

## **Democratic audit of Rustavi Municipality**

### **Introduction**

Defining activities of local self-government bodies and a democratic audit system in a particular Georgian town is a hard methodological problem. This is because the local self-government system of Georgia and its dynamic are rather vague and need to be defined and described.

Evaluation of the efficiency of the public relations policy of local self-government bodies was one of the objectives of the given project.

It is not the first attempt to analyse the problem – non-governmental organisations already dealt with the issue in the past. From this viewpoint, one should take notice of the projects implemented by the UN Association of Georgia and Civil Education Centre of Rustavi in recent years. These projects revealed a full view of democratic audit processes and helped identify development tendencies.

For thorough examination of the issue, representatives of local self-government bodies – city administration and *Sakrebulo* (city assembly) – as well as journalists and NGO representatives were interviewed during our poll. At the first stage of the research questionnaires were handed out to the personnel of the municipality. Target interviews were conducted to correct and complete results of the research. Printed materials – newspapers, bulletins of NGOs – were also used for evaluation.

The research aimed to evaluate public relations policy and information transparency of local self-government bodies. A list of recommendations was prepared on the basis of the evaluation.

The following spheres were selected for the evaluation of the efficiency of public relations policy and information transparency of local self-government bodies:

- analysis of the current system: the history of the issue, legislation, structure, and forms of daily activities, basic problems;
- economy: municipal property, finances, and budgets;
- everyday practice: recruitment of civil servants, decision-making process, and professional level of civil servants, procedures;
- interest groups - stakeholders: political parties, mass media, NGOs;
- the level of civil participation in the governing process: representation, transparency, accountability, public opinion; precedents for more active participation of the society.

### **1. The current system**

#### ***a. The development and legislation base of the local self-government system***

There have been only four local elections in the entire history of Georgia:

- in 1919 – in the time of the first democratic republic of Georgia (1918-21)
- in 1991 – after Georgia regained independence
- in 1998 – following a coup, political chaos and a six-year legal vacuum in the sphere of local self-government, on the basis of the law on local self-government and administration which was passed in 1997
- in 2002 – after legislation was amended, civil participation increased and tendencies that led the country to the November 2003 peaceful revolution emerged.

Three types of local self-government structures developed in Georgia in 1998-2001:

1. Local self-government bodies that were formed in elements of districts – villages, communities, and towns (the so-called first level of self-government). Elections to local self-government bodies – *Sakrebulo* – were carried out on the basis of proportional representation. The chairman of a *Sakrebulo* assumed executive authority.
2. Local self-government bodies that were formed in districts (the so-called second level of local self-government). Elections to representative bodies of the district-level local self-government were carried out on the basis of proportional representation. Heads of districts' executive structures were appointed by the president of Georgia.
3. In cities that are above the district's level (including the town of Rustavi) governmental structures simultaneously perform functions of local self-government bodies (equalised with the district-level or the second-level of local self-government). Elections to representative bodies of these cities were carried out on the basis of proportional representation. Heads of the cities' executive structures were appointed by the president of Georgia.

The law on local self-government and administration specifies local governing structures and stipulates responsibilities of local self-government bodies. In cities that are above the district's level the list of responsibilities was assembled by combining responsibilities of local self-government bodies and governing structures. The law does not define these responsibilities clearly. Particularly, some functions overlap one another. The law does not draw a clear distinction between competences of local self-governments and district-level local self-governments. By and large, the issue of responsibilities and competences is a real mess.

Under the current law local self-government bodies have the following competences:

- to possess, use and manage property of local self-governments
- to calculate, approve, implement and control local budgets; to impose/abolish local taxes and tariffs in compliance with the Georgian legislation
- to develop, approve and implement complex social and economic development programs for the territories in their charge
- to create/liquidate local services and respective enterprises
- to organise and maintain local information services
- to develop recreational zones and plant greenery on the territories in their charge
- to arrange, keep and develop power, gas and water supply systems and local irrigation networks
- to repair, reconstruct and build inner roads
- to develop, approve and implement municipal health care, social security and employment programs.

Formally, the law stipulates exclusive authorities of local self-governments and guarantees that they will be able to implement their authorities independently. It means that to implement their authorities local self-government bodies have all kinds of administrative, service, investment and control functions.

Delegated authorities:

- to register births, deaths and marriages
- to implement measures for environmental, sanitary and veterinary protection
- to assist local governing structures in drafting conscripts to the military service

- to oversee and finance running costs and overhauls of kindergartens and educational institutions, museums, exhibitions, musical schools, libraries, theatres and cinemas, cultural and sport facilities, hospitals and medical facilities, old people's homes and orphanages

In reality, nevertheless, one of the most important shortages of local self-government is unclear division of functions between various levels of power. Although the current system has functioned for five years already, such laws as, for instance, the laws on local budgets, municipal property and transfers from the state budget have not been adopted yet. These spheres are regulated by presidential and ministerial decrees and directives, which are changed once too often. They also often contradict the constitution and the national legislation, and are apparently given priority over other laws. Besides, these legislative acts often contradict one another, and sometimes even different clauses of a particular document disagree with each other. Various paragraphs of a single law also often contradict each other.

The country does not have local, municipal property in the traditional meaning of this word. Enterprises and other objects situated on municipal territories are either privatised or under double ownership. As a rule, the double ownership means that an enterprises or other object is simultaneously controlled by the central government's body (a ministry) and the head of local administration appointed by the president.

Another vague issue is local tax revenues and expenditure. Local tax revenues account for some 10% of the municipal budget at best. The rest of the local budgets come from two elements: a slice of state tax revenues the government allows to withhold and targeted transfers. As a rule, 80-90% of the expenditure of local budgets is determined by the central government beforehand. Under such circumstances, independence of the municipal budgetary process is out of the question.

A lot of alternative bills have been drafted in recent years. The central government, international organisations, NGOs and independent experts were involved in the process. These drafts were often fundamentally different. When amending the existing statute (in 2001), transitional regulations were adopted, which required developing the laws on local budgets, municipal property and transfers in the future. But no such laws have been passed so far.

### ***b. The current structure***

The law defines two separate notions – local self-government and administration. According to the law, local self-government bodies are decentralised, while the district-level local administration is an element of the central government's structure. Cities that are above the district's level (including the town of Rustavi) are governed by local self-governments. Representative and executive structures of local self-governments are both elective.

**The representative body** - a city *Sakrebulo* – is made up of 15 members elected for a four-year tenure by the first-past-the-post voting in a multiple-seat constituency.

According to the law and *Sakrebulo* regulations, a *Sakrebulo* consists of the following structural elements: commissions, subcommissions, factions, and the board.

The Rustavi *Sakrebulo* has a rather broad political spectrum. Seven political parties are represented there. There is also one faction – United National Movement. It is noteworthy that the gender balance in the *Sakrebulo* is tipped in men's favour. Only two out of the 30 *Sakrebulo* members were women in 1998. Today there are no women members at all.

In 1998 the *Sakrebulo* was elected by proportional representation. Its activities were marked with continuous partisan confrontation. Every debate was affected by political context. That is why *Sakrebulo* members elected through party election lists were often blamed for using their energy for political confrontation rather than dealing with the city's problems. The first-past-the-post elections were held in 2002. It is obvious, however, that a majority of candidates were promoted by political parties. Only one independent candidate became a *Sakrebulo* member. However, he joined one of the political parties soon afterwards. That is why *Sakrebulo* members are again strongly influenced by partisan interests and, therefore, they are focused on party activities more than on their duties as *Sakrebulo* members. This is mainly because civil control is too weak yet to prevent *Sakrebulo* members from neglecting their responsibilities.

**The executive body** – the government of Rustavi – is chaired by the city mayor elected for a four-year tenure. Members of the government are nominated by the mayor and approved in office by the *Sakrebulo*.

The city administration, the mayor's office, is under the mayor and his three deputies and is made up of departments and services. "The Regulations of the Executive Body of the Local Self-Government of Rustavi – the City Administration" is the main document to regulate activities of the city administration.

No fundamental structural reforms have been implemented in the city administration so far in order to revise responsibilities and competences of the services, optimise the number of the payroll staff, and improve the style of governance. The professional level of personnel has not changed much since the Soviet time. Paperwork is also based on old Soviet rules and practices. Services lack transparency and city residents do not know heads of services at all.

In several cases specific posts and even entire services were created for particular individuals. For instance, the service for public relations was specially established for the mayor's schoolmate, who was anxious to win parliamentary elections. It had no clear functions, as there was a parallel structure – the municipal centre of public relations and information. However, after this man lost the elections, and consequently every motivation to pursue political career in Rustavi, the service was abolished.

The press-service of the city administration was transformed into the municipal centre of public relations and information. It is interesting that this newly created structure was registered as an Ltd company. Rumours gave the following explanation to such a strange registration form: ordinary civil services have a wages ceiling, while Ltd companies do not have such limits. The above-mentioned company is funded by the local budget – 24,000 GEL (about \$12,000). It is noteworthy that under the state procurement law, private companies can apply for local budgetary funds (25,000 GEL and over) only on a competition basis. In the given case the competition was avoided, while in the following year this organisation received additional 6,000 GEL from the city budget.

The municipal public relations centre acts mainly as the press-centre of the city administration nowadays. To justify its new name, the centre set up a hot line for inquires and complaints, though incoming calls are not registered. Besides, 15 special mailboxes were placed in most crowded areas of the city. However, there are no signs or writings on the mailboxes to attract citizens' attention.

Ten commissions functioned in the Rustavi city administration as by 2002. Their current number is unclear – personnel of the city administration decline to specify the exact number of commissions, explaining that the city administration's new structure is currently drafted. They

also refuse to detail which commissions are permanent and which ones are temporary, to specify the number of their personnel and members, and to name their chairmen.

The mayor's scholarship commission was sampled to examine activities of commissions in more detail. This commission awards scholarships to talented children. Interviews with the staff revealed only the amount and the number of scholarships. We were unable to obtain any official documents or find out where they are stored. We also did not get answers to the questions about the criteria to select winners, scholarship application procedure, and the number of applicants.

## **2. Economic situation**

### ***a. General description***

The development of democratic structures in new democracies is tightly connected with the development of market economy and modern forms of management.

Unfortunately, the old Soviet style of management is still used in Georgia, especially in the local self-government system. Municipal property and budgeting are affected by the problem most of all.

No real steps have been made to separate state and municipal property from each other, except the bill on the property of local self-government bodies, which was approved by the parliament in the second reading. However, the bill has not been passed yet.

The above-described factors vindicate that the Georgian local self-government bodies have rather weak autonomy. The national legislation does not stipulate property ownership rights for local self-government bodies. Actually local self-governments do not possess any property. Ltd companies have been set up in districts and cities above the district level. The state has a 100% holding in these companies and they are entitled to manage municipal property in districts and cities above the district level.

In fact, the district-level local self-government bodies are not decentralised. It is a certain form of deconcentration.

Taking into consideration all the above-specified aspects, the development of a legislative base for real decentralisation is high on the agenda.

The budgeting process in local self-governments is affected by similar problems.

The Georgian legislation provides for six local taxes (for economic activity, gambling business, health resorts, hotels, advertising, and the use of local symbols). These taxes do not have any significant fiscal effect and constitute only 5% of the total tax revenue of local budgets.

There are also some general state taxes, which can be paid, partly or entirely, to the city budget. The following general state taxes are paid to the city budget: income tax (85%), profit tax (85%), property tax (100%), land tax (100%), property handover tax (100%), tax for the use of natural resources (100%), and pollution tax (100%). Besides, the law provides for other kinds of payments and non-tax revenues.

Actually, the central budget determines local budgetary revenues. Transfers from the central budget are rather vague and are used as a tool to balance the district and city budgets.

Despite certain changes in the principles of local budgeting, the structure of tax revenues remains unchanged because respective laws have not been amended yet.

Moreover, as local self-government and administration, as well as exclusive and delegated authorities, have been separated one from another today, it is easy to distinguish which part of the revenues of local self-governments can be viewed as own income and which one as targeted income. It was revealed that most of the local self-government bodies have all but symbolic own income to implement their exclusive authorities. Delegated authorities consume some 70% of the revenues of local self-governments.

Unfortunately, the largest portion of the Rustavi budgetary revenue (including revenues from income, profit, land, property, property handover, natural resources, and pollution taxes) can be classified by the central government as “other respective revenue”, which are used to finance delegated authorities. Under the law on the 2003 state budget of Georgia, the central government can bind local self-governments to make provisions for certain expenses in their budgets.

The central government can always oblige the city to fund implementation of the laws it adopted on the grounds that respective normatives from general state taxes are delegated to the local self-government. In every such case, as a result, funds of the city budget earmarked for exclusive authorities are cut down, while more money is spent on delegated authorities. Moreover, if this practice continues, more than 70-80% of the city budget may be appropriated for delegated authorities.

This practice is in direct contradiction to the principle of subsidy and calls into question the feasibility of the institution of local self-government.

#### ***b. The budget and property of Rustavi***

The above-described problems can be perfectly illustrated by the 2003 budget of Rustavi. The 2003 budget of the city totalled 9,344.5 thousand GEL, including tax and non-tax revenues and 713 thousand GEL transfers from the central budget. A good deal of the budget – 4,862.3 thousand GEL – was appropriated for the implementation of authorities delegated to the city by the central government. The rest of the money – 4,276.5 thousand GEL – was spent on the administrative costs of the city’s local self-government (1,353.0 thousand GEL) and the repayment of bank loans (412.5 thousand GEL). Only 2,511.0 thousand GEL were left for the implementation of the exclusive authority of the city’s local self-government. So the city with the population of 120 thousand residents and the territory of 60.6 km<sup>2</sup> was able to spend only \$1,167.0 thousand – or \$9.7 per each resident a year – to fulfil its exclusive authority.

It is interesting to look into dynamic of the previous Rustavi budgets:

1999 – 5,077.4 thousand GEL (no transfers from the central budget)

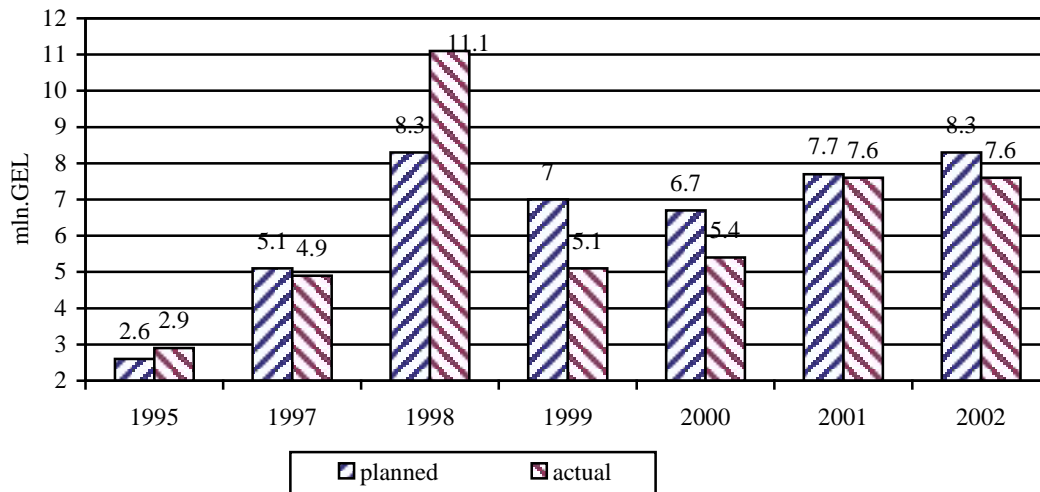
2000 – 5,437.2 thousand GEL (including 100 thousand GEL of transfers from the central budget)

2001 – 7,816.2 thousand GEL (no transfers from the central budget)

2002 – 7,555.9 thousand GEL (no transfers from the central budget)

It is noteworthy that in previous years expenditure on exclusive authority had less share in the total budget than that on delegated authority.

Scheme. 1. Rustavi Budget Revenues  
1995, 1997 - 2002 Years



All the above-specified aspects affect the efficiency of democratic audit in the local self-government of Rustavi.

- More than half of the total budget (52%) is appropriated for delegated authority and the local self-government has very weak powers. The money is actually managed by local offices of the central government – their number, structure and payroll are determined by the central government.

- A considerable portion of the administrative costs of the city's local self-government bodies is used to finance the central government's local offices (for instance, Rustavi office of the Ministry of Education, Rustavi office of the State Department of Youth Problems, etc). It means that in this case the local self-government's authority is limited to financial management only.

- funds earmarked for the implementation of exclusive authority are rather scarce; but just these funds can be managed independently by local self-government bodies

Another important aspect that must determine the quality of democratic audit in the city is the format of the city budget and budgeting process. Transparency of the budget is one of the major factors, which can ensure that ordinary citizens really have a voice in the local self-government's budget-related decision-making process.

Transparency of the budget is determined by its format. Like other local budgets in Georgia, the Rustavi budget is sectioned into subject paragraphs. In other words, it presents aggregate data on revenues and expenditure. The budget does not have any components of program planning. There is no clear description of expenses – their social objectives, particular measures, assessment indicators, etc. If the budget is published in kind of a brochure and handed out to local residents, they will hardly find anything more than general figures there. That is why any civil control, let alone participation in the budget-related decision-making process, is out of the question.

There are no real mechanisms to ensure citizens' participation in all stages of the budgeting process for the following two reasons:

1. The format of the budget – the budget lacks specificity and contains only general figures that change year by year. It does not specify any concrete programs for a particular fiscal year. What is more, the city’s budgetary policy and priorities are unclear.

2. For the above-specified reasons the city budgeting process is strongly influenced by the central government. So the local self-government believes that it is accountable to the central government rather than to the society. Another contributory factor is that the head of the city’s financial department is appointed directly by the country’s finance ministry and, respectively, follows its directives.

Collection of revenues to the budget is also a problem. Tax evasion is common in Rustavi, though it is not as widespread as in other local self-governments.

Table 2. Rustavi budget revenues in 2003 (in thousands GEL)

	Planned	Actual	% %
Income tax	3699.2	4142.4	111.98
Profit tax	1020.0	503.7	49.38
Land tax	1281.0	860.0	67.14
Tax for the use of natural resources	95.0	36.0	37.89
Pollution tax	434.0	288.4	66.45
Property tax	1060.0	1029.8	97.15
Tax for handover of property	160.0	102.0	63.75
Municipal tax	781.0	997.2	127.68
Fees	114.5	45.3	39.56
Non-tax revenues	930.6	438.7	47.14
Other legal revenues	1476.0	901.0	61.04
<b>Total revenues</b>	<b>11051.3</b>	<b>9344.5</b>	<b>84.56</b>
Funds remaining at the beginning of the year, excluding loans and expenses		209.1	
Balance	11051.3	9553.6	86.45

The 2003 budgetary expenditure is rather meaningful. It may be illustrated by comparing expenses of the city administration and the *Sakrebulo*, or the city administration and the public health care department.

Table 3. Rustavi budget expenditure in 2003 (in thousand GEL)

	Planned	Actual	% %
Recreational ground and facilities	489.6	538.5	110.0
Drinking water and natural gas supplies	654.8	442.7	67.61
Transport and communications	84.0	0.0	0.0
Road infrastructure	603.0	230.0	38.14
Other economic expenses	769.8	660.0	85.74
Education	3166.8	2768.5	87.42
Culture	782.8	726.6	92.82
Sport	60.5	47.3	78.18
Public health care	891.7	586.2	65.74
State social securities	554.2	540.3	97.49
Veterinary service	22.9	20.7	90.39
Archive	6.2	5.4	87.10
Military drafting offices, civil defence	57.8	43.7	75.61



Law-enforcement agencies	142.7	124.9	87.53
<i>Sakrebulo</i>	124.1	81.8	65.91
City administration	1366.9	1271.2	93.0
Expenses from special revenues	486.8	387.0	79.5
Reserve fund	38.0	0.0	0.0
Other expenses	782.1	659.6	84.34
Total expenditure	11084.7	9138.8	82.45
Net revenues		205.7	
Transitional funds at the end of the year	0.0	209.1	
Balance	11084.7	9553.6	86.19

It is noteworthy that the city budget received only 713,000 GEL (or 67.85%) out of the planned 1050.8 thousand GEL of transfers from the central budget in 2003.

As to the Rustavi municipal property, the local self-government is currently busy with preparing its full inventory. The process has not been completed yet and, therefore, no information on municipal property is available at present.

The lack of information is a serious problem for both the democratic audit and the city administration. The following example illustrates the flaws of the property registration process. The local self-government resolved to privatise one of the buildings. It was later revealed, however, that the building was not a municipal property and belonged to one of the ministries. So the local self-government had to issue a follow-up resolution, ordering to remove the building from the privatisation list.

### 3. Everyday practice

#### *a. Personnel policy and recruitment*

**City administration.** The law on local self-government and administration regulates the procedure for creating local services. The law provides for the offices of the city mayor, first deputy mayor, deputy mayors, chief of staff, and heads of services of the city administration. Under the law newly appointed officials shall be approved in office by the *Sakrebulo*. Once approved in office, officials shall work out regulations of their services, which define their structure and payroll staff.

The law on the civil service stipulates that civil servants shall be selected and appointed on a contest basis, and shall pass qualification exams. However, this provision is not applied in the city administration. As a rule, local cadre are promoted to fill vacancies there, since it is believed that they have certain experience. As a rule, the head of the service nominates its personnel. Selection of candidates – who are usually employees of the city administration – is mainly based on recommendations of the heads of other services and the city mayor. However, officials of the city administration acknowledge that this practice is rather inefficient. In their words, contests to select candidates seem to be the best option.

The city administration does not have any evaluation system to assess efficiency of its workforce. Heads of local services regularly report about activities of their services at sittings of the city administration. Their reports are mainly used to evaluate their own efficiency. The city administration has a special system to encourage (rewards) and punish (reprimand) its personnel.

The average age of decision makers is 35, while heads of services are mainly 26-35 years of age. Deputy mayors are relatively older – over 40. As a rule, the education background of the heads of services corresponds to the speciality of their service.

To increase its efficiency, the city administration needs improving its HR management. From this viewpoint, it is vitally important to develop a personnel evaluation system.

It is also important to introduce contests for selection of candidates to fill vacancies in the city administration. Just this aspect greatly determines transparency of the city administration's personnel policy. It will also help promote new, professional cadre.

Representatives of the city administration admit that it would be useful to open short-term staff training and professional development courses in the city administration. They also say that personnel training programs should be implemented under the “government contract”.

***Sakrebulo***. The professional level of *Sakrebulo* members is rather low throughout Georgia. The Rustavi *Sakrebulo* is no exception. Two people have been re-elected as members of the Rustavi *Sakrebulo* but efficiency of their work does not differ much from that of the others. Many *Sakrebulo* members often miss its sittings. Even members of *Sakrebulo* commissions are rather inactive and their participation in the activities of their commissions is largely formal.

Members of the local self-government do not have much motivation to improve their professional level. They believe that the *Sakrebulo*'s inefficiency is caused by legal loopholes and do not think that the *Sakrebulo* should be better organised or use its authority more effectively. It would be useful, if the local self-government run regular professional development courses for civil servants. To this end, a standardised state program should be developed and made mandatory for personnel of the local self-government.

### ***b. Decision-making process***

Informal relations play a significant role in the daily administration process. These relations fill the legal vacuum and are mirrored in the patrimonial relationship. Once voted into power, the country's leadership begins to govern in a rather arbitrary way. Friendly and client-boss relations with high-ranking governmental officials or economic clans are the only guarantee of successful activity. Although low-level bureaucracy are often unaware of their rights and responsibilities, the government is able to assert its control over the country with the use of rigorous measures and due to the low level of civil activity.

**City administration.** The city administration develops its work plan at the beginning of every year. In coordination with supervisors of respective fields every service hands in its own work plan to the staff department. After examining the work plans, the staff department submits them to the mayor for approval. The city administration's work plan is sectioned into years, quarters and months. The city administration may revise and amend the work plan at a special sitting. To remove outdated issues from the plan, the respective service shall come forward with such a proposal at a sitting of the city administration. The proposal is debated and either approved or rejected.

Special normative acts are drafted to address problems specified in the work plan. The drafts are then submitted to the mayor and the city administration – the chief of the staff department is authorised to report the drafts to the mayor. Every draft shall be approved by all concerned services and officials. An approval list with the name of the author of the draft and concerned officials shall be attached to each draft. Approved drafts and all attached materials shall be

submitted to the staff department, which must examine them within five days (the text, its compliance with the law, etc).

Implementation of decisions is usually controlled by a deputy mayor. The city administration is currently looking into the concept of the so-called “municipal contract”. It means that each service will be required to submit its own proposals on specific expenditure. Every proposal will be subject to a feasibility study. The concept creates conditions for organisation of contests to select and group separate items in draft work plans. Experience showed that this system contributes to more economical public spending and active involvement of private businesses in the municipal economy.

***Sakrebulo***. According to the article 59 of the Regulations of the Rustavi *Sakrebulo*, executive bodies and officials are accountable to the *Sakrebulo*. They shall report results of their activities to the *Sakrebulo* once a year. If their reports are assessed negatively, the *Sakrebulo* may pass a no-confidence vote on the whole administration or any of its members, or impose administrative punishment on them. Nevertheless, the *Sakrebulo* is almost unable to exercise oversight of the city administration’s activities.

In accordance with the Regulations of the Rustavi *Sakrebulo*, at the beginning of every year the board of the *Sakrebulo* shall draft the *Sakrebulo*’s annual work plan and submit it to the *Sakrebulo* for approval. However, minutes of the *Sakrebulo* sittings show that the annual work plan has never been debated. It seems that no such plans have been developed in recent years at all.

Under the current law the *Sakrebulo* sittings shall be convened at least once in three months. Actually, this legal requirement is formally observed and the *Sakrebulo* can convene even 10 sittings every year. Minutes of the sittings are filed and stored in the local self-government’s staff department.

Activities of the *Sakrebulo* commissions are largely formal. During elections all efforts of the *Sakrebulo* members are focused on the election campaign and the *Sakrebulo*’s weak work, including its commissions’ activities, come to a standstill at that time. For instance, the audit commission is entitled to control the government’s public spending policy. However, the audit commission of the Rustavi *Sakrebulo* is actually unable to fulfil its functions. In recent years its responsibilities have been partly assumed by the *Sakrebulo*’s ad hoc counter-corruption commission. The *Sakrebulo*’s inefficiency can be illustrated by the fact that no attempts have been made so far to audit the *Sakrebulo*’s financial policy in the post-1998 period.

On the whole, no personnel changes have been implemented in the local self-government of Rustavi over the last eight years. The city is actually governed by one and the same group. All hitherto personnel changes remain on paper.

Executive structures of the Rustavi local self-government have been apparently more active in recent times and just the city administration, particularly, the mayor directs the local policy development. The *Sakrebulo* is not implementing its functions fully, endorsing the mayor’s decisions almost without objections.

#### **4. Stakeholders**

Each player of the democratic audit system has its own objectives and specific problems (organisational, etc). It is noteworthy that at the present stage of development particular

segments are characterised by some negative and positive features and, unfortunately, the former outnumber the latter.

### ***a) political parties***

Political parties of Georgia can be grouped into the following two categories:

- political groups with certain ideology and rather low popularity rating; they are not very active and their influence in the society is declining day by day;
- clans that are using political parties as a cover; they are semi-Mafia and nomenclature groups cemented by a leader; these parties have enough resources to buy votes and maintain full control over particular regions or spheres with the help of informal relations and influence on law-enforcement bodies.

A new tendency has emerged in recent times – part of the country's political forces have resorted to populist slogans in an attempt to improve their popularity. In fact, no political party of Georgia has a clear political program – there are only general political statements.

Regional offices of political parties are usually active only during elections. In the meantime most of them are either out of business at all or change their address. That is why they are very hard to reach, unless one knows contact information of a regional office's leader. As even the most active part of the public often has no idea who is a local party leader, most of the citizens have difficulty establishing contacts with the party.

Politically active citizens often change party membership. Once, while trying to reach a particular party leader, we found out that he already chaired another party's regional office. Political parties anxious to develop a network of their local representations in regions may find it useful to establish direct contacts with most influential local residents. In turn, representatives of local self-governments are trying to retain their influence and power either by promptly enlisting in the most popular and strongest political party or promoting such people to the party's local office, who owe their career just to them and thus are easy to control. Even if a new political force is voted into power, the situation remains unchanged. The same people have been in charge of executive structures for decades.

For instance, six political parties were represented in the Rustavi *Sakrebulo* as a result of the 1998 elections: *Aghordzineba*, *Citizens Union of Georgia*, and *Labour Party* won eight seats each, while Socialist, National-Democratic and Popular parties got two seats each. However, most of the Labour representatives soon withdrew from their party and created their own faction. Similar tendencies developed in the Rustavi *Sakrebulo* after the 2002 elections, in which seven parties won *Sakrebulo* seats.

### ***b) mass media***

In comparison with other stakeholders, independent mass media are more developed. But they also have a lot of problems. Part of the media is controlled by political groups and oligarch circles. The lack of serious investments is a rather urgent problem. Consumer-conscious independent media give preference to scandalous information and are gradually falling into the category of the yellow press. Professional problem analyses are very rare. Journalists' low professional level only makes things worse. As a result, few media outlets deal with such issues that are less scandalous and require certain qualification (for instance, problems of local self-government and decentralisation). There are no independent media in Rustavi. "Kvemo Kartli TV", a local TV company, has been on the air for several last years. It is constantly controlled by

the local self-government and follows orders of local authorities (regional or city administration). In previous years it was directed by a relative of the state commissioner of the Kvemo Kartli Region (the former government's staunch supporter). Today, an official of the press service of the city administration (who is trusted by the city administration) is in charge. During the well-known confrontation between the state commissioner of Kvemo Kartli and the mayor of Rustavi the local TV was controlled by the "governor" and did not cover activities of the city administration and *Sakrebulo* at all.

Although programmes of the local TV are sometimes critical of the local self-government, it is obviously unable to monitor ongoing processes in the town and the region efficiently, and its opinions are not independent.

Lawsuits related to this TV company vindicate that various governmental groups have strong aspiration and ambition to control and "privatise" independent media. TV is still a publicity tool for certain individuals rather than a source of encouragement for citizens.

As to printed media, *Rustavi* newspaper, which was named *Socialist Rustavi* in Soviet times, stands out. The newspaper's editor-in-chief has been in office since the demise of the USSR. The newspaper is formally independent but in practice it relies on the city administration's financial assistance. Although it is formally a fortnightly newspaper, it is often issued only once a month. Its circulation figures are unknown – informal sources claim that it does not exceed 200 copies. Subscribers to the newspaper are mainly officials and civil servants of the local self-government. Only about 50 copies of the newspaper are actually on sale. It is noteworthy that *Rustavi* is the only newspaper to publish information about privatisation auctions arranged by the local self-government. So the legal requirement that such information shall be available to citizens is fulfilled only formally.

The chemical factory of the town and the local department of public education publish their own newspapers – *Azot* and *Modzgvari* respectively. The latter does not deal with problems of education at all and reports only about ongoing events in this sphere. It is noteworthy that *Modzgvari* is published by the local self-government's service, the department of public education, and subscription to the newspaper is mandatory for local teachers – the subscription fee is simply deducted from their salaries.

On the basis of the above-described aspects one can conclude that local TV and press both fall far short of modern journalistic standards and are incapable of monitoring the local self-government's activities.

Research projects carried out by NGOs in the town recently revealed that only 6.6% of the Rustavi residents get information from the press. Only 1% of the respondents said that they trusted information of the local press.

As to local TV, 59.6% of the Rustavi residents get information from TV programmes, but only 3.8% consider it trustworthy.

If compared with other cities of Georgia, these parameters are significantly low. For instance, 49.3% of the residents of large Georgian cities get information from local media and 8.2% of those interviewed said that they trusted it. This data confirms that media of Rustavi remain underdeveloped even in comparison with other peripheral cities.

### ***c) non-governmental organisations***

NGOs are the only element of a civil society to evolve in Georgia so far. The development of communal organisations has begun only recently. As to other associations supposed to protect public interests (trade unions, etc), almost all of them, with only a few exceptions, are the relics of the Soviet past and controlled by the government.

Although NGOs are quite well developed, they do not have any real influence on political processes. Their influence in the society is still weak. At the same time, due to the weakness and indifference of the government and private businesses, they are able to get along mainly with the help of western and international donors.

More and more NGOs have become interested in local self-government and election problems in recent times. This common interest is reflected in the creation of various associations and joint projects.

As by August 2003, 141 NGOs were registered in the Rustavi court. Most of them exist on paper. Names of only three dozen NGOs have been at least once reported by media. Only a couple of local NGOs are more or less stable.

International organisations do not seem interested in Rustavi very much, maybe because the town is not far from the capital. It was not until 2003 that several organisations began implementing their projects in Rustavi: IREX (Internet centre), Urban Institute (a program of condominiums and financial-budgetary problems), Eurasia Foundation (the local self-government's information centre).

NGOs of the Kvemo Kartli region, including Rustavi, are trying to help enforce the Administrative Code of Georgia in the civil service. Besides, they provide consultative services for citizens, monitor implementation of the Administrative Code, etc.

Neither individual citizens nor NGOs have brought lawsuits so far against a civil service organisation for refusing to release information. On the whole, NGOs are weak, while coordination and cooperation between them is fragmented. It must be mentioned, however, that their public image and contacts with the society have certainly improved.

NGOs do not have any substantial voice in local politics. Nevertheless, there are some success stories. For instance, just NGOs brought corruption and misappropriation of funds in the Rustavi orphanage to the attention of national media. The resultant public outrage led to the prosecution of the director of the orphanage.

## **Participation of the society**

### ***a) general description***

The city administration is currently looking for ways to select and develop public relations mechanisms. Its efforts are focused mainly on structuring the city administration's PR unit. The process of choosing proper forms of public relations is relatively passive. Periodical open-air meetings with citizens – the legacy of the Communist past — are the basic PR form at present. The mayor and his deputies regularly meet with local residents to discuss problems of water supply, utilities, etc.

The city administration's efficiency increased after it received new equipment (with the World Bank's sponsorship). Internal network helped ensure better services for interested individuals.

On the other hand, however, the human resources management has seriously stagnated. Outdated personnel policy and human resources management (the lack of efficient recruitment and evaluation systems) seriously impede recruitment and promotion. Vacancies are filled mainly by an in-house staff reshuffle and there have been no job contests so far.

In contrast to the personnel policy, the city authorities have better administrative practices. The city administration's decision-making is relatively smooth, though independent legal assessment is rare.

With funds scarce decisions are made public with the help of billboards or occasional publications in the city's periodicals.

There is less progress in the PR policy. The city administration's staff and a vice-mayor are responsible for the PR policy. There are no specialised PR units in the city administration.

The city administration's relations with local media are passive and not problem-free. The relationship may be illustrated by mutual accusations of the "Kvemo Kartli TV Company – Channel 4" (the city's major source of information) and the city administration. Relations with media outlets of the capital are rare (the city administration usually maintains contacts with local correspondents of the central newspapers).

Cooperation with NGOs is not institutionalised, though there are some practical examples. Cooperation between the city administration and the civil development centre of Rustavi in the framework of the budgetary transparency project is especially noteworthy.

Personnel of the city administration obviously lack knowledge of effective PR mechanisms. To tackle this problem, the city administration's leadership is ready to cooperate with any organisation willing to support.

The city administration's staff has to look into citizens' requests and complaints. It was revealed that 5-6% of the requests and complaints are irrelevant to the city administration's competences. It seems that citizens are unaware which specific structure should deal with their problems (military drafting office, the court, etc). A good deal of the requests and complaints relate to social and economic problems.

There are actually no public opinion surveys. Relations are spontaneous and applied mainly during elections or emergency situations, though not regularly (actions of pensioners, roadblocks in protest against blackouts and interruptions in gas supplies).

Juridical errors are not rare in adopting the city administration's normative or individual legal acts. Decisions often contradict the existing legislation. The resultant controversy may lead to litigation. Officials of the city administration point the finger of blame at loopholes of the national legislation, which, in their words, has quite a few contradictory articles. The *Sakrebulo* and the court have the right to abolish the city administration's decisions, though there have been no such precedents so far. The city administration's general directives and orders shall be registered by the justice ministry. The ministry's experts should analyse these documents but with only a few exceptions they have never criticised them seriously.

## ***b) procedures***

The Rustavi city administration does not have any structural units responsible for public relations. This function is divided between various officials, services and Ltd companies in accordance with forms of activities. Major directions of the city administration's PR policy are defined by the mayor of the city.

The chief of staff of the city administration is in charge of the procedure to release unclassified information. Another civil servant is responsible for technical aspects of the procedure. The city administration's information billboard states that just these two officials are responsible for releasing information. Citizens or organisations should submit their requests for information to the chief of staff. The requests are handled by the secretary of the city administration's staff. After being approved and endorsed by the chief of staff, they are forwarded to the official responsible for technical implementation of the procedure. Information release from the city administration is often hampered by technical hurdles (computer hardware or software glitches and errors, etc).

Monday is a visiting day in the city administration of Rustavi. Visitors (their number is limited to 50 a day) are allowed into the building after the city administration's routine morning sitting. To get entry permission, they should apply to the city administration and register in advance. All deputy mayors and heads of services shall be in office on the visiting day. After examining citizens' requests and complaints, they give necessary orders to respective services.

Most of the visitors usually seek financial assistance. They are given financial relief from the city administration's reserve fund in the framework of the budget approved by the *Sakrebulo*. However, the amount of money is limited.

It is hard for outsiders to take their bearings in the local self-government's building. Cabinets are not numbered and the plan of the building is nowhere in sight. Lists of civil servants with their positions and telephone numbers are not posted in the building. Although visiting days are specified at posters near the cabinets of responsible officials, there are no descriptions of the procedure and deadlines for the examination of citizens' complaints and requests. The name of the civil servant responsible for information release is posted only on the second floor but his whereabouts are not specified.

The public does not have any beforehand information about the schedule of the *Sakrebulo*'s sittings. A notice with the date of a particular sitting is usually pinned a day before only on the third floor of the local self-government's building. The schedule of the government's sittings is never announced in advance. So is the agenda of the *Sakrebulo*'s and government's sittings.

Services often do not keep copies of documents they have to forward to another service. That is why those who need such documents have to track them down. Only part of the documents are available in electronic form and they are scattered around in various places. The *Sakrebulo*'s printed resolutions stored in files in various departments are hard to collect.

### ***c) transparency***

The city administration is rather passive from the viewpoint of accountability. Results of the city administration's activities are usually reported once a year at an enlarged sitting of the city administration. Ordinary citizens learn about these results from advertisement campaigns linked to various important events (for instance, during elections). On the whole, civil participation is rather low due to the city administration's passiveness and the lack of active local NGOs.



Under the current legislation unclassified information should be released immediately or within ten days when the information must be processed. The practical experience of the Rustavi information centre has showed that this deadline is constantly breached. For instance, the land management department issued information about the land privatisation process only 40 days after the initial request. It is not hard to imagine what it is like for ordinary citizens to get necessary information, if it takes NGOs or influential groups of interests two months of persistent efforts to get information they need.

Unclassified information is not equally available for every citizen. NGOs have carried out several monitoring projects to find out how an ordinary citizen can request and get information. They found out that procedural violations are not rare in such cases and citizens' requests are handled with great delays. Information is much easier to obtain for organisations and media, i.e. for those who know the laws well enough to use them in practice properly. It is noteworthy, however, that no lawsuits have been brought so far for the refusal to release unclassified information.

The city administration's public relations are implemented mainly through contacts with media. The local TV and the *Rustavi* newspaper have been contracted to broadcast the city administration's press releases in regular news programmes (according to the contract, the TV company can refuse to broadcast this information at any moment). The released information includes mainly the city administration's achievements aiming to improve its popularity rating. While media materials are usually critical of the city administration's policies, the newspaper publishes the city administration's normative acts, resolutions, directives, and details of its public expenditure.

The centre arranges meetings of the mayor and deputy mayors with ordinary citizens mainly with the help of municipalities. Various issues are discussed at such meetings – problems of water supply, utilities, pensions, etc. Officials of the city administration try to settle conflicts on the spot. Thursday is a traditional day of open-air on-the-spot meetings with citizens. Heads of all municipal services visit residential areas to discuss urgent problems with local residents. These discussions are sometimes very heated but they are viewed as a good tool to reduce tensions (according to one of the city administration's representatives).

Unlike the *Sakrebulo* sessions, the city administration's sittings are held behind closed doors, in compliance with the city administration's regulations. However, journalists and representatives of NGOs are sometimes invited to attend such sittings.

TV journalists have difficulty conducting interviews, as respondents are reluctant to answer questions. Managers of the TV company are often reprimanded at the city administration's Monday sittings for broadcasting critical programmes. Officials of the city administration consider such programmes biased. They think that the TV company tends to report only negative information. Problems of water and power supplies, and overdue pensions are traditional themes of these programmes. Lately they were added by consequences of an earthquake. Managers of the TV company respond to such criticism by claiming that the city administration is anxious to popularise its achievements and conceal negative aspects of its work. Citizens regularly phone the TV company to complain about their daily problems. TV journalists say that the city administration often begins to deal with a problem only after it was highlighted in a TV programme.

The *Sakrebulo* pays more attention to requests and complaints of various groups of interest (for instance, complaints or protests of the workers of Rustavi Steelworks against managers and investors). It should be noted that in such cases the *Sakrebulo*'s attitudes are sometimes

determined by private business interests of its members. For instance, there was an intense debate in the Rustavi *Sakrebulo* (elected in 1998) on problems of the Rustavi power distribution company RELASI, which was accused of various breaches by the Labour faction of the *Sakrebulo*. The *Sakrebulo*'s audit commission even submitted respective documentary evidence to the prosecution attorney. However, after two members of the *Sakrebulo* were appointed as members of the RELASI Supervisory Board the debate gradually waned and the *Sakrebulo* finally ceased discussing the issue.

Independent experts are usually invited to the city administration to assess completed projects, for instance for audits. Consultations are rare – in such cases the city administration usually makes a contract with an expert for consultative service. At the same time, the city administration's lawyers occasionally consult NGOs about Administrative Code. These consultations are usually informal.

#### ***d) public opinion***

The Rustavi information centre carried out a public opinion poll on January 16, 2004. According to its results, 30% of the respondents said that they had confidence in the *Sakrebulo*, 59% gave a negative answer and 11% said that they more or less trusted the *Sakrebulo*.

As to the city administration, 34% of the respondents specified that they put confidence in it, 53% answered negatively, and 13 said that they trusted it only partly.

According to the poll, 67% of those interviewed were not satisfied with the local self-government's policies and actions.

So the city administration has a higher popularity rating than the *Sakrebulo*. Merab Tqeshelashvili won a landslide victory in the 2002 uncontested elections of the mayor. The election of the *Sakrebulo* was different – it was a real competition and its results were rigged, according to various sources.

Nevertheless, a considerable part of the society views the *Sakrebulo*, the representative body, as relatively more democratic than the city administration. This conclusion may be drawn from results of the opinion poll carried out by the Caucasus Institute for Peace, Democracy and Development in April 2004.

Although at first citizens did not have equal confidence in the *Sakrebulo* and the city administration, the situation has changed by now and public confidence in both executive and representative bodies is equally low at present. The change came partly because many unpopular or unknown officials have remained in the executive body. They began to work in the city administration when the mayor was appointed, not elected. That is why they feel accountable to the mayor only, not the *Sakrebulo*. However, due to widespread public frustration with democratic institutions in recent years, citizens assess activities of the representative body more negatively than the city administration's work.

At the same time, citizens have to contact the city administration more frequently than the *Sakrebulo*. Small wonder that a majority of the respondents were impressed by the professionalism of executive officials, not *Sakrebulo* members.

For its part, the *Sakrebulo* is rather passive and abstains from criticising the executive structures, even though the city administration is panned by various social groups every now and then.

#### ***d) the precedent for the society's more active involvement***

The June 2, 2002, municipal elections clearly vindicated that there is an apparent tendency to get rid of the apathy that reigned in the 90s (especially at the end of the decade).

NGOs and independent experts view these elections as a watershed in public attitudes. Indeed, the 2002 elections, as distinct from previous polls, were marked by some important positive, as well as negative, aspects.

*Negative aspects.* Unlike all previous elections (1995 and 1998 parliamentary, 1998 municipal, and 2000 presidential), the 2002 ballot was much more disordered. It would not be an exaggeration to describe these elections as the messiest voting of the last decade.

*Positive aspects.* Despite the above-specified negative aspects, some essentially new tendencies have emerged:

- In contrast to previous elections, a majority of the political parties – especially winners – organised their election campaigns remarkably better and presented clear political programs, something they lacked before. Activities of various political groups showed that new political forces began emerging in Georgia – they are directed by political programs rather than by clan interests or charismatic leaders.
- In comparison with 1999 and 2000 elections, NGOs were able to monitor political processes more actively. Their interest and influence on public opinion has obviously increased, though only slightly. At the same time, the number of monitor NGOs, as well as their organisation and qualification, has also grown.
- Most importantly, voter turnout was much higher in the 2002 elections than in any previous poll. Although only part of the society, not the entire populace, was active, the progress was evident. According to independent observers, 60.1% of the eligible voters took part in the elections. In the 2000 presidential elections polling stations were distinctively deserted and the government's statements that some 2/3 of the voters took part in the ballot were far from reality. The voter turnout data of the 2002 municipal elections seems much more realistic.

#### ***6. Recommendations***

- A public relations service must be created in the city administration. It should include the city administration's existing PR components and its activities must be perfected.
- The city administration's PR service should focus on the following three directions: relations with mass media, citizens, NGOs and other groups of interests; monitoring; and preparation of recommendations.
- Mass media should participate in social and political processes more actively
- Relations with NGOs should be initiated by both themselves and the local self-government. It is important to ensure that this relationship is not a "fashion". To this end, governmental structures and NGOs must agree to cooperate in such spheres, in which their cooperation can bring about really positive results.
- Citizens are too passive in the current hard economic situation. That is why it is necessary to find ways to encourage their active civil participation.
- Donors should encourage implementation of civil initiatives.
- The structure should make every effort to examine public opinion (it would be useful to apply such cheap and quick methods and telephone polls).
- The central executive and legislative bodies should be actively involved in analysing reports and monitoring results of the regions.

- One of the main proposals is to ensure that the civil society (NGOs focused on respective fields, interested citizens) has a voice in the development of work plans by the city administration's services at the beginning of every year. Televised talk-shows may be arranged for various spheres to set respective priorities. As an integral part of the process, citizens should get full information about the situation in respective fields at the end of every year.
- The city administration should invite independent experts to take part in its decision-making process.