Georgia on Their Minds: The Impact of War and Financial Crisis on Georgian Confidence in Social and Governmental Institutions

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Background: Confidence in Institutions

• High confidence important for societal stability
• What causes changes in confidence?
• Seminal study: Lipset and Schneider (1983)
  – Confidence levels in different institutions are correlated
    • Government, military, media, business
    • To some extent, religion
• Not much research outside US, Europe
• No research on impact of multiple large-scale events on confidence
Background: Confidence in Institutions

- South Ossetian War and Financial Crisis: unique opportunity for research
  - War has had diverse effects ("rally ’round the flag" effect (Mueller 1970), or decreased confidence due to societal costs)
  - Financial crisis decreased confidence worldwide (Stevenson and Wolfers 2011)
Background

Russia

Georgia

Turkey
Background

August 7, 2008: South Ossetia War begins
Background

August 7, 2008: South Ossetia War begins

Capital City - Tbilisi
Background

August 7, 2008: South Ossetia War begins
Background

Fall 2008: Global Financial Crisis hits
Hypotheses:

• **H1**: Confidence in major Georgian social institutions will decrease following the South Ossetian War and financial crisis.
  – **H1a**: Trends in confidence will be similar for institutions, as per Lipset and Schneider (1983)

• **H2**: The war and financial crisis will have separate negative impacts on confidence.
Methods

• Gallup World Poll
  – Representative survey, covers 95% of world population
  – Collected, face to face, in Georgia in 2008, 2009, 2010
  – Demographics:
    • Gender, age, urbanicity, internet access
  – Perceptions of local economy:
    • “Right now, do you think that economic conditions in the city or area
      where you live, as a whole, are getting better or getting worse?”
  – Confidence:
    • “In Georgia, do you have confidence in each of the following, or not?”

**Governmental Variables:**
- National government
- Military
- Judicial systems and courts
- Media

**Nongovernmental Variables:**
- Financial institutions and banks
- Religious organizations
  (churches, mosques, temples, etc.)
Methods

- Chi squared analysis tested differences across years
  - Breakdown by economic perceptions, urbanicity, internet access
Confidence in Institutions Over Time, and Economic Perceptions

* p<.05, ** p<.01

Survey Research and Methodology
UNL-GALLUP Research Center
Analysis (1)

Confidence in Institutions Over Time, and Economic Perceptions

* p<.05, ** p<.01
Results (1)

- H1 Partially Supported
  - Correlated decrease for governmental variables

- What caused this decline? War? Recession? Both?
Analysis (2):
By Economic Perceptions

Military, National, Judicial Confidence

Religious, Financial, Media Confidence

- Military, econ not worse
- Military, econ worse
- National, econ not worse
- National, econ worse
- Judicial, econ not worse
- Judicial, econ worse
- Religious, econ not worse
- Religious, econ worse
- Financial, econ not worse
- Financial, econ worse
- Media, econ not worse
- Media, econ worse
Analysis (2):
By Economic Perceptions

Military, National, Judicial Confidence

Religious, Financial, Media Confidence

* p<.05, ** p<.01
Analysis (2):
By Economic Perceptions

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Results (2)

• H2 Supported for all but Religion
  – Distinct effects of war and recession
  – Confidence in religion: When other confidence fails?
Conclusions

• Lipset and Schneider’s (1983) hypothesis partially supported in international context
• Both war and recession impact confidence
• Future research:
  – Use more sophisticated analysis (structural equation modeling, latent class analysis) to identify latent variables
  – Qualitative research in Georgia to confirm or reject conclusions
Thank you very much.

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Confidence in Governmental Institutions by Economic Perceptions

* p<.05, ** p<.01
Confidence in Non-Governmental Institutions by Economic Perceptions

* p<.05, ** p<.01
Appendices

Confidence in Governmental Institutions by Urbanicity

* p<.05, ** p<.01
Confidence in Non-Governmental Institutions by Urbanicity

* p<.05, ** p<.01
Confidence in Governmental Institutions by Home Internet Access

* p<.05, ** p<.01
Appendices

• Limitations:
  – Limited data (collected yearly, question wording)
  – Assumption that war is only external cause of confidence changes
  – BUT still valuable international analysis