

JEL Classification: K10, H70, H83

<https://doi.org/10.35945/gb.2020.10.018>

LOCAL SELF-GOVERNMENT AS A FORM OF PUBLIC ADMINISTRATION IN GEORGIA

NANA RUSADZE

Doctor of Public Administration,
Associate Professor,
Akaki Tsereteli State University, Georgia
nana.rusadze@atsu.edu.ge

TAMAR NADIRADZE-GOGOLADZE

Ph.D. in Economics,
Akaki Tsereteli State University, Georgia
Tamar.nadiradze-gogoladze@atsu.edu.ge

NIKO CHIKHLADZE

Doctor of Economic Science, Professor,
Doctor of Theology,
Academician of the Academy of Economic Sciences of Georgia,
Kutaisi University, Akaki Tsereteli State University, Georgia
nikoloz.chikhladze@unik.edu.ge

„A nation may establish a system of free government,
but without the spirit of municipal institutions it
cannot have the spirit of liberty”
A. Tocqueville, “Democracy in America”

Abstract. Local self-government, as one of the most basic forms of the constitutional order, can be credible only in case of its practical coexistence with the public authorities. Local self-government, as a special form of people power, guarantees non-interference of the State in addressing local affairs.

The constitutional-legal model of local self-government in Georgia is based on the renewal of democratic traditions of self-organization of the population and territorial self-government. This is primarily due to organizational specificities of local self-government. In addition, the constitutional norms establish a high level of independence of local self-government in addressing local affairs. However, the influence of the State at the level of local democracy persists in any case.

In the current context, local self-government is an integral part of a unified system of public relations, which is organizationally, institutionally and functionally closely linked to other levels of public administration.

We believe that a task of local self-government, unlike the public authorities, is not to try to regulate everything, but to coordinate and harmonize the governance «from above» and self-regulation «from below».

In public administration there is a need to align people’s and the self-government’s interests. Public governance is intended to take into account the existing reality, to objectively assess the role and place various norms and carry out governance activities only on that basis.

Nearly thirty years of experience in public-political governance in Georgia have demonstrated that in post-socialist Georgia, clearly, there is a gradual redistribution of power from the legislature to the executive branch. In addition, the country is witnessing a transformation in public-political governance.

KEYWORDS: LOCAL SELF-GOVERNMENT, PUBLIC ADMINISTRATION, POLITICAL SYSTEM, PROGRAM.

For citation: Rusadze, N., Chikviladze, N., Nadiradze-Gogoladze, T., (2020). Local Self-Government as a Form of Public Administration in Georgia. *Globalization and Business*, 10. 150-155. <https://doi.org/10.35945/gb.2020.10.018>

INTRODUCTION

The issue of the nature of local self-government is actually controversial and has for long been at the centre in the studies of legal and economic lines of municipal relations.

The powers of the public authorities are not only formidable, but also qualitatively different from local self-

government, which is derived from State sovereignty. Much of the powers of public authorities (issues related to citizenship, crime and punishment, foreign affairs, courts, etc.) can never be exercised at the municipal level. Consequently, the municipal administrative apparatus appears to be addressed towards only responding to local needs.

The State always has always been and will always be

interested in local self-government, for which there is a need for public authorities to display a kind of «reasonable self-restraint» when exercising control over local self-government.

Basic part

Local self-government, as one of the most basic forms of the constitutional order, can be credible only in case of its practical coexistence with the public authorities. Local self-government, as a special form of people power, guarantees non-interference of the State in addressing local affairs.

Prof. A. Yeremyan and Prof. L. Chikhladze believe that this does not mean that there are no contradictions between local government bodies and the State authorities. The unity of their public-legal nature, basic goals, democratic principles and governing instruments brings into focus the question of their inseparability and integrity. The convergence of their interests is caused by a single source of power - the people. Nevertheless, the common interests of the State might not align with the interests of its individual territories (Yeremyan & Chikhladze, 2012:39).

The existence of local self-government as a social unit is associated with certain activities, the main vector of which is directed to the pursuit of social and political activities. This, in turn, requires a certain degree of independence. Professor O. Melkadze believes that «any municipal entity is organizationally considered to be a peculiar corporate system, which is intended to solve problems that conflict with the interests of the local population by its own efforts and responsibility within the limits of its own competency» (Melkadze, 2009: 134).

Discussion of the relationship between the authority of the State and units of local self-government allows us to comprehend fully the impact of each unit on public

administration, as well as the role of each of them in this process.

As already mentioned, self-government is responsible for addressing affairs of local importance. Therefore, the degree of its independence is not very high, since beyond these confines, it becomes the part of the State apparatus. The concept of dualism of municipal self-government is a kind of compromise in shaping the views on its nature: on the one hand, it is an integral part of the State, and on the other hand, it is an independent system of public administration (Yeremyan & Chikhladze, 2012: 35).

A new reform of public administration was characterized by several essential features in Western European countries, including the importance of fiscal decentralization, the independence of executive bodies, and expanding the competencies of the local authorities (Bouckaert, Nakrošis & Nemeč, 2011: 11).

Professor N. Dolidze believes that fiscal decentralization is a significant problem, which, on the one hand, is hindered by the lack of political will of the central government, and on the other hand, by the failure on the part of the local authorities to actually utilize their own resources (Dolidze, 2013: 13).

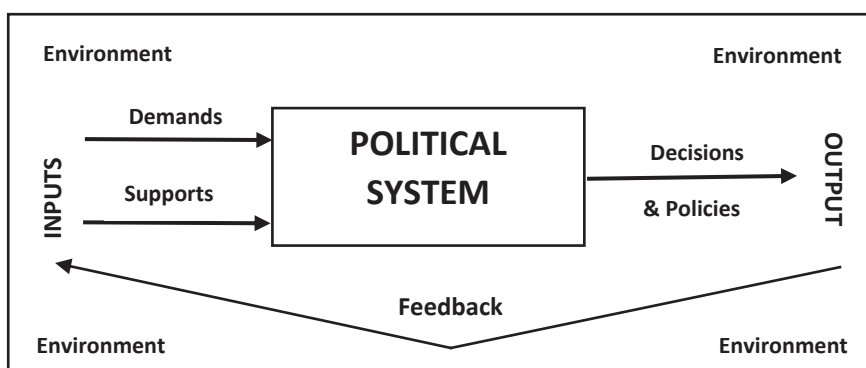
According to Professor G. Bedianashvili, under conditions of relative independence of local self-government units, the integration processes and the integrity of a socio-economic system of the country can be strengthened by using the methodology known in world practice of governmental regulation (the political-legal, anti-corruption, fiscal, infrastructural and other systems) (Bedianashvili, 2019: 51).

The European Charter of Local Self-Government considers the existence of representative organ elected on the basis of universal, equal and direct elections, as a necessary attribute of any self-government unit. Irrespective of the institutional arrangement of self-government unit,

Table 1. Distinctive characteristics of government and municipal bodies

Government body	Municipal body
Acts on behalf of all people	Acts on behalf of a relatively small territorial unit
Exercises its duties throughout the country and in international relations	Has a strictly defined local scope of activities
It is sovereign body and sets out the general rules for the functioning of the administration, including the municipal institutions	

Figure 1. The public-political system of governance



representative organ always plays a leading role in its activities (Dogonadze & Iashvili, 2013: 212).

In European countries, self-governments are largely dependent on central government transfers. The main local taxes are: property, income, trade and turnover taxes.

Most European countries have granted local self-governments the right to collect some nuisance taxes.

The European experience of the past decades demonstrates different ways and results of administrative reforms, because the depth, potential, approaches and magnitude of the reforms are different. (Pollitt & Dan, 2011: 24). The wave of a new public administration reform in the EU old member states is aimed at reducing weight of State expenditure in GDP and increasing the effectiveness of governance. At the initial stage, the EU new member states focused on the formation of a professional and depoliticized public service (Hammerschmid, Van de Walle, Oprisor, & Štimac, 2013: 14).

The EU countries face three major challenges: to achieve the best quality of social and business requirements with a limited budget; adapting the services provided to demographic, technological and social changes; improving the business climate to support the growth and competitiveness through a relatively small number of legal statements.

We encounter a full political federation only in Germany. In other States, we see a quasi-federal structure. Austria is considered to be a «centralized federal State». Government structures of Belgium, Spain and the United Kingdom are characterized by the asymmetries of national and regional government bodies according to their competencies.

In most EU countries, the legislative function is centrally focused for most sectors. In terms of regulation and funding, a more heterogeneous picture emerges: public utilities, education, police, social policy, taxation and the environmental protection are under the competence of regional and local authorities (in some countries in the form of joint responsibility).

The COVID-19 pandemic has also confirmed that self-governments still have limited capacity to deal with the crisis independently, without support from federal/central government. The burden of territorial units is mainly born by the central government. Regardless of the level of decentralization, cities have to work with central government in order to increase the effectiveness of national measures or even to develop local measures (Chikhladze, 2020: 6.)

Despite the long history of the Georgian nation, «Georgia» as a notion containing a unified geopolitical space with characteristics of a State has a short and episodic history (Melkadze & Tevdorashvili, 2003: 92). The principle of separation of powers in Georgia was reflected to some extent in the Constitution of 1921. The legal system of post-Soviet Georgia was based on socio-political and economic factors that have guided the transition from a totalitarian regime to democratic state, where the emphasis is placed on popular sovereignty.

In post-socialist Georgia, the principle of separation of powers was recognized in the Constitution of 1995 as one of the basic principles (article 5, paragraph 4). According to this article, state power in Georgia is exercised on the principle of separation of powers. According to the Constitution of Georgia, the people represent the body of state power in Georgia. Power is exercised by the people through their own representatives (Georgian Constitution, 1995: Article 5).

The constitutional-legal model of local self-government in Georgia is based on the renewal of democratic traditions of self-organization of the population and territorial self-government. This is primarily due to organizational specificities of local self-government. In addition, the constitutional norms establish a high level of independence of local self-government in addressing local affairs. However, the influence of the State at the level of local democracy persists in any case.

The State’s interest in municipal bodies stems an objective requirement in view of preserving the territorial integrity, national security and economic prosperity. While exercising their powers, the self-government authorities are acting on behalf of the State and people. If we take into account that the population is driven by its own (private) interests, then both the State’s and private interests appear in these relations (Rusadze, 2018: 49).

Among the steps taken in recent years to implement real self-government reform and establish self-government in Georgia, particular mention should be made of:

- Adoption of a new Self-government Code;
- Formation of new municipalities;
- Formation of municipal structures through direct elections;
- State tax revenue distribution (first income tax and then value added tax) to the municipal budgets.

One of the most complex issues in the implementation

Table 2. Percentage redistribution of revenues of local budgets in some European countries (Program, 2016:41)

Country	Local Taxes	Local Duties	Subsidies	Loans	Other Income
Austria	15	19	35	8	23
Belgium	32	5	40	13	10
Czech Republic	16	12	45	11	16
Denmark	51	22	24	2	1
Finland	34	11	31	3	21
Germany	19	16	45	9	11
Poland	21	7	60	0	12

Table 3. The administrative levels in some EU countries (overview of public administration, 2018:66)

N	Country	Number of administrative tiers	Name of administrative tiers
1	Bulgaria	3	28 regions; 265 municipalities (+ 35 district administrations in the 3 largest cities – Sofia, Varna, Plovdiv)
2	Austria	4	9 federal provinces/states; 79 districts as administrative territorial units; 2,100 municipalities government level
3	Denmark	3	5 regions; 98 local governments
4	Estonia	2	183 rural municipalities and 30 cities (+15 counties); A reform to reduce substantially the number of local governments is ongoing, but the final numbers are not known at the time of writing.
5	France	4	13 regions; 96 departments in metropolitan France and 5 overseas departments; 35,416 communes
6	Croatia	3	20 counties (<i>županija</i>); 428 municipalities and 128 towns, 17 of which have a special status of large towns
7	Italy	4	20 regions: 15 with ordinary status and 5 with special status; 103 provinces; 8,088 municipalities
8	The Netherlands	3	12 Provinces; 393 municipalities
9	Poland	4	16 regions (voivodships); 314 counties (poviats); 2,478 municipalities (<i>gminas</i>)
10	Lithuania	2	60 municipalities
11	Latvia	2	119 municipalities
12	Hungary	3	168 District Administrative Offices; 3,200 municipalities
13	Finland	2	311 municipalities (+18 regional councils i.e. joined municipal authorities, regional states agencies and since 2010 15 Centers for Economic Development, Transport and the Environment)
14	Greece	3	13 regional authorities; 325 municipalities (+7 decentralized administrations)
15	Cyprus		30 municipalities and 350 communities

of local self-governance is the separation and distribution of powers which requires the use of clearly defined principles and criteria. Otherwise, we may get ineffective self-government (Rusadze, 2017: 259).

The European Charter of Local Self-Government does not clearly define the principles and criteria for the separation of powers between central and local self-government bodies (Charter, 1985: Article 4). The Constitution or the law define the basic powers and duties of local authorities. However, they may also be granted additional powers and duties for a specific purpose. However, it does not specify the basic principles that the central government should be guided by in this process.

In fact, the same could be said of paragraph 3 of the

mentioned article referred to in this document (the «principle of subsidiarity»), according to which «the exercise of the State duties is ensured by the local authority closest to the citizen». Devolution of authorities to another body should be carried out by taking into account the scope and nature of the respective tasks, as well as with due regard to economy and efficiency».

According to the Constitution of Georgia (Article 75), «the State shall delegate powers to a self-governing unit on the basis of a legislative act or agreement by transferring the appropriate material and financial resources». Also, the State authorities shall exercise legal supervision over the activities of a self-governing unit only with respect to decisions made on the basis of delegated powers.

The Organic Law of Georgia “Local Self-Government Code” defines own and delegated powers of self-government. Article 16 of the Code defines a municipality’s powers (Code, 2014: Article 16).

Procedures and terms for the delegation of municipality’s powers by central government are defined in Article 17 of the Code. According to this article, a central government or a body of an autonomous republic may delegate to a municipality powers of the central government bodies of the autonomous republic that could be more efficiently exercised at the local level. The delegation of powers to a municipality can be made under the legislative act of Georgia or in compliance with law of the autonomous republic, as well as under the agreement concluded in compliance with the legislation of Georgia or the autonomous republic, by transferring the appropriate material and financial resources.

For the purpose of an equal socio-economic development of the country’s entire territory, relevant public authorities may, under a relevant normative act can determine state standards and technical rules of procedure governing the exercise of a municipality’s own and delegated powers (Code, 2014: Article 18).

CONCLUSION

In the current context, local self-government is an integral part of a unified system of public relations, which

is organizationally, institutionally and functionally closely linked to other levels of public administration.

We believe that a task of local self-government, unlike the public authorities, is not to try to regulate everything, but to coordinate and harmonize the governance «from above» and self-regulation «from below».

In public administration there is a need to align people’s and the self-government’s interests. Public governance is intended to take into account the existing reality, to objectively assess the role and place the various norms and carry out governance activities only on that basis.

Nearly thirty years of experience in public-political governance in Georgia have demonstrated that in post-socialist Georgia, clearly, there is a gradual redistribution of power from the legislature to the executive branch. In addition, the country is witnessing a transformation in public-political governance.

Strengthening self-government and democracy in accordance with the Charter of Local Self-Government, and facilitating the decentralization strategy in the country are problems, the solution of which will help to create a real system of self-government, ensure the democratic involvement in decision-making processes and enhance integration with the EU.

REFERENCES

- Eremyan, A., & Chikhladze, L., (2012). Public authority as a mechanism of interaction between government bodies and local self-government LAP LAMBERT Academic Publishing GmbH&Co.KG. 39 (in Russian)
- Melkadze, O. (2009). *Georgian municipalism*. Tbilisi, 134. (in Georgian)
- Bouckaert, G., Nakrošis, V., & Nemeč J. (2011). Public Administration and Management Reforms in CEE: Main Trajectories and Results. *The NISPAce Journal of Public Administration and Policy*. 4, 2011. 11.< <https://content.sciendo.com/view/journals/nispa/4/1/article-p9.xml?language=en> (Accessed 1 October 2020).
- Dolidze, N., (2013) *New Public Management Reform in Developing Countries*. <<https://gipa.ge/uploads/files/npm%20in%20developing%20countries.pdf> (Accessed 1 October 2020). 13 (in Georgian)
- Bedianashvili, G., (2019). Regional social-economic systems and territorial structure of the country in the context of modernization of local self-government and entrepreneurial activity. *Regional Review Research Papers*. 14 (2018/2019). Daugavpils University Institute of Humanities and Social Sciences. <https://du.lv/wp-content/uploads/2019/12/Regionalais-Zinojums-14_DRUKA.pdf (Accessed 1 October 2020). 51.
- Dogonadze, Sh., & Iashvili, G. (2013). *Public Service in Georgia: Reforms, Challenges - e-Government*. Publishing House “Cis Nami”, Tbilisi. p.212. (in Georgian)
- Regional Development Program (GARF-RD) (2016). 2. <http://civilin.org.ge/pdf/Policy_Papers2_geo.pdf. 41 (in Georgian)
- Pollitt, C., & Dan, S., (2011). COCOPS Policy Brief 1: The Impact of New Public Management (NPM) Reforms in Europe. <https://www.researchgate.net/publication/321027230_The_Impacts_of_the_New_Public_Management_in_Europe_-_A_Meta-Analysis. 11
- Hammerschmid, G., Van de Walle, S., Oprisor, A., and Štimac, V., (2013) *COCOPS Policy Brief 4: Trends and Impact of Public Administration Reforms in Europe: Views and Experiences from Senior Public Sector Executives*. < file:///C:/Users/User/Downloads/WP3%20Comparative%20Report.pdf. 26
- A comparative overview of public administration characteristics and performance in EU28 (2018). *European Commission B-1049 Brussels*. < file:///C:/Users/User/Downloads/KE0218323ENN.en.pdf . 13.
- Chikhladze, N., (2020) Urban economics and pandemic challenges. < <http://unik.edu.ge/News/1040>. 6. (in Georgian)
- Melkadze, O., & Tevdorashvili, G., (2003). *Regionalism - a form of territorial organization of the state*. Publishing House – Sfinksi, Tbilisi. 92 (in Georgian)

Constitution of Georgia, Article 5. Tbilisi. (1995). < <https://matsne.gov.ge/ka/document/view/30346>.

Rusadze, N., (2018). *Main directions for improving the effectiveness of public administration (monograph)*. Publishing House of Akaki Tsereteli State University. Kutaisi. 49. (in Georgian)

Rusadze, N., (2017). For the evaluation of the effectiveness of the municipality's, own effectiveness effectively (On the example of Imereti). *Innovative Economics and Management*. 4. 257-263. <http://nier.ge/images/Rusadze.pdf> (2020). (in Georgian)

European Charter of Local Self Government (1985). Article 5. <https://smr.gov.ge/uploads/prev/evropuli_q_354b65fe.pdf.

Local Self-Government Code (2014). Article 16. <<https://matsne.gov.ge/ka/document/view/2244429>.