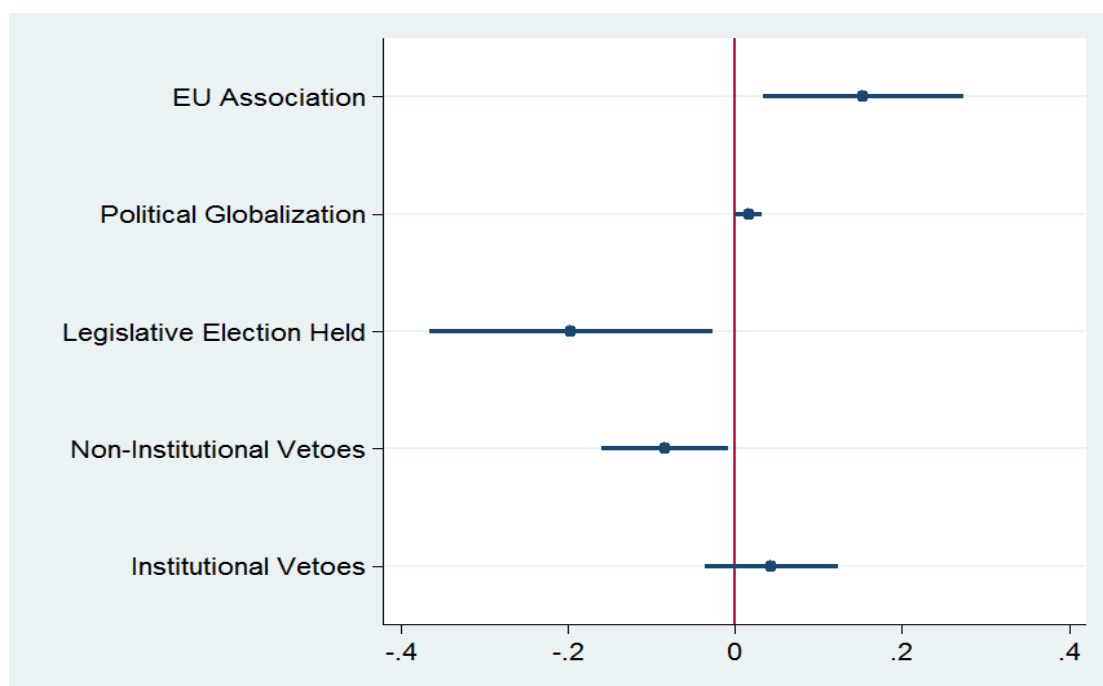
Model 6 of the main estimation returns significance for all of the independent variables but the institutional vetoes. Substantially, association with the European Union is positively and significantly correlated with the Pace of welfare reforms with 95% confidence, bolstering the third hypothesis. The correlation remains stable while including and excluding other variables from the models.

Non-institutional veto players have negative and significant association with the Pace of welfare reforms with 90% confidence, reinforcing the first hypothesis. Alternatively, the models suggest that legislative elections slow Pace of the welfare reforms, which conflicts with the second hypothesis. However, this explains that the non-election years are associated with increase in the

Pace of welfare reforms, which, as such, might still not exclude the proposition that the incumbents pursue progressive policy changes, for instance, a year after the elections.

In contrast to timing, institutional vetoes and political globalization are positively correlated with welfare reform occurrence, which is not in line with the findings of the Georgian case, which demonstrated the influence of the UN's drug regulatory framework and the veto power of institutional, law enforcement actors as constraints for the drug policy reform. However, both of the correlations, returned by the main estimation, are insignificant. Similarly, the estimation does not return significance regarding any of the remaining explanatory variables. Coefficients plotted below visually demonstrate the central findings of the main estimation.

**Figure 3:** Coefficient Plot for Regression Model 6 of the Main Estimation



Significantly, the plot shows positive correlation between EU association, institutional vetoes, political globalization and Pace of Welfare Reforms. At the same time, the graph depicts that legislative elections and Non-institutional vetoes are associated negatively with the dependent

variable. Substantially, the coefficients for the EU association and timing of legislative elections return the largest extent of correlation.

To sum, the main estimation reinforced the first, the third and rejected the second hypothesis of the thesis. Nevertheless, these results lack robustness and validity. To address potential inaccuracy of the findings, the following subchapter replicates the main estimation with the inclusion of Pace (t-(t-1) of liberal democracy index as the DV.

## 6.2.2 Pace of Liberal Democracy

Table 2 replicates the main estimation with Pace (t-(t-1) of Liberal Democracy as DV.

**Table 2:** Second Estimation, Dependent Variable is Pace (t-(t-1) of Liberal Democracy

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
EU Association	-0.006 (0.004)	-0.007 (0.004)	-0.006 (0.004)	-0.008* (0.004)	-0.009* (0.004)	-0.010* (0.005)	-0.006 (0.004)
GDP Per Capita (log)		0.022 (0.022)	-0.004 (0.014)	0.003 (0.020)	0.002 (0.018)	-0.013 (0.018)	-0.006 (0.015)
Population Size (log)		-0.022 (0.042)	0.031 (0.048)	0.013 (0.059)	-0.002 (0.070)	-0.001 (0.073)	0.020 (0.058)
Party System			0.012*** (0.003)	0.014*** (0.003)	0.013*** (0.003)	0.012*** (0.004)	0.012*** (0.003)
Electoral System			0.017** (0.008)	0.021** (0.008)	0.022** (0.009)	0.014 (0.010)	0.018** (0.008)
Political Globalization				0.001 (0.001)	6.45e-05 (0.001)	9.68e-05 (0.001)	
Legislative Elections				0.002 (0.006)	0.001 (0.006)	0.001 (0.007)	0.002 (0.004)
Non-Institutional Vetoes					0.002 (0.001)	0.001 (0.001)	0.001 (0.001)
Institutional Vetoes						0.008 (0.007)	
Observations	195	195	105	90	90	88	105
R-squared	0.069	0.075	0.225	0.261	0.268	0.316	0.233
Number of Countries	15	15	15	15	15	15	15
Country Fixed Effects	YES	YES	YES	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses  
\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

The estimation returns weak and negative correlation between EU Association and Pace of Liberal Democracy. However, the correlation is significant with 90% confidence only when the regression models include variables that control for political globalization and institutional

vetoers. Notably, Political Globalization is also weakly, positively associated with the annual change in Liberal Democracy Index and the association is insignificant, rejecting the third hypothesis.

The estimation returns insignificant and positive correlation between Pace of Liberal Democracy index and the remaining three independent variables for veto players and the measure for legislative elections. Party and electoral systems are associated positively and significantly with the liberal democracy index's change. The results support the second hypothesis about the positive influence of election-cycles on the Pace of Welfare Reforms; however, as shown, such influence is weak and insignificant. Moreover, the regression models contradict the first hypothesis, which stated that veto players' presence was negatively associated with the occurrence of the chosen progressive policies.

Evidently, the second phase of the analysis did not validate the main estimation. Differing outcomes should be explained through the dissimilar scopes of the proxies for the DV. As argued above, while BTI's welfare regime observes narrow spectrum of policies (institutions ensuring anti-discrimination and social compensation), V-dem's liberal Democracy is broader in scope and is interested in the establishment of institutions promoting rule of law and liberal democracy (QoG Institute 2019, 139; QoG Institute 2019, 646). Therefore, in order to check for predicting capacity of the given estimations, the following subchapter incorporates interaction terms in the regression models.

### 6.2.3 Introducing Interaction Terms

As a next step of the analysis, I add interaction terms of veto players and EU association to the regression models. If the estimation meaningfully transforms while it integrates the interaction terms, validity of it will become questionable.

The Table 3 is divided in two parts. Regression models 1-3 include Pace of Welfare Reforms as DV whereas regression models 4-6 introduce Pace of Liberal Democracy as the DV. Models 1 and 4 replicate regression estimations with all of the independent and control variables. Regression models 2 and 5 integrate the interaction term of the EU association and the non-institutional vetoes while the models 3 and 6 involve the interaction term for EU association and institutional vetoes.

**Table 3:** Introducing Interaction Terms in Regression Model 6

	(1) Pace of Welfare Reforms	(2) Pace of Welfare Reforms	(3) Pace of Welfare Reforms	(4) Pace of Liberal Democracy	(5) Pace of Liberal Democracy	(6) Pace of Liberal Democracy
EU Association	0.154** (0.068)	0.162 (0.125)	0.182 (0.234)	-0.010* (0.005)	-0.001 (0.005)	-0.032* (0.015)
GDP Per Capita (log)	0.268 (0.347)	0.264 (0.339)	0.249 (0.404)	-0.013 (0.018)	-0.017 (0.019)	0.001 (0.023)
Population Size (log)	-0.075 (0.746)	-0.082 (0.781)	-0.064 (0.764)	-0.001 (0.073)	-0.009 (0.083)	-0.009 (0.079)
Party System	0.056 (0.066)	0.056 (0.070)	0.052 (0.082)	0.012*** (0.004)	0.013*** (0.003)	0.016*** (0.005)
Electoral System	-0.228 (0.332)	-0.227 (0.336)	-0.237 (0.357)	0.014 (0.010)	0.014 (0.009)	0.021* (0.011)
Political Globalization	0.016 (0.009)	0.016 (0.009)	0.016 (0.009)	9.68e-05 (0.001)	-1.93e-05 (0.001)	0.001 (0.001)
Legislative Elections	-0.197* (0.09)	-0.197* (0.097)	-0.198* (0.094)	0.001 (0.007)	0.001 (0.007)	0.002 (0.007)
Non Institutional Vetoes	-0.084* (0.042)	-0.082 (0.047)	-0.085* (0.044)	0.001 (0.001)	0.003 (0.002)	0.002 (0.001)
Institutional Vetoes	0.043 (0.045)	0.044 (0.045)	0.064 (0.156)	0.008 (0.007)	0.008 (0.007)	-0.007 (0.008)
Non-Institutional Vetoes X EU Association		-0.001 (0.028)			-0.001* (0.001)	
Institutional Vetoes X EU Association			-0.011 (0.073)			0.008 (0.005)
Observations	87	87	87	88	88	88
R-squared	0.381	0.381	0.381	0.316	0.326	0.354
Number of Countries	15	15	15	15	15	15
Country Fixed Effects	YES	YES	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Succeeding incorporation of the interaction terms, the interacted variables lose their significance within regression models 1-3, which correspond to the main estimation. However, the influence of both of the interaction terms is not statistically sound, and the r-squared of model 1 remains unaffected, implying that the predictive capacity of the main estimation is relatively firm and robust.

In contrast to the main estimation, interaction terms influence the interacted explanatory variables more in the regression model 4, where the dependent variable is the Pace of liberal Democracy. Interaction terms have positive impact on the r-squared coefficient and increase it meaningfully. Moreover, interaction term between the EU association and non-institutional vetoes is significant and while introducing it, the model returns insignificant and higher coefficient for the EU association. At the same time, the coefficient for other interacted variable, institutional vetoes changes from positive 0.008 to negative 0.007. The latter results provide uncertainty regarding the explanatory power of the regression model 4 and decrease its predictive capacity.

Before summarizing the findings, in the next subchapter, I introduce a novel dependent variable to the regression models that capture the Pace of economic liberalism in the chosen 15 post-communist countries.

#### **6.2.4 Pace of Market Economy Status**

As observed earlier in the thesis, emergence of progressive policies in Georgia was associated with softening counterproductive influences of the economic liberalism. Through the later lens, I retain the general model of this analysis but incorporate new dependent variable, change  $(t-(t-1))$  in BTI's Measure for Market Economy Status, as a proxy for liberal economic policies. Market

Economy Status captures the extent of domestic competition, private property protection and market freedom (QoG Institute 2019, 132). The estimation observes to what extent are the aforementioned explanations for progressive policy changes in accordance with the explanations for the Pace of economic liberalism.

**Table 4:** Dependent variable is Pace (t-(t-1) of Economic Liberalism

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Non-institutional Veotes	0.018 (0.015)	0.032* (0.017)	0.029 (0.020)	0.030* (0.015)	0.033 (0.019)	0.033 (0.020)	0.033 (0.021)
GDP Per Capita (log)		-0.171 (0.447)	-0.216 (0.440)	0.226 (0.297)	0.311 (0.275)	0.315 (0.271)	-0.195 (0.434)
Population Size (log)		-0.620 (0.653)	-0.511 (0.760)	-0.347 (0.718)	-0.341 (0.664)	-0.354 (0.720)	-0.535 (0.775)
Party System			0.023 (0.042)	0.026 (0.035)	0.021 (0.041)	0.021 (0.042)	0.022 (0.041)
Electoral System			-0.014 (0.072)	-0.010 (0.053)	0.001 (0.104)	-9.95e-05 (0.096)	-0.037 (0.069)
Political Globalization				-0.006 (0.003)	-0.007** (0.003)	-0.006 (0.004)	
Legislative Elections				-0.095* (0.049)	-0.075 (0.059)	-0.0763 (0.060)	-0.066 (0.052)
Institutional Vetoes					-0.012 (0.056)	-0.012 (0.057)	
EU Association						-0.003 (0.060)	0.006 (0.058)
Observations	105	105	105	90	88	88	105
R-squared	0.214	0.230	0.232	0.316	0.318	0.318	0.239
Number of ccode	15	15	15	15	15	15	15
Country Fixed Effects	YES	YES	YES	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

The estimation twice returns significance with 90% confidence in the regression model 2 and 4 and shows positive coefficient for the non-institutional vetoes. Moreover, regression model 4 depicts negative association between legislative election timing and Pace of economic liberalism. However, the variables lose significance when the model incorporates measure for institutional vetoes, which has weak and negative correlation with advancement of economic liberalism. Interestingly, by expanding the regression model to institutional vetoes, political globalization



becomes negatively and significantly associated with the dependent variable, nevertheless, the association remains stably weak. Thus, Taking the BTI's market economy status as the dependent variable, I argue that the Pace of economic liberalism is not generally in line with the characteristics of chosen progressive policies at the post-communist level. Explanatory power of the predicting variables is weak and unstably significant.

### 6.3 Findings

Following the theoretical review, the thesis demonstrated three hypotheses:

**H1:** *Veto Players, both institutional and informal, obstruct policy proposals;*

**H2:** *Policies structured during the post-election cycle are more likely to be adopted;*

**H3:** *External leverage of the international actors influences outcomes of the policy proposals.*

The main estimation reinforced two out of the presented hypotheses, bolstered in the qualitative study of Georgia's two policy instances. Primarily, the estimation supported the first hypothesis while revealing that non-institutional veto players have significantly negative association with the emergence of the policies protecting minority and marginalized community rights at the post-communist level. Nevertheless, the analysis rejected the second hypothesis, denoting that within the selected 15 domestic political contexts, the chosen set of policies are less likely to occur in accordance with the year of legislative elections. However, the result might be justified with the fact that the association analyzed emergence of the welfare reforms during the election years. Thus, such explanation does not entirely contradict with the proposition that adoption of the chosen policies should occur in the post-election cycles. Lastly and substantially, the estimation demonstrated that the EU association predicted significant and positive variation in the

dependent variable, bolstering the third hypothesis. Stable predicting capacity of the main estimation was backed after it integrated interactions between EU association and veto players.

The results of the main estimation were not validated through the second phase of the analysis, which included the Pace of liberal Democracy as a dependent variable. The second estimation returned significant and negative correlation between EU association and Pace of liberal Democracy in the 15 post-communist states. However, it remained unstable while it integrated the interaction terms between EU association and the veto players. Thus, more robust models should explore the association analyzed above; future research should employ causal estimation of the demonstrated correlations to argue about their external validity.

## 7. Conclusion

Given the recent excessive attempts on protecting the rights of minority and marginalized communities in Georgia, this thesis elucidated variation between two policy proposals: the anti-discrimination bill and the drug policy reform, initiated within four consecutive years of 2014-2017 in the Georgian Parliament. Although the proposals belonged to the similar, progressive domain of policies, they had different eventual outcomes: the Georgian Parliament enacted the former, whereas it suspended the latter. The argumentation throughout the thesis followed the three theoretical Meta hypotheses identified by the scholarly field of the political economy of reforms regarding the emergence of policies. Qualitative, comparative, and similar case study of the Georgian policy instances validated all of the suggested hypotheses. However, the presence or absence of external leverage of the international actors has been regarded as the most cogent factor for explaining the variation between the outcomes of the anti-discrimination bill and the proposal of drug policy reform.

Primarily, the thesis demonstrated significant influence of both, non-institutional and institutional veto players in obstruction of the policies targeted at minority and marginalized community rights protection in Georgia. Nonetheless, the case comparison revealed relative superiority of the formal veto power of the Ministry of Internal Affairs (MIA), which meaningfully contributed to the obstruction of the drug policy reform attempt. Alternatively, the ruling coalition of the country succeeded in impeding the obstructing capacity of the informal veto player, Orthodox Church, and enacted the anti-discrimination bill in 2014.

Moreover, the research exposed the necessity of scheduling the policy proposals, those belonging to the progressive policy domain and targeting minority and marginalized community rights, during the post-election cycle, when political legitimation of the incumbents in Georgia peaks.

Such timing is essential as it gives the government *carte blanche* to outweigh the informal veto powers, which obstructs such policy proposals, if they are structured prior to elections. However, even after the elections, the Georgian government decided to be reluctant to hamper the obstructing influence of the MIA on the drug policy reform attempt. Explaining the drivers for such reluctance leads to the central finding of the qualitative case study of this thesis.

The anti-discrimination bill represented part of the conditionalities set to Georgia by the European Union before signing the Association Agreement (AA). Hindering potential association with the EU would decrease international and domestic legitimacy of the "Georgian Dream," which thus took the lead to ensure that the Georgian Parliament did not vote down the anti-discrimination bill. In contrast, global regulation for drugs, represented through the United Nations' (UN) three conventions, served as a decisive counterargument against the humane drug policy proposal initiated in the Georgian Parliament in 2017. This thesis demonstrated that the probability of enacting progressive proposals, those promoting minority and marginalized rights in Georgia, is highly associated with the need to fulfill the international conditionalities. Establishment of the firm institutions preventing anti-discrimination was in line with Georgia's external obligations. On the contrary, the inhumane, not humane domestic legal framework for the drug policy corresponded to global drug control requirements.

Following the qualitative analysis, the thesis attempted to test the employed three Meta hypotheses at the broader geographical level of 15 post-communist countries. The general model for quantitative estimations was OLS regression, with country and year fixed effects. The regression models incorporated Time-Series, Cross-Sectional data from the QoG Institute's 2019 databases.

The main estimation of the quantitative analysis bolstered the central finding of the Georgian qualitative case study that the potential of EU association is correlated significantly and positively with the emergence of policies that promote the rights of minorities and marginalized communities at the broader geographical level. Moreover, the main estimation revealed that not only in Georgia but also at the level of the chosen 15 post-communist states, a greater extent of the non-institutional veto players' interference in the political process raises chances for obstructing the policies that promote minority and vulnerable community rights. However, the regression models rejected the second hypothesis; the timing of the legislative elections was significantly and negatively associated with the change ( $t-(t-1)$ ) in welfare reforms within the main estimation. Lastly, it showed positive coefficients for the general international association and influence of the institutional vetoes. The estimation remained stable and robust while it included the interaction terms between the EU association and variables capturing the influence of the veto players.

Additionally, this thesis incorporated a new dependent variable, change ( $t-(t-1)$ ) in the liberal democracy index, to control for the accuracy of the results returned by the initial phase of the quantitative analysis. Significantly, the second phase of the quantitative research did not validate the findings of the main estimation. Scopes of the two employed dependent variables might explain such mismatch. While the dependent variable of the main estimation measured establishment of the narrow spectrum of policies that promoted anti-discrimination and social safety for vulnerable communities, the replacement of it, the liberal democracy index, was broader in scope. It looked at larger policy domains, protecting civil liberties and the rule of law. Therefore, more robust statistical models should argue about such associations in the future.

Potential empirical research should explore the external validity of the outcomes provided by the main estimation.

## **7.1 Implications**

This thesis applied concepts and mechanisms offered by the scholarly field, Political Economy of Reforms, to understand the new generation of policy proposals, belonging to a progressive domain and promoting minority and marginalized community rights. Therefore, the thesis contributed to the academic literature from the Political Economy of Reforms in two significant ways. Primarily, it attempted to integrate the aforementioned new domain of policies with the long existent academic discussions. Moreover, it demonstrated that political economies of economic reforms are not exclusive in their scopes and provide explanations for the progressive policy proposals, those prioritizing minorities of the populace in Georgia and within the selected post-communist states.

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## Appendices

### Appendix 1 -Interviewee List

N	Interviewee	Status	Date	Format	Language
1	Member of Georgian Parliament 2013-2016	Conducted	April 15, 2020	Zoom	Georgian
2	Member of Human Rights and Civic Integration Parliamentary Committee 2012-2016	Conducted	April 17, 2020	Zoom	Georgian
3	Member of Parliamentary Legal Committee 2016-2019	Conducted	April 23, 2020	Zoom	Georgian
4	Member of Georgian Parliament 2012-2016	Conducted	April 24, 2020	Zoom	Georgian
5	Member of Parliamentary Health Committee 2016-2019	Conducted	May 2, 2020	Zoom	Georgian
6	Member of Georgian Parliament 2012-present	Conducted	May 2, 2020	Zoom	Georgian
7	Member of Georgian Parliament 2012-present	Conducted	May 6, 2020	Zoom	Georgian
8	Member of Parliamentary Health Committee 2016-2019	Rejected	-	-	-

## Appendix 2- Robustness Checks

**Table 2** - Baseline OLS Regression Includes Legislative Elections as Independent Variable.

Dependent Variable is <b>Pace of Welfare Reforms</b>							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Legislative Elections	-0.144 (0.088)	-0.167* (0.084)	-0.179** (0.070)	-0.185** (0.085)	-0.162* (0.089)	-0.197* (0.096)	-0.151* (0.077)
GDP Per Capita (log)		0.729* (0.411)	0.653 (0.377)	0.405 (0.332)	0.435 (0.317)	0.268 (0.347)	0.491 (0.343)
Population Size (log)		-1.795 (1.023)	-1.535 (0.949)	-0.622 (0.790)	-0.150 (0.718)	-0.0757 (0.746)	-0.791 (0.870)
Party System			0.026 (0.054)	0.041 (0.052)	0.058 (0.061)	0.056 (0.066)	0.047 (0.057)
Electoral System			-0.209 (0.392)	-0.166 (0.390)	-0.183 (0.331)	-0.228 (0.332)	-0.149 (0.360)
Political Globalization				0.0123 (0.009)	0.0147 (0.009)	0.0163 (0.009)	
EU Association				0.141* (0.077)	0.153** (0.069)	0.154** (0.068)	0.168** (0.058)
Non-institutional Vetoes					-0.073* (0.036)	-0.084* (0.042)	-0.039 (0.028)
Institutional Vetoes						0.043 (0.045)	
Observations	104	104	104	89	89	87	104
R-squared	0.212	0.274	0.284	0.339	0.365	0.381	0.319
Number of Countries	15	15	15	15	15	15	15
Country Fixed Effects	YES	YES	YES	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 3 - Baseline OLS Regression Includes Veto Powers as Independent Variables.**

	Dependent Variable is <b>Pace of Welfare Reforms</b>					
	(1)	(2)	(3)	(4)	(5)	(6)
Non-Institutional Vetoes	-0.057*	-0.039	-0.045	-0.033	-0.084*	-0.039
	(0.032)	(0.026)	(0.029)	(0.033)	(0.042)	(0.028)
Institutional Vetoes	0.032	0.016	0.018	0.016	0.043	
	(0.035)	(0.035)	(0.057)	(0.054)	(0.045)	
GDP Per Capita (log)		0.629	0.532	0.584	0.268	0.491
		(0.510)	(0.483)	(0.434)	(0.347)	(0.343)
Population Size (log)		-1.529	-1.243	-1.361	-0.0757	-0.791
		(1.115)	(1.016)	(1.021)	(0.746)	(0.870)
Party System			0.037	0.037	0.056	0.047
			(0.072)	(0.068)	(0.066)	(0.057)
Electoral System			-0.158	-0.228	-0.228	-0.149
			(0.406)	(0.383)	(0.332)	(0.360)
Legislative Elections				-0.198**	-0.197*	-0.151*
				(0.077)	(0.096)	(0.077)
Political Globalization					0.016	
					(0.009)	
EU Association					0.154**	0.168**
					(0.068)	(0.058)
Observations	102	102	102	102	87	104
R-squared	0.207	0.251	0.259	0.299	0.381	0.319
Number of Countries	15	15	15	15	15	15
Country Fixed Effects	YES	YES	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 5 - Baseline OLS Regression Includes Legislative Elections as Independent Variable.**

	Dependent Variable is Pace of Liberal Democracy						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Legislative Elections	0.005 (0.004)	0.005 (0.004)	0.003 (0.005)	0.002 (0.006)	0.001 (0.006)	0.001 (0.007)	0.002 (0.004)
GDP Per Capita (log)		0.014 (0.02)	-0.012 (0.008)	0.003 (0.020)	0.002 (0.018)	-0.013 (0.018)	-0.006 (0.015)
Population Size (log)		0.005 (0.035)	0.051 (0.034)	0.013 (0.059)	-0.002 (0.070)	-0.001 (0.073)	0.020 (0.058)
Party System			0.013*** (0.003)	0.014*** (0.003)	0.013*** (0.003)	0.012*** (0.004)	0.012*** (0.003)
Electoral System			0.021** (0.007)	0.021** (0.008)	0.022** (0.009)	0.014 (0.010)	0.018** (0.008)
Political Globalization				0.001 (0.001)	6.45e-05 (0.001)	9.68e-05 (0.001)	
EU Association				-0.008* (0.004)	-0.009* (0.004)	-0.010* (0.005)	-0.006 (0.004)
Non-institutional Vetoes					0.002 (0.001)	0.001 (0.001)	0.001 (0.001)
Institutional Vetoes						0.008 (0.007)	
Observations	194	194	105	90	90	88	105
R-squared	0.067	0.071	0.217	0.261	0.268	0.316	0.233
Number of ccode	15	15	15	15	15	15	15
Country Fixed Effects	YES	YES	YES	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 6 - Baseline OLS Regression Includes Veto Powers as Independent Variables.**  
**Dependent Variable is Pace of Liberal Democracy**

	(1)	(2)	(3)	(4)	(5)	(6)
Non-Institutional Vetoes	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)	-0.001 (0.001)	0.001 (0.001)	0.001 (0.001)
Institutional Vetoes	0.011* (0.005)	0.011* (0.005)	0.008 (0.007)	0.008 (0.007)	0.008 (0.007)	
GDP Per Capita (log)		-0.008 (0.021)	-0.024 (0.015)	-0.024 (0.015)	-0.013 (0.018)	-0.006 (0.015)
Population Size (log)		0.005 (0.041)	0.039 (0.042)	0.041 (0.043)	-0.001 (0.073)	0.020 (0.058)
Party System			0.011** (0.004)	0.011** (0.004)	0.012*** (0.004)	0.012*** (0.003)
Electoral System			0.012 (0.010)	0.013 (0.009)	0.014 (0.010)	0.018** (0.008)
Legislative Elections				0.003 (0.006)	0.001 (0.007)	0.002 (0.004)
Political Globalization					9.68e-05 (0.001)	
EU Association					-0.010* (0.005)	-0.006 (0.004)
Observations	103	103	103	103	88	105
R-squared	0.188	0.189	0.265	0.269	0.316	0.233
Number of Countries	15	15	15	15	15	15
Country Fixed Effects	YES	YES	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1