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SELF-GOVERNMENT IN GEORGIA

(Development Trends)

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**თავითხატველოა სამართველოში
ჭანვითარების ტენდენციები**

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INTRODUCTION

The first years of the Georgian modern history were rather stirring. All the problems that had been amassing in the country for decades came out into the open after Georgia regained its independence (1991-97).

The economic crisis that derived from the collapse of the Soviet economy was capped with post-Soviet armed conflicts broken out for ethnic or political reasons.

At the same time the people have had difficulty adapting themselves to the new life, while the governmental institutions appeared incapable of solving a whole range of urgent problems.

Of course, there are some reasons accounting for such a situation. Nowadays Georgia is encountering the problems that must have been solved in the past century or decades. While in western countries the same process was a sort of "smooth" evolution, in post-Communist countries, especially former Soviet republics, it was anything but. These last, save the Russian federation, had been deprived of sovereignty for quite a long time. Now they have to bridge the gap between them and already developed political systems, though there is little time for the task.

From this viewpoint, the need for developing a local self-government system is one of the most pressing problems as these countries, save a few exceptions, have no self-governing traditions.

Caucasian countries, including Georgia, are surely not a "lucky" exception to the rule; on the contrary, the recent "bloodshed's" impeded or completely destroyed positive changes in these countries.

Quite naturally, such a situation cannot last for long. On its way towards market-led economy and democracy, any state eventually encounters the need for a more efficient system of political administration.

It would be wrong to conclude that the Georgian ruling elite or other political forces do not perceive the above mentioned needs. At the same time there are various opinions aplenty and, above all, most people's apparent indifference and the lack of public awareness. All this put a lot of hurdles in the way of problem solving.

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This book aims to define the existing problems and help find, as far as possible, adequate solutions.

More exactly, the following topics may be specified:

- a brief historical review of the Georgian state developments and the country's Self-Government system;
- analysis of the current situation in the country;
- analysis of attitudes of the society, political forces and the government towards the problem of Self-Government;
- description of the development trends and prospects of the process;
- comparative analysis of current political processes in Georgia and foreign countries.

However, the main goal is to popularise the very idea of Self-Government.

The book structure is based right on these principles. At the same time there is a section of additional information which includes:

1. latest statistical data on Georgia's regions;
2. basic legislation on the issue;
3. results of sociological surveys on the Self-Government problem.

The Caucasian Institute for Peace, Democracy and Development (CIPDD) has been studying the problem of Self-Government in Georgia since 1995. Just this study has given birth to the present book.

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Of course, we admit that our study may be far from perfect. We had great difficulty collecting required information about the problem.

In justification for existing shortages, we would like to emphasise that, to the best of our knowledge, no similar materials have been ever compiled in one volume in Georgia. So as pioneer researches we beg your pardon for the shortages and hope that the book will make interesting reading and provide the readers with essential information.

I. DEVELOPMENT STAGES

A. Pre-History and the Era of Early States

Like elsewhere the first self government forms of the Georgian culture can be traced back to primeval times. Without state sovereignty the very existence of a centralised state system looks senseless and inappropriate. That was the time of various tribes and tribe coalitions.

Tribes were governed by councils and chiefs, while tribe coalitions were ruled by grand chiefs. In mountainous regions this form of government remained unchanged even till antique and Hellenistic times. Ancient Greek and Roman authors portray chiefs of large tribe coalitions - *Basilevsi* - and single tribes - *Skeptukhi*.

* * *

The population of valleys soon advanced in their development. Already by the end of the 2nd millennium BC, the first Georgian states emerged in southern and western regions of Georgia - *Diaokhi* and *Kolkha*. Unfortunately, the lack of data on that time prevents from detailing the state structure of these formations. The only available information about the state system of these political units suggests that they were governed by kings and viceroys.

Assyrian and *Urartu* sources contain information about a number of areas such as *Khushani* and *Khusalakhi*, both adjacent to *Diaokhi* and *Kokha*; *Zabakha*, *Viterukhi*, *Eriakhi*, *Odzrkhe*, *Etiukhi*, *Losa* (*Lazeti*), *Katarza* (*Klardjeti*), *Oganiekhi*, etc.

In times of big powers the above mentioned territories were simply their provinces, but after these powers weakened they themselves turned into independent political units. According to the Assyrian ruler, Tukultai-Ninurta I (1245-1209 BC), there were 60 "dominions" in the region and 40 more political units were stretched across the southern and eastern coasts of the Black Sea.

When *Diaokhi* and *Kolkheti* reached their apex (XIII-VIII BC) a new trend arose there and states began to split into provinces. Presumably, the borders of these administrative domains were drawn according to old, tribe territories. Provinces were governed by viceroys with their residences being located in so-called "royal towns".

Names of the towns can be found in some cuneiform writings. Notably, such towns as *Shashilu* (*Sasilo*), *Zua* and etc., were significant strategic objects on the one hand, and an attractive target for alien conquerors on the other.

Later on, after first *Diaokhi* and then *Kolkheti* kingdom were ruined, dominions of various tribes again emerged there (western and southern Georgia, western parts of the eastern Georgia, southern and eastern coasts of the Black Sea). Ancient Greek sources and Georgian historical tradition record *Mosiniks*, *Makrons*, *Moskhs*, *Marts*, *Skvitinti*, *Tchants*, *Sants*, *Ghrilts* and other tribes as well as barbarian or Greek-Barbarian towns (especially on the sea coast) such as *Trapizon*, *Kotiora*, *Kesarunt*, *Fazis* (Poti), *Gieno* (Ochamchire), *Dioskuria* (Sukhumi), *Pitiunt* (Bitchvinta), *Tsikhe-Godji*, *Giumnias*, etc.

As a rule, the towns were interested in strong authority to resist frequent assaults of neighbouring and North Caucasian tribes which were anxious to lay their hands on these areas (for instance, plundering of *Dioskuria* and *Pitiunt* by the *Heniokh* tribes in the 1st century AC).

Two ancient Georgian states emerged amidst the 1st millennium BC - the kingdoms of *Egrisi* or *Kolkheti* (western Georgia) and *Kartli* or *Iberia* (eastern and southern Georgia). By the end of the IV-III centuries BC, in times of King Pharnavaz I, an administrative reform was carried out in Iberia: the country was divided into 7 *saeristao* (manor) - *Argveti*, *Kakhet-Kukheti*, *Gardabani* (*Khunani*, the centre), *Tashir-Abotsi* (*Samshvilde* the centre), *Djavakhet-Kola-Artaani* (*Tzunda* the centre), *Samtskhe-Atchara* (*Odzrkhe*, *Klardjeti* the centres), and one central district (*Saspaspeti* located in the *Shida Kartli*). An

archaic succession tradition existed in Iberia: the oldest member of a royal family not a king's son used to succeed to the throne.

A range of developed Hellenistic towns spread across the valleys (*Sarkine, Kaspi, Uplistsikhe, Urbnisi, Mtskheta, Odzrkhe, Tzunda, Rustavi, Samshvilde, Khunani, Shorapani, Dimna, Cheleti, Tukharisi, Gachiani, Artani*, "Kakheti towns").

Population of the mountainous regions was still backward (at a lower stage of development). According to a Greek geographer, Strabon, inter-tribe relations were regulated by *kurumebi* (like Georgian *khevisberi*).

Comparatively small kingdoms and tribe coalitions laid adjacent to Iberia and Kolkheti (*Makhelon-Heniokhi, Lazebi, Apsilebi, Abasgebi, Sanigebi*), being vassals of their powerful neighbours.

B. Feudalism

Prior to feudal era, the Georgian political system was based mainly on Hellenistic traditions. The country was again divided into *saeristao*. As a result of expansion, the Kartli kingdom annexed two more manors - *Egrisi* (currently the Samegrelo region) and *Hereti* (the country's far east).

Just that time saw the ascent of feudal separatism which benefit first Iran and Byzantium and then the Arabs (IV-V centuries). Political systems of the conquerors were in many ways alike. The country was governed by supreme rulers (*marzpani* from Iran and the emir of Tbilisi from the Arabian Caliphate) and their subordinates - governors of various regions (*pitiakhsh* from Iran and inferior emirs from the Caliphate). The intermediate period when Georgia gained independence (VI-VII centuries) was marked by the strengthening of *erismtavari* (regent) institution which substituted for strong royal rule. *Erismtavari* was not a suzerain of *eristavi* (governor) but the first among the peers.

The dawn of feudal age in Georgia was marked by the downfall of old, antique towns and the rise of new ones (Tbilisi, later on Akhaltsikhe, Akhalkalaki, etc.).

Several feudal states that were created in VIII-X centuries - during a fight against the Arabs and Byzantium (kingdom of Abkhazia in western Georgia, Sakurapalato (county) of the Georgians in southern Georgia, Hereti, Kakheti and Tashir-Dzorageti kingdoms and the emirate of Tbilisi in eastern Georgia), merged into a common kingdom in XI century.

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Serious changes occurred in the country from the end of XI to the beginning of XIII centuries. It was the apex of a Georgian feudal state. The powerful state needed a strong state system. The structure of the Georgian state was shaped just at that time.

Its kings enjoyed the highest authority. There was also a royal *darbazi* (advisory board) with gradually extending functions. At a certain stage, it had a right to issue legislative acts alongside with a king.

The executive branch was represented by *savaziro* which was made up of *vazirs* (ministers) - chiefs of various institutions (foreign and domestic policy, the army, finances, etc.). Some of these institutions had their own subordinate bodies. Besides, there were various services but their heads were not associated in the *savaziro* (for instance, the *mstovarta* institution - intelligence service).

Saadjo Kari served as the supreme court and court of appeal.

Eristavi (governors of provinces) were in charge of local governing. The frontier regions were granted exceptional privileges and autonomous rights, and were governed by *monapire eristavi* (frontier governor). For their part, *saeristao* were divided into *khevi* ruled by *khevistavi* (in mountainous regions

- *khevisberi*). Towns were governed by *amiri* and *amirt-amiri*, while large cities by *amirt-amiri*. A community was the lowest territorial and fiscal unit.

All these arrangements were codified and systematised in special legislation (*khelmtzipis karis garigeba* - royal court regulations - and codes of laws).

* * *

Mongol raids followed by Thamerlan's and then Turkmens' invasions extremely enfeebled Georgia in XIII-XV centuries. As a result, the country disintegrated into several political units in the second half of XV century (Kartli, Kakheti and Imereti kingdoms, and Samtskhe, Samegrelo, Abkhazeti, Guria and Svaneti provinces).

The weakening of the central government, the decline of towns and the rise of independent or half-independent manors led to the formation of clan mentality in the late feudal Georgia.

In XVI-XVIII centuries Georgian states faced aggression of the Ottoman Empire from the west and Iran from the east.

At the end of XVIII century, the Russian Empire gained a firm foothold in the Caucasus. Russia had outdone not only Iran but the Ottoman Empire as well and started to annex Caucasian nations.

C. Modern History

After its 1801 manifesto (September 12), Russia annexed eastern Georgia (Kartli and Kakheti kingdoms) and replaced local government system entirely by a Russian one. The top leadership of Georgia comprised the supreme ruler and his deputy, the governor of Georgia. The executive branch consisted of various bodies - *expeditions*. The administrative-territorial arrangement of the country, too, was changed. It was divided into 5 *mazri* and their number was increasing alongside with the expansion of Russian dominions. Each *mazri* governed by a captain-manager (*kapitan-ispravnik*) had its own administration. The police was in charge of maintaining law and order. Towns were governed by military commandants and police chiefs (*politsmeister*). As a rule, these last came of local aristocracy.

As a result of the Russian expansion, the whole Caucasus, including Georgia, was annexed by the Russian empire. At the end of XIX and the beginning of XX centuries the Caucasus, as a part of the Russian empire (governed by a viceroy), consisted of provinces and regions, while these last, for their part, were divided into *mazri*. By 1914 the current territory of Georgia comprised the Tbilisi and Kutaisi provinces, Batumi, Sukhumi and Zakatala regions and a part of the Black Sea province and the Terek and Kars regions.

Local residents could not participate in state governing. There were no representative institutions to voice people's will. Even the half-liberal administrative, military and legislation reforms carried out in Russia in 60s-70s of the XIX century did not reached the Caucasus.

Georgia's active participation in the 1905-07 Russian revolution was also in vain. Until the Russian reign collapsed, Georgia, as an outmost region of the Russian Empire, was in fact a colony.

Foreign political structures and language imposed on the population negatively affected relations between the state and the society. The state system had gradually grown alien to the people, this became even more obvious in the XX century.

* * *

The Russian czarist reign overthrown by the February 1917 revolution gave way to Provisional Government which had to be in power until Constituent Assembly was convened. Actually, a system of

"double-power" was established on the whole territory of the former Russian empire: the country was ruled by Provisional Government on the one hand, and the councils of workers', peasants' and soldiers' soviets (deputies) on the other.

Unlike many other regions of the former Russian empire, the Menshevik wing of the Russian Social Democratic Party dominated the councils of Georgia from the very beginning of their functioning.

To govern the Transcaucasus, Provisional Government set up an extraordinary Transcaucasian committee on March 18, 1917, which, however, failed to gain wide popular support.

After the Bolshevik October 1917 coup, most of the Transcaucasian political forces refused to recognise the new government. Transcaucasian Commissariat came in power thereafter. These events were paralleled by the creation of "national councils" that adhered to nationalistic ideas.

Transcaucasian Seim was convened on February 10, 1918. There were 95 deputies, including 24 Georgian Mensheviks, 24 Armenian Dashnaks and 30 Azeri Mussavatists. On February 15 Transcaucasian Commissariat conceded power to the Seim which, for its part, taking into account then external and internal situation (the fall of the Russian Empire, the failure of the Caucasian Front, Turkey's invasion of some Caucasian territories, etc.), declared independence of the Transcaucasus on April 9, 1918.

A newly created Transcaucasian Federative Republic proved rather weak and failed to check Turkish aggression. The main reason of the weakness should be found in discords between the main three Transcaucasian ethnicities - Georgians, Armenians and Azeri.

On May 26, 1918, Georgia declared its independence. Two days later, Armenia and Azerbaijan followed its example. As a result, the Transcaucasian republic fell apart.

National Council created as early as in 1917 came to power in Georgia. After announcing Declaration of Independence, the council (however, it was not an elected legislative body) proclaimed itself the parliament of Georgia. The 1919 elections (February 14) led to the creation of Constituent Assembly which was dominated by an overall majority of the Social Democratic Party.

During its 2-year history, Assembly adopted 126 laws. Notably, the laws on citizenship, local elections, the country's defence, agriculture, legal system, political and administrative arrangements for ethnic minorities, a national system of public education, and some other laws and regulations on fiscal/monetary policy, the Georgian railways, trade and domestic production, etc.

Chairman of the government - the chief executive post - was approved by the parliament for one-year terms of office (the post could not be held more than two times running). The chairman's rights were determined by a parliamentary law. The chairman assigned ministers, and was responsible for governing the country and represented Georgia in foreign relations.

State Control, elected by the Constituent Assembly was charged to control the Executive government activities and its financial affairs. Assembly also worked out a system of local self government based on combination of self governing and governing principles. Local self government bodies were to be elected through direct, universal and proportional ballot. They had a right to issue local legislative acts. The same principles underpinned a system of city governing - municipality.

The 1919 elections to local self governing bodies (*eroebi*) and 4 city municipalities were carried out according to just these postulates. Elections were held according to established rules throughout the whole country. *Eroba's* achieved governing and self governing at the same time.

On February 21, 1921, facing the onset of Russian aggression, Assembly adopted a constitution of the Georgian democratic republic.

D. The Socialist Era

On February 25, 1921, having defeated the Georgian army, Russian forces invaded Tbilisi establishing Soviet rule in Georgia. A puppet government - Georgian Revolutionary Committee - came to power.

In its 1921(April 21) and 1922 (January 1, 10) decrees the Georgian Revolutionary Committee defined the country's Soviet state structures and interrelation between them.

The first Soviet constitution of Georgia adopted on March 4, 1922, declared the country an independent Soviet Socialist republic. In spite of this, Georgia joined the Transcaucasian Soviet Socialist Federative Republic (TSSFR) on March 12 of the same year.

For their part, the Russian Soviet Socialist Federative Republic, the Ukrainian and Byelorussian Soviet Socialist republics and the TSSFR set up a new state - the Union of Soviet Socialist Republics (USSR) - on December 22, 1922.

According to a new constitution adopted on April 3, 1927, Georgia was declared a member of the TSSFR.

It should be pointed out, that three autonomous territorial units were established in Georgia after the Soviet system was instituted in the country. Two of them - Abkhazia and South Ossetia - were based on the principle of ethnicity, while the third - Adjara - on that of religion (the region is populated by Georgian Muslims - Adjarians). It must be mentioned that the constitution of independent Georgia, too, provided Abkhazia and Adjara with autonomous rights. As to the South Ossetian autonomy, it was first initiated by the Bolshevik government.

After the break-up of the TSSFR on December 5, 1936, Georgia, Armenia and Azerbaijan enlisted the USSR.

The third constitution of the Soviet Socialist Republic of Georgia approved in 1937 was in fact an adapted copy of the 1936 USSR constitution. The latter substantially curbed the rights of the republic as a sovereign member of the union.

In 1957, under the circumstances of broad anti-Stalin censure and the USSR's half-liberalisation, the Soviet republics again saw their rights extended. Particularly, they got a right to issue essential legislative acts which, however, remained on paper: no Soviet republic has ever applied this right.

A new USSR constitution was adopted in 1977. It again defined the union's members as sovereign republics which formally had the right of secession from the USSR. (article 73).

The Soviet Socialist Republic of Georgia had 59 seats in the USSR Council of Nationalities, 32 of them being for the republic itself (without autonomous areas).

On the basis of the 1977 USSR constitution, the Soviet Socialist Republic of Georgia adopted its new constitution on April 15, 1978.

The new constitution, as well as previous ones, defined councils of people's deputies as bodies in power. Supreme Council was the main legislative body of the republic. Besides, there was universal suffrage (and the right for referendum) in the country. These structures, however, had no real authority: the country was actually ruled by the USSR Communist Party which formally received such a status in the 1977 constitution.

The republic was divided into 65 districts and 4 territories subordinated to city municipalities. There were also 13 cities directly under the republic's government and one under regional authorities. The

republic comprised also the Abkhazian and Adjarian Soviet Socialist Autonomous republics and the South Ossetian Autonomous Region.

The Supreme Council of People's Deputies was the country's main ruling body. It was elected, as well as supreme councils of the two autonomous republics, for 5 years period, while councils of autonomous regions, rural districts, towns, town districts, small rural towns and villages were elected for 2.5 years.

The councils set up governing and executive bodies - executive committees (*aghmaskomi*).

The election legislation was based on the 1979 (June 15) laws on Supreme Council of the Soviet Socialist Republic of Georgia and local councils of people's deputies.

There were 440 seats in the Supreme Council of the Soviet Socialist Republic of Georgia.

The Council of Ministers of the Soviet Socialist Republic of Georgia was the main executive body. The executive branch embodied ministries, state committees and other subordinate organisations.

The judicial system comprised supreme courts of Georgia and autonomous republics, the Tbilisi city court, the South Ossetian regional court and district (town) courts.

District court judges were elected by direct ballot for 5 years period, while people's assessors at meetings by show-hand vote for 2.5 years. Judges of higher levels were elected by respective councils of people's deputies for 5 years.

The USSR Procurator General was authorised to supervise the legislation. He/she assigned procurators of the Soviet Socialist Republic of Georgia and autonomous republics for 5-year terms of office. These last, for their part, appointed district and lower level procurators.

Socially owned property (state, co-operative/collective farming, trade unions, etc.) was declared the economic basis of the Soviet Socialist Republic of Georgia.

Formally, the republic, as well as the whole USSR, regarded strict observance of human rights. It is widely known, however, that there was quite the contrary process in reality.

E. Georgia in the Period of Independence

In 1988-89 the liberal regime introduced by the USSR's new leadership gave rise to mass and rather radical nationalistic movement in Georgia which aimed to break away from the Soviet Union and destroy the Communist political system. Although it embodied a lot of small factions, this movement turned out the leading political force in a little while.

On October 28, 1991, the strongest force of the movement, the bloc "Round Table - Free Georgia", proved impressively victorious at the first multi-party elections to Supreme Council winning almost 70% of the seats. Presidential rule was instituted in April, while Zviad Gamsakhurdia, the leader of the Round Table - Free Georgia, won a resounding victory at the first presidential elections in May 1991.

Actually, it was a coalition of former dissidents and marginalised social strata with poor statecraft experience that came to power.

The lack of experience clearly revealed itself in such fields as economic regulations of domestic production, human rights protection, the problem of ethnic minorities, foreign policy, etc.

Prior to the restoration of Georgia's independence, state, national and ethnic interests often overlapped. Ethnic consciousness was adequate to mythical thought of the XIX century public movements.

From this viewpoint, the Soviet system has changed nothing. At that time the importance of parasociety appeared in the foreground - individuals and social strata had come to view anti-state notions ("a code of criminal honour", clan mentality, "profiteering") as signs of privileged position.

In times of a strong state system, when real and legal opposition was impossible, dissidence proved the only protest way against the government's injustice.

In national republics this movement gave birth to an eclectic mix of western democratic values and mythical thought emerged at a certain stage of ethnic developments.

Just as the crisis of the Soviet system unfolded, while political pluralism was still not organised, dissidence appeared the only alternative to the Communist regime.

Having gained independence, the political force that came to power under slogans of national liberating movement actually raised demands for social revenge and struggle against privileged strata.

The need to settle relations with the USSR central government and, more importantly, with the Abkhazian and South Ossetian separatist regimes (that counter-attacked Georgia's plans for independence with demands for their own freedom) was the main problem to be solved by the new Georgian leadership which was quick to declare its course towards the republic's independence. Conflicts that derived from the above mentioned confrontation (the so-called "ethnic conflicts") largely determined peculiarities of the post-Communist political processes in Georgia. Confrontation over a status of the South Ossetian autonomous region turned into an armed conflict during Gamsakhurdia's reign. Besides, from the very beginning relations of the new government with the parliamentary and non-parliamentary opposition (mainly with other factions of the national movement) showed signs of sharp confrontation. While mentioned tensions went on growing, the leadership of the Round Table - Free Georgia failed to carry out political or economic reforms, despite its declared ideological opposition to the Communist system.

Apart from introducing presidential rule, reforms of the state system included a new model of self government: *prefects* (governors of provinces) appointed by the centre and *sakrebulo* (local councils) elected through local elections. All this obviously aimed to preserve the centralised model of the government. Although the authorities vindicated their policy by the need for national consolidation, the opposition viewed it as cosmetic reforms of the Communist system and attempts to establish Gamsakhurdia's personal dictatorship. The National Guards viewed as ancestors of a modern Georgian army were created at the same time.

At the end of August 1991, after a split in the Round Table - Free Georgia, the political confrontation became extremely sharp. The biggest part of the National Guards led by their commander, Tengiz Kitovani, raised against the president, while almost all the wings of the political opposition demanded the president's resignation. A significant part of the national movement, liberal intelligentsia and a majority of the Communist nomenclature united against Gamsakhurdia's rule. The conflict that burst out at the end of 1990 turned into armed confrontation in autumn 1991.

The end of 1991 and the beginning of 1992 is known as the "Tbilisi winter". Two-week battle in the centre of Tbilisi ended with the overthrow of President Gamsakhurdia.

The confrontation clearly showed the strength of a comparatively small opposition which associated chiefly top-classes of the Tbilisi intelligentsia backed by Georgian Communist functionaries (*nomenclature*) residing in Russia.

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The military council that came to power included Tengiz Kitovani and Djaba Ioseliani, the leaders of two armed groups - National Guards and Mkhedrioni. The military council was based on the state council formed by opposition parties - unveiled its main goal: to replace Gamsakhurdia's nationalistic and

pro-Socialist policy. At the same time, it started with promising to build democracy in words and repression against the former government's supporters ("Zviadists") in deeds.

In March 1992 the military council that obviously failed to control the post-coup situation offered Eduard Shevardnadze, who was residing in Moscow at that time, to take the helm. His candidacy appeared acceptable to all the political forces: for the Communist nomenclature he was reminiscent of the golden era of the "zastoi" (stagnation), democratic forces viewed him as the "Berlin wall destroyer", while ethnic minorities considered him an alternative to Gamsakhurdia's radical nationalism.

On October 11, 1992, Shevardnadze's government secured its legitimacy through new elections. All the political forces, save Zviadists, were represented in a new parliament. Respecting the will of Gamsakhurdia's opponents favouring the substitution of the presidential republic by a parliamentary one, Shevardnadze confined himself to the post of the Head of State.

This, however, made little to improve the inner situation in the country. The liberation of prices and political confrontation soon transformed into a new government crisis.

In fact, only a part of the voters cast ballot in the new elections. Gamsakhurdia's supporters (especially in western Georgia) and ethnic minorities (in the outer, frontier regions) factually boycotted the elections.

A fair chunk of the country was still controlled by Gamsakhurdia's supporters (eastern Georgia) and separatist regimes (self-proclaimed republics of Abkhazia and South Ossetia) that did not obey Shevardnadze's rule. Moreover, the cease-fire in Ossetia helped strengthened the separatists' positions in the Abkhazian Autonomy. The Abkhazian war broke out in August 1992 and ended in September 1993 with a complete defeat of the central government. Shevardnadze's and the government's position were weak in the centre too: Gamsakhurdia's armed supporters refused to obey, allowing Shevardnadze to handle only foreign policy issues. Then situation is often described as anarchy.

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In 1992-1995 Shevardnadze managed to strengthen his positions by skilful political manoeuvring. His enemies, as a result, either weakened or were defeated (in the case of paramilitary units). At first, he got Russian assistance to achieve the task. In October 1993 the head of state enlisted Georgia in the CIS and declared a course towards strategic partnership with Russia. This gave birth to doubts about the country's real independence but "Zviadist" forces in western Georgia were defeated. It actually rescued the country from disintegration. Thereafter Shevardnadze's and the government's positions strengthened.

The country's new constitution was adopted in August 1995, instituting a presidential governing system patterned upon the American one. Shevardnadze's positions strengthened even more after the 1995 August 29 assassination attempt. It allowed him to neutralise the most powerful paramilitary force - Mkhedrioni - and substantially reduce influence of pro-Russian and neo-Communist forces in the state apparatus and security service.

After the 5 November 1995 E. Shevardnadze won the elections having gained 78% of the votes. The Citizens' Union, a rather amorphous but fully loyal to Shevardnadze's policy political organisation, became the only real parliamentary force. As to the opposition, only the National Democratic Party - one of the most moderate opposition forces - was successful enough to get parliamentary seats. Almost all the opposition parties found themselves out of the parliament. Local observers acting under the aegis of the NGO "Fair Elections" registered serious infringements in a number of the polling stations. Nevertheless, the final results of the elections were not called into question.

The new, actually mono-party, parliament encountered the need of developing strong legislative grounds. A whole package of laws was adopted in 1995-97.

The situation, however, is still anything but clear. Adopted laws often contradict each other, while the consensus within the Citizens' Union seems doubtful due to a great variety of inside groups with different political orientations.

People's political indifference and corruption of the bureaucratic apparatus add uncertainty to the process of reforms, making it longer in time.

II. THE GEORGIAN STATE TODAY

A. General Look

The years that followed the regaining of independence proved a serious challenge to Georgia. Ethnic conflicts, the civil war, severe economic crisis and worsening relations with Russia impeded progress of the country.

Recent legislative developments have clearly mirrored frequent changes of political situation.

The 1978 April 15 Soviet constitution of Georgia was still valid after the 1991 October 28 elections. Altogether, 14 amendments to the constitution were introduced in 1984-91.

The law on transitional period adopted on November 14, 1990, was to be in force until Georgia completely broke away from the Soviet Union. Retaining the right to secede from the Soviet Union guaranteed by the USSR constitution (articles 69 and 78), Georgia, however, had to comply with the USSR legislation (article 68).

According to article 2 of the constitution, Supreme Council and sakrebulo were defined as legislative bodies. The most essential problems had to be settled through a referendum (article 5). The constitution could be revised at the demand of at least 2/3 of the Supreme Council members (article 185).

Top state posts (save judges - article 87) could not be held two times running. At the same time, ordinary citizens and members of the parliament had no rights for legislative initiative. Only the Supreme Council, the Supreme Court, Procurator's Office and Ministry of Justice had such a right.

The 1990 amendments mainly reflected ideological changes in the country's life. For instance, Communist terminology was abandoned, while the provision stating the leading role of the Communist party cancelled. The amendments declared supremacy of the republic's law over the USSR one (article 77).

On April 9, 1991, Supreme Council declared Georgia's independence. State attributes were changed but it was the only legislative innovation of that time.

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First the military and then the state council that came to power after the 1991/92 "Tbilisi winter" surely made an important decision, restoring the 1921 February 21 constitution of Georgia on February 21, 1992.

According to the above mentioned constitution, a member of the parliament and 5000 voters (article 63) had the right for legislative initiative. Referendums could be launched at the demand of at least 30,000 citizens (article 64). The appeal of 2/3 of the MPs was necessary to revise the constitution; revisions had to be enacted through a referendum. No revisions of the governing system were allowed.

The 1992 November 6 law on state power was expected that. The mentioned law was based on the 1921 constitution

If compared with the 1978 constitution, the 1921 one paid much more attention to human rights and was regarded as democratic.

It must be mentioned, however, that the restoration of the 1921 constitution was a symbolic action and it actually was not put in force. The legislative acts that were adopted in Soviet times to regulate activities of the state apparatus (for example, the civil, tax and criminal codes), contradicted the constitution. It is obvious that the necessity to adopt a new constitution was put on the agenda, though, due to political reasons, there were plans to develop a new version of the 1921 constitution.

A constitutional commission led by the head of state was created on February 16, 1993.

After long debates, the parliament approved a new constitution on August 1, 1995.

Constitution was based on the results of the 1991 March 31 referendum on independence (Article 1); Georgia's border line was specified according to the 1991 December 21 situation (article 2). The constitution declared priority of international law over local one (article 6); prohibits civil servants' membership in political parties (article 26); a right for legislative initiative was granted to the president, a member of the parliament, a parliamentary group, a parliamentary committee, an autonomous unit or 30,000 voters (article 67). Referendums can be held at the demand of the president, the parliament or 200,000 voters. Holding a referendum to adopt or abrogate a law is prohibited (article 74).

A constitutional court was created to settle legislative conflicts. The bodies enjoying the right to appeal are the President, 1/5 of MPs, courts, autonomous entities and individual citizens (article 89). The constitution can be revised at the initiative of the president, a half of the MPs or 200,000 voters (article 102).

The new constitution has left out the issue of the territorial arrangement of the country. It will be settled after the territorial integrity of Georgia is restored and according to the organic law on self government (article 2).

The next stage of legislative activities was marked by the 1997 organic laws: the law on civil courts that must replace the court system introduced by the 1991 May 3 legislation and the law on state system (June 13).

Besides, the civil, tax and criminal codes approved in the same year must be considered of great importance.

In 16 October, 1997, after long debates, the parliament adopted the organic law on self government, despite objections of the public and opposition which viewed the law as the central government's plan to prevent real self government in the country.

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These and other legislative acts in unity were designed to create an essentially new, based on democratic values, political system.

However, there is still a lot of work to do for creating really democratic legislation. Notably, there is an immediate need to adopt a penal procedure code, local budgets, information freedom, TV and radio broadcasting, etc.

The following bills will be debated during the 1998 spring parliamentary session: on the status of *sakrebulo* member; on state security service; on the bar; on local self government elections; on the capital of Georgia - Tbilisi; and etc.

Correspondence between the already existing laws is another problem. In August 1997, at its session held in Poti, the parliament admitted that 157 laws had to be revised, while 55 must be made complied with the constitution. Contradictions between various branches of power or between regulations of different institutions pose serious problems. Some ministries or departments often self-willingly pass such resolutions that counteract other institutions' regulations and even a whole range of laws (including the organic ones).

Apart from legislative problems, difficulties in the process of democratic developments in Georgia can be linked to the experience of state governing.

The process of state building in Georgia was largely determined by day-to-day political needs. Law-enforcement bodies appeared in the focus of concern - their personnel started to grow, while pro-Russia oriented officials were appointed their heads (March-April 1994).

The public is especially concerned with widespread corruption in state structures. Various Mafia clans could be often seen behind this process too. A parliamentary commission to fight corruption and organised crime was set up on May 31, 1994, but the first stage of its activities was far from successful.

All the mentioned problems troubles not only ordinary citizens and businessmen: the inability of the tax and customs departments to improve a meagre state budget by adequate revenues mirrors and brings about inefficiency of the whole state system. Non-democratic policies of the government and bureaucracy - the legacy of a Communist past - significantly impede transition to democracy. It is especially true of the law-enforcement system which firmly resists the call for democratic reforms.

The crisis in the legitimacy of authority triggered by the coup, the military defeat in the war, the downfall of living standards and the spread of corruption transformed the initial political enthusiasm into cynicism about the government. Political parties remain rather weak. Despite growing activities of NGOs, the society's role is, on the whole, insignificant. There is a need to increase public awareness.

B. Regional Development Tendencies

1. Autonomies

Relations between the centre and the autonomies remains to be one of the most acute problems of the state building process.

Three autonomous territories existed in Soviet Georgia. Two of them - Abkhazian Autonomous Republic and South Ossetian Autonomous Region - were based on the principle of ethnicity, while the third - Adjarian Autonomous Republic - on that of religion (a unique precedent in the Soviet Union).

In accordance with the Constitution of 1978 being the basis for the 1990 Law on Interim Period, the autonomous republics were states within the State (article 79). Their governance was specified by local constitutions (chapter 15).

Alongside with the development of the national-liberation and pro-independence movement in Georgia the ethnic autonomous territorial units the Autonomous Republic of Abkhazia and South Ossetian Autonomous Region strictly opposed the idea of Georgia's independence and demanded the change of the political status of these regions. This move resulted in sharp conflicts which in both cases eventually developed into the war.

At the same time, there was evident confrontation between local and central functionaries (*nomenclature*), the Adjarian Autonomous Republic (where ethnic conflict with the rest of Georgia can be ruled out) being the most spectacular example.

a) the Adjarian Autonomous Republic

Relations between Tbilisi and Adjaria grew tense after the coup. Aslan Abashidze, the Adjarian leader, who has been manifestly independent in his staff policy, actually ignores the central government. In fact, just the staff policy is the bone of contention, though both parties abstain from making it public.

Ajarian leadership has never doubted that Ajaria is an integrated part of Georgian state, and so far, there has been no political movement in Ajaria erupting the secessionist agenda. During the pro-independence movement in Georgia some forces frequently dealt with the legitimacy of the autonomous status of

Ajaria and the ways of its abolition. This issue, however, has never been put on the agenda, and currently is not discussed at all.

After the coup d'état of 1992 Ajarian leader recognized new authorities of Georgia, but continued to keep contacts with the representatives of the ousted pro-Gamsakhurdia government. Ajarian leadership succeeded to prevent the spread of the influence of the then powerful armed groups (Mkhedrioni, National Guard) to Ajarian region. Thanks to this step Ajaria remained relatively crime-free and stable region of Georgia which brought Aslan Abashidze nationwide respect and popularity.

At the same time alongside with increasing stabilization in the whole Georgia Ajaria eventually loses the image of the "oasis of stability" in the turmoil country, but the lack of democratic freedoms in the region becomes increasingly visible. The activity of political parties in Ajaria is significantly restricted, there is actually no free press, and non-governmental organizations play no role in the life of the region. Before the new elections to the Ajarian Supreme Soviet which held on September 22 1996, the operation of Ajarian Supreme Soviet has been halted.

Despite their above mentioned confrontation, Tbilisi and the autonomy act in accordance when their interests coincide. On September 22, 1996, Aslan Abashidze's party, the All-Georgian Union for Revival (AGUR), and the Citizens' Union of Georgia (CUG) formed an electoral bloc to run the elections to the Supreme Council of the Adjarian Autonomous Republic and won 76 (95%) out of the 80 seats. Reportedly, democratic standards were apparently infringed at the elections. Ajarian leadership refuted the international observers to monitor the elections in the autonomous republic. According to official information, 94% of the voters participated in the elections. Such a figure is reminiscent of elections in the former Soviet Union.

Despite their seeming unity, the CUG and the AGUR were doomed to divorce. Actually, it was (and currently it is still going on) a struggle for power. The AGUR leadership does not want to share authority with the CUG, while the latter, for its part, seems eager to take the edge off the weight of the regional party. On April 15, 1997, the AGUR demanded to declare Adjaria a free economic zone. Quite predictably, the CUG raised against the idea.

Of late, relations between the Adjarian autonomy and the central government on the one hand, and between various political forces of Adjaria on the other, have worsened. This was vindicated by the fact that 7 out of the 31 members dissociated from the regional Adjarian parliamentary group "Revival" and, remarkably, joined the "Mamuli" parliamentary group which is surely not in line with Shevardnadze's most loyal supporters.

b) the former South Ossetian Autonomous Region

The conflict between the Georgian government and the former Soviet autonomies transformed into an armed confrontation resulting in the de facto separation of these territories from Georgia.

The South Ossetian Autonomous Region was created only under Bolshevik rule on April 20 1922. According to the widespread in Georgian society opinion that was the grant of Bolsheviks to local Ossetians for the help in establishing Soviet rule in Georgia. That's why in the eye of the overwhelming majority of Georgian public the very existence of Ossetian autonomous territorial unit in Georgia was illegitimate. Besides, the term "South Ossetia" was also unacceptable, because its cultivation in the political terminology would have given a legal ground to the demands of South Ossetian establishment for the unification with Russia's North Ossetia. The main purpose of the pro-nationalistic movement in the region led by the organization "Adamon Nikhas" was the same.

Ethnic Ossetians constitute about 70% of the region's population. This is about 60,000 of total 105,000 ethnic Ossetians residing Georgia before the conflict.

The armed conflict began in 1990, when the South Ossetian establishment conducted elections, and newly elected Supreme Soviet declared the South Ossetian Republic without any agreement with Tbilisi. In December 1990 Georgia's Supreme Council formally abolished the South Ossetian Autonomous Region. This decision resulted in escalation of the armed conflict.

The armed conflict was of limited scale, and characterized with variable successes for both hostile sides. It was ended in June 24 1992 by tripartite Georgian-Russian-Ossetian agreement according to which the conflict zone is to be guarded by mixed trilateral peacekeeping troops until the definition of region's status.

The Ossetian side succeeded in the establishment of true governance on the territory populated by ethnic Ossetians.

The presidential elections held in the break-away region September 10 1996, brought a victory to relatively moderate politician Ludvig Chibirov.

Naturally, there are frequent conflicts between various bodies or statesmen within the newly formed state apparatus (for instance, deputy defence minister was killed by the head of the local special police force on November 14, 1993), but they must be linked to the rivalry between various political and financial clans rather than the Georgian-Ossetian relations.

So the Tskhinvali leadership's August 1993 statement claiming the territory of the former South Ossetia to be under control of the government - 22 ministries and 4 committees - sounds quite realistic.

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The negotiations between Tbilisi and Tskhinvali are mediated by OSCE and Russia. There are no punitive actions and terrorist acts in the region grounded on the ethnic intolerance. The movement of the population of different ethnicity via the region is virtually undelayed, the economic contacts between Georgians and Ossetians are more active, though the disagreement over the political status of the region has yet to overcome.

The idea of unity with the North Ossetia is still popular in the South Ossetian establishment. Nevertheless, the variants of the conflict settlement based on compromises are also dealt with by the parties. According to the statement made by Ludvig Chibirov in June 1996 the Ossetian party scrutinizes three possible variants of the conflict settlement:

1. the South Ossetia will be granted more autonomy within Georgia, for example similar to that Tatarstan enjoys within the Russian Federation;
2. the South Ossetia will stay within Georgia together with Abkhazia and Ajaria as a subject of Confederate state;
3. Russian-Georgian condominium is to be established in the region.

At that time many in Tskhinvali supported the idea of a complete secession from Georgia. For instance, Ludvig Chibirov, the South Ossetian leader, made a statement on August 10, 1995, declaring an inevitable unification of two Ossetias (meaning North and South Ossetia).

The opinion poll of July 1996 showed that 52% of the population supports the unification with North Ossetia, 31% favours independence and only 3.5% - return to Georgia's jurisdiction.

The presidential elections of September 1996 in South Ossetia were declared illegitimate by the Georgian Government. Nevertheless, Tbilisi, trying to avoid complications, is more liberal towards the activities of the South Ossetian side; on the other hand the problem of refugees from South Ossetia due to their relatively small number, is less acute compared to Abkhazian problems. It should be noted that the procrastination policy towards Ossetia causes irritation of the opposition.

Two parallel processes have revealed themselves in recent times: strengthening Georgian-Ossetian economic contacts on the one hand, and emerging reasonable politicians (Lyudvig Chibirov) instead of ultra-nationalist Ossetian radicals (Alan Chochiyev, Oleg Teziyev) on the other. At the regular Georgian-Ossetian talks in Moscow on March 4-5, 1997, the parties resolved to reduce the number of peacekeepers' check-points in the region from 26 to 15 by March 30.

There is still no progress, however, in solving the problem of refugees. The problem of refugees is one of the hardest in Ossetia. According to official data, about 30,000 refugees sojourn in North Ossetia, while their total number (both Georgians and Ossetians) amounts to 100 thousands.

Despite all of this, Ossetia celebrated the 4th anniversary of its military victory over Georgia on June 24, 1997. Opinion polls revealed that the overall majority of the Ossetians (91.6%) are still biased against the Georgians. On August 8 the South Ossetian parliament demanded a free economic zone on the territory of South Ossetia. First of all, the lack of confidence in Georgia must be seen in their decision.

For its part, Tbilisi demands international guarantees of the country's territorial integrity in exchange for restoring the South Ossetian autonomy.

c) the Abkhazian Autonomous Republic

However, the Abkhazian problem is the most pressing one of the country.

Abkhazia, unlike South Ossetia, received the status of autonomy by the 107th clause of the 1921 Constitution of Georgian Democratic Republic. Unlike the case of Ossetia, the Georgian population agrees with the idea that the Abkhazians should be granted autonomy.

Within 1921-1931 along with the changes of the administrative-territorial construction of the USSR, the status of Abkhazia also underwent revision. In particular, on December 16 1921, Abkhazia was declared as a "Contractual Republic" (this was legally confirmed by the Abkhaz Constitution adopted on April 1, 1925). On February 19, 1931 Abkhazia received the legal status of the autonomous republic within Georgia.

The Abkhaz conflict stems from different viewpoints on the status of Abkhazian region, as well as from the ethno-demographic picture of the region. By the time of the demise of the USSR the ethnic Abkhaz constituted only 17% of the population of Abkhaz Autonomous Republic, while the share of ethnic Georgians in Abkhazia amounted to 46%. Nevertheless, pursuant to the regulations cultivated by the Soviet rule titular nation enjoyed some privileges in the personnel policy in state bodies. The process of democratization apparently threatened those privileges. The then government of Georgia led by president Zviad Gamsakhurdia took into account this circumstance, and on the ground of mutual Georgian-Abkhaz consent the elections to the Supreme Soviet of Abkhaz Autonomous Republic in September of 1991 were actually held on the basis of ethnic quotas. Ethnic Abkhaz received 28 seats out of 65 adjudicated in the parliament, while Georgians occupied 26, and 11 seats were given to the representatives of other nationalities residing in the region. In order to make amendments to the Constitution more than 2/3 of votes were required. That provision was making impossible any constitutional changes without the agreement between the Georgian and Abkhaz deputations.

Despite that neither Georgian and Abkhaz deputation, nor Tbilisi and Sukhumi found ways of cooperation. The situation around Abkhazia particularly sharpened after the 1991-92 December-January coup in Tbilisi.

In respond to the restoration of Georgian Constitution of 1921 by Georgia's Military Council (who took power as a result of coup), on July 23 1992, the Abkhaz Supreme Soviet by simple majority of votes declared the restoration of the Abkhaz Constitution of 1925. This actually implied the separation of Abkhazia from Georgia. Georgia's Military Council as well as pro-Georgian faction "Democratic Abkhazia" (31 MPs) in the Abkhaz Supreme Soviet, did not recognized that act.

The stand-off between Tbilisi and Sukhumi culminated August 14 1992, when Georgian armed forces entered Abkhazian territory. The formally declared reason for moving troops to Abkhazia was the guarding of security for railway mains, but actual reason was said to be the suppressing the activity of followers of the ex-president Gamsakhurdia.

The separatist part of the Abkhaz authorities gave Georgian forces armed rebuff which eventually developed into actual war during which the Abkhaz separatists enjoyed the support of Russian military and North Caucasian mercenaries. In September 1993 Abkhaz separatists sealed the victory over Georgian armed forces. One of the main results of the war lost by Georgian government was of ethno-demographic nature. As a result of ethnic cleansing launched by Abkhaz separatists the region has actually almost been cleaned from Georgian population, and more than 200,000 Georgian residents of Abkhazia have become refugees and/or DIP.

On March 10 1994, Georgian Parliament abolished the Supreme Soviet of Abkhaz Autonomous Republic (including the Georgian faction), but restored it on February 24 1995. On June 14 of the same year MP's of Georgian parliament elected in Abkhazia in pre-war time, were moved to Tbilisi based pro-Georgian Abkhaz Supreme Soviet by the rule of co-optation.

Therefore, on the basis of the Abkhaz Supreme Soviet elected in 1991 two powers of Abkhazia have been established. One of them following the separatist way operates in break-away Sukhumi, and really controls Abkhaz territory, while the other power is based in Tbilisi and actually represents itself symbolic government of refugees.

Since 1994 Russia-mediated rounds of Georgian-Abkhaz negotiations are underway. Periodically the talks are conducted under the auspices of UN. With different status the OSCE periodically takes part in the negotiation sessions. Lately, the states constituting apart of Russia the "Group of Georgia's Friends in the UN" (USA, UK, Germany, France) have joined the peace talks. On the basis of the agreement achieved May 14, 1994 the Russian military units operate as peacekeepers in the zone of Georgian-Abkhaz conflict under the aegis of CIS. The legal mandate of peacekeepers is to be prolonged every six month under the mutual consent of all the parties concerned.

The negotiations mainly center on two essential issues, the political status of Abkhazia, and repatriation of refugees. No progress has been achieved on either of the issues, so far. Georgia offers Abkhazia the status of federated subject within Georgian state, while the Abkhaz party insists on loose union like federation or confederation to be created by two equal in rights subjects (the difference between the terms is symbolic). According to the Abkhaz plan two independent political units Georgia and Abkhazia to create common state and delegate to its supranational bodies certain authorities. As to the repatriation of refugees, the Abkhaz party declares the willingness to provide the "step by step" repatriation, which virtually implies the procrastination of the repatriation for decades. However, in Gali district - the Abkhaz-controlled area neighboring with rest of Georgia, according to different sources from 30,000 to 50,000 refugees have returned spontaneously. From the ethnic viewpoint pre-war population of Gali was purely Georgian.

On August 22, 1995 the Abkhaz parliament in Sukhumi passed a special resolution confirming the full independence of Abkhazia. On 25 August, at the Georgian-Abkhazian negotiations in Moscow, the idea of federal arrangement with Georgia was rejected by the Abkhaz authorities.

On November 23, 1996 in break-away Abkhazia the parliamentary elections were conducted. According to formal Abkhaz sources the turnout was equal to 81% (180,000 voters of 220,000 took part in the ballot).

Georgian government qualified the elections as illegal. That same day in the plebiscite conducted in Georgia among the refugees from Abkhazia, which contained the question on the legality of elections conducted in break-away region 225,000 participants of the poll gave negative response, and only 88 considered the elections as legal.

The problem of refugees makes the situation ever so complicated.

In March of 1997, under the pressure of Georgia the CIS summit decided to extend the mandate of peacekeepers in the conflict zone. This would have allowed them to operate more effectively in order to secure the safe repatriation of refugees to the more territories of Abkhazia. However, because of the resistance of Sukhumi government nothing really has been changed in the Status Quo of refugees.

In March 1997, the parliamentary group "Abkhazia", hitherto fully obedient to the president's will, went on a hunger-strike, protesting against Shevardnadze's policy.

On May 30, 1997, several opposition groups proposed a referendum on withdrawing the Russian peacekeeping troops from Abkhazia. The Abkhazian authorities, for their part, firmly demanded to prolong the deployment of the Russian peacekeepers.

In summer 1997, Georgia, which has been increasingly critical about Russia and especially the Russian peacekeeping troops in recent times, made some diplomatic steps. Nevertheless, Georgian party did not prolonged the mandate of Russian peacekeepers when it expired on June 31, 1997, though, did not demand their withdrawal. Currently Abkhaz militia launches out series of punitive operations against Georgians still residing Abkhazia. On the other hand, Georgian guerrilla groups harass separatists by terrorist acts.

Though on August 14-15, 1997, Georgian president Eduard Shevardnadze and Sukhumi government leader Vladislav Ardzinba conducted a landmark meeting in Tbilisi, that meeting, nevertheless, had not led to any "breakthrough".

The opinion poll conducted among the refugees from Abkhazia in August 1997 provided rather noteworthy data: 28.2% of the respondents consider future relations with the Abkhazians impossible, 20.2% will attempt to restore former contacts, 15.3% think that the Abkhazians will remain Georgia's enemies for ever, while 11.8% do not want to maintain relations with Abkhazia.

Recently some opposition political parties of Georgia, and later the very president Shevardnadze, have found the Bosnian Model as the best way out of the Abkhazian deadlock. However, it's still unclear how this model could be applied to Georgia, and which forces are planned to be involved.

At present, the Abkhaz issue is perceived to have dragged into a deadlock and the demands by the political circles in Tbilisi to settle the Abkhazian problem by force, is becoming more pronounced.

2. Regions

Collapse of the old system raised the necessity of creating new system. The aspiration for independence was complicated by the ethnic diversity of regions, that demanded independence based on the ethnicity. Such regions appeared to be Abkhazia, former South Osetia, Djavakheti in the south of Georgia settled by Armenians mostly.

The center was worried about these circumstances. This is complicated by the fact that the nuclei of the political parties and organizations function exactly in the capital of the country. Several of the political bodies which formerly supported idea of federalization, are against broad autonomies. Most of the parties and politicians at present stand for limited self-governing in regions in order to defend territorial integrity of the country.

Unfortunately, interference of forces from outside have encouraged the positions of separatism and above mentioned unitarist tendencies should be regarded as a counter-reaction.

One more tendency emerged. Some politicians demanded self-governing to be limited to the level of city and village community, where the rights of local governments should be increased, while the self governing on regional level is considered inadmissible.

Local Governance has been one of the most significant problems in the process of building the Georgian state. As distinct from the relatively well-established legislative basis of Parliament and Government, the prospect of the local arrangement of the State is still very vague.

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The law on transitional period adopted November 14 1990, was the first attempt to get rid of Soviet system. The law announced as local ruling bodies Sakrebulo in the villages, communities, and Prefectures as executive bodies in the districts and big towns. The first level of executive in the peripheral regions were Gamgeoba, headed by Gamgebeli (the 85th and 145th articles). The Sakrebulo were elected for 3 year term, while the Prefects were appointed for 4 year term by the Chairman of Georgia's Supreme Council (parliament) (the 86th and 146th articles). The law also specified the following levels of local government: district, town, district of the town, community, settlement, and village (the 137th article). The upper local government bodies were authorized to cancel the decisions of lower local bodies without the right of appeal on the part of latter (the 128th and 149th articles).

On April 23 1991, the law on prefect was adopted. That same year the law on Sakrebulo was issued. The latter created the representative elective body-Sakrebulo governed by the Gamgeoba(administration) led by Gamgebeli. The law authorized Sakrebulo to approve the budget and elect Gamgebeli and Gamgeoba staff nominated by Prefect (the 2th, 24th and 25th articles).

Further legislative activities were focused on solving particular problems. On May 23 1991, the regulation of Georgia's administrative-territorial arrangement went into the effect. According to the regulation the territorial units were district, district of the town, and community, while the settlements were town, town-type settlement, and village. On August 10 of the same year the law on governing of Tbilisi was approved which divided Tbilisi into 10 districts and 1 settlement (the 1ht article). The local ruling bodies were represented by district Sakrebulo, and Tbilisi Sakrebulo. The state-level ruling bodies were municipality and prefectures.

On March 31 1991 the elections to the bodies of local government on the level of Sakrebulo, conducted.

After the coup of 1992 the institute of Prefect was abolished, and all the authority on the regional level was transferred to Gamgebelis of the districts. The 1921 constitution, re-adopted in 1992, has in fact made no impact on the system of local self-government. The Cabinet issued decree 1045 on November 16, 1992 - temporary regulations of self government that were to be in force until the parliament adopted a respective law.

On December 24 of 1992 the was granted the authority to appoint the heads of the local government until new elections. That significantly enlarged the head of state's rights.

On March 29, 1993, the Cabinet issued decree 255 - temporary regulations of self government - which actually brought together the essence of previous decrees.

On June 8, 1993, the Cabinet's decrees 1045 and 255 were abolished as illegitimate.

Under the head of state's direction 93 on temporary self-governing regulations dated August 2, 1993 the Sakrebulo's were committed to create power bodies in the regions, while Gamgeobas were authorized to create ruling bodies(actually executive) (the 1th article). Local authorities were prohibited from running private businesses (article 7). The Sakrebulo were staffed by the representatives of Gamgeoba, Sakrebulo, and 2 representatives of the political parties operating in the region (the 8th article). The parliament and the court were authorized to abrogate unlawful activity of Sakrebulo (the 10th article).

Gamgeoba was committed to submit Sakrebulo the local draft budget, and carry out administrative management (the 12th article). Gamgebeli was authorized to veto twice the decision of Sakrebulo (the 15th article).

According to this direction new elections to the local government bodies were to be set no later than for 3 months after adoption of the Constitution (the 5th article). The elections, however, had not been conducted.

The Constitution of 1995 did not created the model of the country's administrative-territorial arrangement. According to the 2-nd clause this question is to be decided after the restoration of the country's territorial integrity, while the system of local government is to be determined by the organic law.

The direction 362 of the head of state - Temporary Regulations on Local Self Governing Bodies of the Republic of Georgia. - issued September 16, 1996, decreed Gamgeobas(in districts) and municipalities (in some big towns) as local government bodies until new elections of local self-government bodies (the 1th article). The structure of local government comprised Gamgeobas(administrations) of village, settlement, community and district-subordinated towns (the 5th article). The direction actually prolonged their authorities until the elections of local government bodies (the 11th article). Gamgeoba was creating following the principle of hierarchic appointment (the 13th article). The heads of district administrations were appointing and dismissing by the country's president (the 21th article).

All these changes were the part of the same scheme dependeless on the rule of either Shevardnadze, or Gamsakhurdia. The executive power in the region belonged to the person appointed by the central authority. However, the existence of elective regional body with limited power, was also envisaged as a counterbalance of the appointed administrator. But after the coup local Sakrebolos dissolved eventually and actually played no role (though in different regions the situation was different). Since April 1994, when the authorities of Sakrebulo have suspended, full power vacuum created on the level of local self government. The opposition either to Shevardnadze, or to Gamsakhurdia considered the appointment of local administration heads by Tbilisi as a remake of Soviet-time "first secretaries of district." The policy of postponing the local elections on the part of the government is usually explained by the necessity of the consolidation of new regime which might be delayed if local elections in the regions would bring victory to radical opposition forces. Meanwhile, according to the opposition parties the only purpose of such kind of policy of the government is to keep as long as possible its power in the regions.

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In October 1997 Georgian parliament adopted an organic law on local self-ruling and local government.

The opposition criticizes the evident centralist gist of the newly adopted law on local government, but in turn, fails to shape any well-formulated attitude to this issue. A part of them demands more rights for the regions, while the others give their support for the idea of maintaining and reinforcing the strong central government.

On the whole, the political elite is rather vague in this issue. There are sharp debates about what a state system should be established in the regions. A good deal of them (39% according to the 1995 data) believe that there must be a province system. Those supporting the concept of federalism, too, are quite numerous - 32%. At the same time, nobody can say whether there must be symmetric or asymmetric federalism.

Supporters of the province system require to enlarge the administrative units (districts) created in Soviet times. In their opinion, all the districts that currently total more than 80 must be merged into 18-20 provinces. This will arguably lead to staff cuts in the huge administrative apparatus providing the regions with more self governing rights. Finally, it may drive people to participate in state life more actively and increase their confidence in the government on the one hand, and substantially curtail budgetary expenses on the other. Besides, the government should set up special purpose districts to provide certain

geographical regions with exceptional supporting programs. To this end, municipalities that are incapable of achieving the task on their own should combine their resources.

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The biggest change occurred in the field of self government was the creation of some middle level of the territorial governing determined as region.

The appointment of authorized envoys started in 1993 and eventually comprised the part of the country's territory under the jurisdiction of the central power. Finally, the country's territory was divided into 9 regions: Kakheti, Shida Kartli, Kvemo Kartli, Mtskheta-Mtianeti, Meskhet-Mtianeti, Imereti, Samegrelo/Zemo Svaneti, Racha-Lechkhumi/Kvemo Svaneti, and Guria. Abkhazian and Ajarian autonomous units, in this territorial model, exist separately. Tbilisi as capital of the country received the status equal to region. The legitimacy of region as territorial unit first confirmed by the law on administrative-territorial arrangement, passed February 21, 1997.

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The issue of the country's territorial arrangement has always been perceived as sensitive not by political circles alone, but also by public and the ethnic minorities populating the border regions. For some past years, the situation has several times turned critical.

The letter to the Georgian parliament endorsed by 7 Armenian nationalistic organisations of Djavakheti (southern Georgia) on August 7, 1995, demanding secession of the Djavakheti region from Georgia and its unification with Armenia, serves the latest example of the above mentioned confrontation. Lacking any other regulatory mechanisms, Tbilisi responded by a "rigid hand" principle.

Prior to a new law, the 1921 constitution of Georgia had been in fact the only example of the centre-region relations regulated by courts not the government. According to its article 103, the government could only temporarily suspend resolutions of local self governing bodies, while courts were the final institutions to settle discords. However, as mentioned above, after being re-enacted in 1992, the 1921 constitution remained largely on paper.

The relations with the regions, not populated by ethnic minorities are no less complex. The reasons for that are as follows:

- ideological opposition being largely determined by the composition of the leading party the "Citizens Union". As distinct from the party's liberal and pro-western headquarters, the core of its regional units consists of former conservative nomenclature, favouring an iron hand and state controlled economy;
- tribal traditions established in some regions and especially strengthened in 90s are the second reason. The confrontation between privileged, "elite" residents of the capital and locals of the provinces made a significant impact on the case. From this viewpoint, the Samegrelo region (western Georgia) that served the main base of the ex-president Zviad Gamsakhurdia's supporters requires special attention. However, the people grew weary of the lasting hostilities. The June 1994 elections held in 4 districts of Samegrelo went off without disturbances. According to official data, some 60% of the voters appeared at the polling stations;
- there is serious confrontation between local and central functionaries (*nomenclature*) and Mafia clans. Sometimes it becomes rather sharp. This, for instance, was vindicated by a conflict between Tbilisi and the Poti municipality that resulted in dismissing Roman Melia, then Poti mayor, on July 8, 1995. He was replaced by Nugzar Nadaraia, former member of the parliament and Tbilisi's nominee, who, for his part, gave way to Ivane Zodelava, the candidate of the Citizens' Union of Georgia and former Comsomol functionary, in August 1997.

Nevertheless, the institute of President's Commissioners has firmly taken root in 9 regions (Kakheti, Shida Kartli, Kvemo Kartli, Mtskheta-Mtianeti, Meskhet-Mtianeti, Imereti, Samegrelo and Zemo Svaneti,

Guria). On January 16, 1996, regional budgets and regulations on Commissioners were adopted and regional funds were set up.

Currently the adoption of the law on local elections and conduction of the very elections are on the agenda, which is expected to be carried out in the fall of 1998.

3. The Situation on the Local Level

Relations between the centre and the regions are among the most serious problems on the political agenda. As it is known, the center - the capital, proved to be privileged first in Russian empire and especially afterwards in the Soviet Union. The strong bureaucratic apparatus has long been established with the idea of keeping peripheries in submission. In limited passport regime to be the city dweller meant to be privileged and it was conceived as unattainable luxury for the most part of the rural population.

Regions as a rule were under control of the center on all levels of state structure. The capitals of republics and autonomies played the same role in the life of any other administrative units as Moscow for the rest of the country.

At the same time the drive towards municipalization and self governing in a number of regions and cities is obvious. The government's inability to solve local problems accounts for such a situation.

This may be illustrated by activities of the so-called "sworn men councils" (*napitsta sabtcho*) in the mountainous Svaneti region. Similar bodies existed in Middle Ages to settle conflicts between various families. The "councils" played a great role in fighting drug production/distribution in the region and, partly, in anti-crime operations. Applying principles of the traditional law, the councils coerced perpetrators to compensate victims for two or even three times of the damage.

At the same time the councils that had neither real authority nor enough finances failed to stifle organised crime. They faced a lot of problems, for instance when distributing international humanitarian aid. Incompetence of council members often caused conflicts. As a result, they in part lost people's support.

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One of the important problem to be underlined is the incompetence of the political bodies in local governing aspects. There are many cases of semantic misunderstandings. A number of political organizations consider themselves federalists, while they support Unitarian constitution of the country.

If we add to it the ignorance of population in self governing issues, it will be clear what is the state of affairs in this field of civil life in Georgia.

So we can make certain conclusions:

First of all, local self governing bodies encounter the following apparent problems:

1. incompetence of the bureaucratic apparatus is a serious flaw of the local self governing system. A vast majority of the functionaries (represented predominantly by old Communist nomenclature) have little, if any, knowledge of the present-day requirements;
2. local self governing bodies are distinctively short of necessary information. Even the already existed small legislative basis is often beyond their reach;
3. financial problems are also quite demanding. To balance the local budgetary deficit in 1995, the government allocated only 1.75% (\$190 mln) of the state budget. In 1996 the budget revenues were expected to reach 555 mln GEL, local budget revenues 136 mln GEL and expenditures 135 mln GEL. Getting 9 mln GEL from the centre, the regions had to pay 10 mln GEL to the central budget. The 1997 state budget (839.9 mln GEL) allocated 55.6 mln GEL (6.62%) to local self governing

bodies. It must be mentioned that only 38.2 mln GEL were subventions to local budgets, while the other money was directed to cover expenses of the central government's local offices (save the Interior Ministry, Security Ministry and Ministry of Education). So due to the lack of money and the necessity to pay a great piece of local revenues to the central budget the self governing bodies permanently suffer from financial hunger.

The legitimacy of local authority is another problem. Actually, there is no self government system in Georgia. The terms of office of the *sakrebulo* (local councils) elected in 1991 expired in March 1994. Thereafter, neither new elections were appointed nor the terms prolonged. More importantly, regulations of local self government specify no elected bodies.

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There are a lot of self government problems nowadays:

- the process of creating a legislative base is still to be completed;
- although some regions try to take into account the public opinion (for instance, a council of political party representatives functions at the Kutaisi municipality), it is hardly a solution to the problem;
- there are no organic laws to regulate the institutions of *rtzmunebuli* (authorised representative) and *gamgebeli* (the head of local administration) and both are based on the president's decrees;
- regional *rtzmunebuli* (governors) are not approved by the parliament but appointed directly by the president;
- while the legislation grants *sakrebulo* significant authority (the right to approve local budgets, etc.), they in fact do not exist at all.

Among the reasons that not only impede the process of establishing self government principles but make the problem of territorial arrangement hard to solve in the near future the following ones must be especially highlighted:

- during the independence period the forces in power believed that Georgia had first to solve other, much more pressing and immediate problems. Therefore, few were concerned with the above mentioned issues;
- politicians found the local self government problem so hard to solve that they failed to develop basic principles and more or less complete model of the country's territorial arrangement. This is true of both the government and the opposition;
- such a situation was conditioned by objective reasons - Georgia indeed faced such problems at that time (the civil war, the South Ossetian and, more important still, the Abkhazian problems, confrontation with Russia, the economic crisis, the high level of crime, etc.) which hampered the country's administrative/territorial arrangement;
- subjective factors must be mentioned as well. Notably, the lack of experience of building a democratic state;
- this is capped with recurrences of the Soviet mentality that is more or less typical of the political spectrum;
- it must be also mentioned that the Georgian government was not stable and popular in 1992-95 and neither is it at present. The powers that be, therefore, fear to lose their authority at local elections.

So unlike the central government, there is no legitimate base to underpin a local self government system. Despite the opposition's long lasting demands, the nomenclature opposes local elections for fear of losing a great, if not the greatest, part of their privileges in case of defeat.

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And finally a few words about future prospects. Although the 1997 state budget has allotted 1 mln GEL to local elections, they were postponed till 1998.

According on the articles 9, 10 and 11 of the Organic Law of Georgia On Local Self-government and Administration, Local self government is represented by the hierarchical system of *sakrebulo*, while the local executive branch by *gamgeoba* (mayor's offices in towns).

At the first level (village, community, settlement, rural towns), the law states, *gamgebeli* and *sakrebulo* are elected by local residents.

According to Article 44 of the law, the system of direct governing may be introduced in a whole number of cases. This may cause serious conflicts between the centre and regions in the future.

Besides, some articles of the law obviously contradict each other. For instance, according to Article 42.2, resolutions of self governments can be abolished by only courts, while Article 42.7 gives the president and autonomous governments the right to suspend, under certain circumstances, powers of local self governments at all.

In districts and 6 large cities of Georgia (including Tbilisi) residents can elect only *sakrebulo*. *Gamgebeli* (in districts) and mayors (in the specified cities), as well as their deputies, are appointed by the president (the articles 10 and 11).

According to Article 3.3, the self government system of Tbilisi must be regulated by the law "On the Capital of Georgia - Tbilisi".

No elected bodies are created at the regional level.

At the same time, there are no clear definitions of financial rights and responsibilities for various governing levels, thus providing grounds for future conflicts. However, the opposition, as well as the ruling party, and most officials of the state apparatus agree that 70% of the local revenues may be directed to the first-level budgets (village, community, small rural town, city), while the other 30% to the district.

As to local revenues, Article 34.4 of the law on local self government refers the issue to the law on the budget. In the opinion of state apparatus officials, such an approach aims to provide local self governments with necessary economic base on the one hand, and transform the current centralised governing system in order to create political and economic grounds requisite for really independent self governments on the other.

It is worth noting that all the opposition political parties and the society display negative stance towards the draft law. It is clear that the appointment mechanism was and will be the largest source for corruption.

As a rule, the opposition demands maximum powers for local self governments. The problem had grown especially pressing by the beginning of 1997.

The bill was brought in the parliament on February 8 and faced immediate negative reaction. In June and July the centrist opposition demanded a referendum on local self government.

Parliamentary debates on the bill revealed a whole range of its flaws. A good deal of the articles contradicted each other. For instance, according to Article 12.2, *sakrebulo* (local council) can remove *gamgebeli* (head of local administration) from office by 50% of the votes, while according to Article 12.3, *sakrebulo* has to submit the issue to central institutions for approval by 2/3 of the votes. Article 46.3 enables some state bodies to abolish, within their competence, resolutions of local self governments, though this contradicts the provision on *sakrebulo* powers.

To overcome the above mentioned obstacles, the parliament set up an inter-faction group. It must be mentioned that the idea was proposed by the ruling party. In the speaker of the parliament Zurab

Zhvania's words, the CUG was quite able to solve the problem by itself but no solution would be just without a broad consensus on the issue.

After long debates, the parties reached a compromise and agreed on basic principles of a bill on local self government:

1. self government in Georgia is based on the self governing units: village, community, small rural town, and city;
 2. representative institutions in districts and cities are to be elected by direct and proportional ballot. Executive bodies of districts and towns which represent the central government's district or city offices are, at the same time, accountable to representative institutions;
 3. normative acts stipulate a strict division of functions between representative institutions and executive bodies in districts and cities;
 4. one third of the *sakrebulo* can demand to pass a vote of no confidence in *gamgebeli* of districts and cities; if more than a half of the *sakrebulo* registered members vote against the *gamgebeli* the matter will be submitted to the president for approval;
 5. according to the proposed bill, district *gamgebeli* and city mayors are appointed directly by the president. An alternative proposal suggests that *sakrebulo* should have a say in the appointment;
- Note: the given principles are valid in 6 cities: Poti, Kutaisi, Sukhumi, Rustavi, Batumi and Tskhinvali.
6. economic bloc needs revising in accordance with the agreed principles. It will be debated at the third reading.

Despite the compromise, the government, viz. the ruling party, managed to keep the provisions of the bill unchanged. As a result, heads of local administrations in districts and 6 large cities will be appointed by the president. Just these provisions irritated Georgian liberal forces most of all.

The attitude of the public towards these issues is rather interesting:

According to the June 20-24 opinion poll in Tbilisi, 80.8% of the population approved of electing (rather than appointing) a mayor, while 18.2% were against. At the same time, 66% of the respondents disapproved elections in the regions. It seems that they were wary of granting broad self governing rights to ethnic minorities in outer regions, regarding such policy as an anti-state action.

It is difficult to foresee how the structure will be transformed, but one thing is evident, present groups of interest in the Parliament can not be regarded as supporters of urgent solution of local governing issue or the apologists of the self-governing. Should the process speed up it will not be on behalf of the political elite.

III. SOCIETY AND STATEHOOD

A. Society and Legislative Activities

The post-Soviet mode of thinking is generally characterised by distrust of laws and, at best, indifference towards them. This is natural, as having a negative connotation, in the Soviet system laws were perceived as tools for punishment rather than a mechanism protecting individuals and social strata.

With the break-up of the USSR and the creation of new independent states, the dissident thinking also underwent some alterations but the conflict between the law and reality continued to exist.

The activities of the nationalist Government gave vent to the frustration of intelligentsia partially causing the events of the end of 1991 and the beginning of 1992, when as a result of a coup, President Gamsakhurdia lost power and fled from the country.

The 1921 constitution, re-enacted in 1992, abolished death penalty (Article 19), allowed to publish opposition opinions without preliminary permission (Article 32) and granted ethnic minorities the right to form self governing unions (Article 130) and get secondary education in native language (Article 135). As already mentioned, this constitution remained largely on paper. It counteracted the legislation and real processes in the country.

In fact only a third of the voters participated in the 1992 elections. Non-Georgians (especially in the outer regions) had little confidence in the Georgian government, while a part of the Georgian population (the so-called "Zviadists) did not recognise its legitimacy.

A new parliament kept on acceding to international agreements and conventions. On January 25, 1994, Georgia joined the International Pact on Civil and Political Rights but it was often violated thereafter. For instance, although Article 21 permitted peaceful rallies, they were usually either banned or, worse still, broken by force.

Article 24 of the law on citizens' social organisations which was adopted on June 14, 1994, gave international law priority over domestic one in the case when these two contradicted each other. Actually, this provision, too, remained on paper.

Although the 1995 constitution banned censorship (Articles 23-24) and declared the freedom of assembly (Article 25), etc., the reality falls short of the constitutional requirements.

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The 1995 November 5 parliamentary and presidential elections left the multi-party opposition without parliamentary seats - thanks to people's increasing indifference and a whole chain of the government's machinations. During the pre-election campaign the parties displayed different financial potency. Apparent infringements of the law and democratic standards that were registered in many polling stations on the election day questioned the fairness of the elections. Local administrations and law enforcement authorities often interfered in the ballot. The elections also revealed incompetence of election commissions and deficiency of the election legislation. "Technical" infringements were committed by the Central Election Commission, as well as by the head of the state himself, who shifted some state officials during the pre-election campaign, though such shifts are banned by the law.

The new, actually one-party parliament continued legislative activities of its ancestor. If compared with the previous one, it seems more productive but can be likened to the Supreme Council of 1990-91 due to the number of developed laws and their inefficiency.

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A rather interesting tendency showed up in the Georgian state policy in recent years. Notably, the government seems anxious to increase the public interest in political processes and improve its rating.

In 1992-95 the authorities were mainly concerned about strengthening their positions and made every effort to this end. Naturally, this could hardly make for people's confidence in the government.

After the situation became more or less stable the authorities came to realise the necessity to find common language with the population, as the alienation between the society and state interests posed potential threats for the government itself.

One more trend has come out lately: forces which have already given up their political activities are accused of crimes or blunders committed by state structures in past years.

On the one hand, to attract the destitute and the president Gamsakhurdia's supporters the authorities are strengthening their campaign against once almighty "Mkhedrioni". In April 1997 the "Mkhedrioni" was charged with some well-known assassinations (notably, the murders of Soliko Khabeishvili, Shevardnadze's "right hand", George Tchanturia, the leader of the National Democratic Party, and Gia Gulua, a police general). After being arrested, the Mkhedrioni leader, Djaba Ioseliani, went on hunger strike at the beginning of August but to no effect.

On the other hand, to calm the elite nomenklatura and privileged strata the authorities keep on repressing Gamsakhurdia's supporters. In April 1997 seven "Zviadists" charged with the 1995 assassination attempt against Shevardnadze were sentenced to various terms of imprisonment - from 7 to 10 years. It's noteworthy that they were arrested by Igor Giorgadze, the former chief of the state security service who was declared the main organiser of the attempt by the authorities. Under the circumstances, the society and especially Gamsakhurdia's supporters suspect that these seven "Zviadists" were mere "scapegoats".

All this is accompanied by the president's and the government's increasingly frequent calls for national unity.

In May 1997 the Ministry of Justice worked out a new criminal code abolishing death penalty and introducing 15-25 years imprisonment instead. On July 25 the president pardoned 54 sentenced to death prisoners, mostly Gamsakhurdia's supporters.

One more tendency must be mentioned. The government is more and more often appealing for the national idea, although just such an appeal was blamed, as a rather serious anti-democratic factor, on Gamsakhurdia's government. To make the society more active and gain the public support the authorities are trying to influence people's national feelings.

To this end the government also attempts to profit by the authority of the church. A department of national (secular) state and religion was created in the State Office in August 1997. It must be mentioned, however, that such a policy seems likely to politicise the church and decline its authority rather than increase public confidence in the government.

B. Public Mood

Throughout 90s Georgian public thought has been marked by radical changes of orientations and attitudes.

Mass rallies that originated in late 80s led to public euphoria which lasted for some time after the first multi-party elections and the victory of the bloc "Round Table - Free Georgia". The new government's course, as it is known, resulted in mounting frustration of the privileged strata and their opposition to the regime.

The number of voters who cast their votes at the 1992 October 11 elections was significantly smaller than at the 1990 October 28 ballot. A good deal of the population boycotted the elections. While the presidential election proved uncontested - Eduard Shevardnadze won 96% of the votes - the parliamentary one was anything but: 26 parties and electoral blocs gained parliamentary seats, creating the most-ever multiparty parliament of Georgia. The outcome of the elections indicated people's disappointment rather than real balance of political forces in post-Soviet Georgia.

The role of charisma became evident in September 1993 when the head of the state offered his resignation. His supporters reacted in a way that once again revealed people's poor political culture regardless of their political orientations.

The year 1993 was marked by considerable tensions. Severe economic crisis and erratic political course added to the strength of the opposition. The second congress of the National Liberation Movement (the first was held as early as March 1990) on February 21, 1993, censured pro-Russian policy of the head of the state. The popularity of "Zviadist" newspapers mirrored the public mood even in Tbilisi - Shevardnadze's main "bastion".

At the same time, people seem increasingly indifferent. In 1992 locals of the Samegrelo region, ex-president Gamsakhurdia's main stronghold, threw stones at Shevardnadze and raged against the governmental forces as occupants. In June 1994 additional elections in this region went off almost without disturbances. About 60% of the voters appeared at the polling stations there, voting for Shevardnadze-oriented candidates. Being weary of chaos, people would have supported any force that could guarantee them peace.

Due to the above mentioned reasons the public interest has changed. Opinion polls of past years placed the problems of stability, anti-crime/drug operations and the necessity to restore the country's territorial integrity on the top of public interest. During the 1997 April 14-15 opinion poll respondents specified the following main problems facing the country: small wages and pensions (86.6%), inability to earn the living wage (66.6%), too costly but low-quality public health care (25%), poor power supplies (16.6%). Less than 10% of the population had interest in other problems.

According to official statistics (August 1997), 57% of the population have average incomes - 89-98 GEL - smaller than the living wage - 99-112 GEL. Unfortunately, the pace of economic developments is far from stable. For instance, national income was gradually growing after the middle of 1996 but the process has been stagnating since May 1997 and the income per capita fell by about 12%.

All the above mentioned factors have made their impact on the mood of the population. Eduard Shevardnadze's rating has substantially improved by 1995. People credited him for successful anti-crime activities of the law enforcement bodies.

The 1995 presidential and parliamentary elections brought Shevardnadze to a convincing victory. But his rating again started falling just at the same time. Opinion polls, held mainly in Tbilisi, showed the decline of his popularity (at the end of 1993 - 75-80% of the respondents; in summer 1997 - 30-40%). His party, CUG, also saw its rating dropped (in the middle of 1995 - 40%, at the end of the same year - 20%). This may be linked to the chronic economic crisis (according to the United Trade Unions, the number of unemployed had reached 1.1 mln by December 1, 1995) and growing public scepticism about possibility of "economic miracle" with the help of "Shevardnadze's factor". Georgia's failure to solve the Abkhazian problem and, consequently, the problem of refugees also plays an important role.

It must be mentioned that people put little confidence in other political leaders too. Opinion polls give them support of 10-15% of the population at best (Irina Sarishvili-Chanturia, the leader of the National Democratic Party, and Zurab Zhvania, the chairman of the parliament), while the rating of other politicians does not exceed 10%. At the same time, a large number of citizens (36-38% in summer 1997) fail to specify any trustworthy political leader at all.

Under the circumstances, people hope that young leaders may improve the situation. According to the July 1997 opinion poll, 70% of the respondents said they hoped, while 23% said they did not.

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People's adaptation for the current situation arouses a lot of interest.

The issue was examined in a sociological survey carried out by the international organisation "Women's Initiative for Equal Rights" among 300 respondents.

Residents of the Tbilisi region display the best level of adaptation. The Kakheti region is the second. As to the Samegrelo, it is the worst, maybe due to the fact that just this region appeared in the hub of events which have befallen Georgia in recent times. People took the outcome of the civil war as their ignominious defeat.

As to the correlation between adaptation and people's incomes, the households that get most of their incomes from private enterprises appeared best adapted.

Comparatively high level of adaptation display also the young respondents (from 18 to 35 years of age).

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The Caucasian Institute for Peace, Democracy and Development and Burgschtrasser Institute (Freiburg, Germany) conducted a nation-wide sociological survey in Georgia in the summer 1997. Remarkably, it was held on the territories which are currently off Georgia's sovereignty (Abkhazia and the former South Ossetian autonomous region).

The author of the present book requested to include the following question in the survey questionnaire:

There are various systems of self government. Which one do you prefer from the following three?

- *local self government is head by a single person (gamgebeli, mayor);*
- *local self government is head by an elected body (council, sakrebulo);*
- *the authority is shared by these two.*

2000 respondents were interrogated. Their answers range as follows:

- 1 variant - 28.9%;
- 2 variant - 24.9%;
- 3 variant - 46%;
- Don't know - 0.2%.

Rather interesting results were achieved when correlating the answers with respondents' ethnicity, social conditions, incomes and education. One aspect should be underlined before examining the survey materials. One of the questions of the survey was directly linked to the division of powers between the centre and local self governments:

Which of the following public order systems do you prefer?

- *regional, town or village self government is elected by local population*
or
- *local self government is appointed by the centre.*

The overall majority of the respondents (90.7% - 1,814 respondents) preferred the first variant. Only a small part of them (9.1% - 181) backed the idea of appointing self governments by the centre.

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1. Correlating the respondents' answers with their occupation, it was found that employees of state offices/organisations and NGOs, personnel of educational institutions, students and invalids back a liberal (collective) model of self government. Personnel of building, transport and health care organisations, law-enforcement authorities and pensioners favour autocratic forms of self government. It seems that judging various systems of self government, people as a rule unwittingly link the issue to the specifics of their professions (see table 3).

2. According to average estimates, an autocratic model of self government is backed by 28.9% of the population, collective one by 24.9%, while a system of equal division of powers by 46%. The correlation of the answers with the respondents' ethnicity looks as follows (see table 4):

Ethnic Georgians	- 27.3%, 20.0% and 52.6% respectively,
Non-Georgians	- 33.0%, 37.7%, 28.4%, including:
Armenians	- 37.8%, 16.5%, 44.9%;
Russians	- 52.9%, 5.9%, 37.3%;
Azeri	- 23.2%, 57.3%, 19.5%;
Ossetians	- 26.9%, 48.5%, 23.1%;
Abkhazians	- 35.0%, 51.7%, 13.3%;
Others	- 28.9%, 26.3%, 44.7%.

It is hard to explain why the Armenians and Russians seem biased towards a "rigid hand" as compared with Georgians, while the Abkhaz, Ossetian and Azeri population is more in favour of pluralistic self government. In all likelihood, this is conditioned by ethnic mentality (for instance, relics of clan mentality among the Azeri and Abkhazians). At the same time, ethnic mentality alone can hardly cause such a result. Probably, it stems from the fact that the Abkhaz and Ossetian population are politically more active than the Russians and Armenians residing in large Georgian cities.

3. It's interesting to correlate the respondents' answers with their incomes. There is one apparent tendency - the higher incomes the smaller number of respondents back autocratic self government and the more of them favour the system of collective responsibility (see table 5):

incomes from 0 to 50 GEL	- 32.7%, 18.6%, 48.7%;
50-200 GEL -	28.0%, 23.6%, 50.2%;
more than 200 GEL -	19.8%, 23.8%, 56.4%.

A part of the middle-class population is employed in law enforcement bodies. Most of them support a strong state apparatus and autocratic government.

According to the survey materials, the similar situation was revealed in Abkhazia and South Ossetia. It's hard, however, to specify more details. Only 204 respondents have been interrogated in these regions. Therefore, it is difficult to correlate the survey data.

4. From this viewpoint, it would be interesting to examine attitude towards the problem in various regions (see table 6). Wide differences revealed there may be explained by various, often diametrically opposite reasons:

- collective self government gained most support in Tbilisi, the Samegrelo, Guria and Tskhinvali regions, and Abkhazia. Most likely, this is caused by relatively high incomes (in comparison with the national average), higher proportion of people with university education (Tbilisi) and more active participation in political life (Guria). While opposition regions (Samegrelo) have negative stance towards autocratic self government for individual factors, Abkhazia and the former South Ossetia disapprove it due to ethnic or political reasons;
- a big part of the population in the Imereti, Ratcha and Samtskhe-Djavakheti regions support autocratic self governments. In the first two regions this may be explained by lower incomes and high concentration of population, while ethnic factors (majority of Armenian residents) dominate the third (Meskheti);

- in Adjara, Shida Kartli and Kvemo Kartli regions most of the residents favour a balance between collective and autocratic self governments. This may be linked to comparatively high incomes (Shida Kartli and Kvemo Kartli), religious factor (Muslim population of Adjara and Kvemo Kartli) and ethnic mentality (the Azeri majority in Kvemo Kartli).

From this viewpoint, the Kakheti region yielded rather interesting results. Despite relatively monoethnic population (the overall majority are Georgians) and low incomes, most of the respondents back a balance between collective and autocratic governments.

5. As to the correlation between the people's education and their attitude towards self government, the higher education the more people support elected bodies (see table 7):

incomplete/complete secondary education - 34.3%, 22.9%, 42.8%;
incomplete/complete higher education - 22.8%, 27.3%, 49.8%.

collective bodies are especially supported by those with academic degrees - 14.3%, 32.1%, 53.6%

6. Autocratic self government was disapproved mostly by those respondents who learn news from independent media (press, radio), while those listening/reading state-run media (chiefly TV) reveal contrary stance (see table 8). It's worth noting that 72.1% of the population claim TV to be their main source of information.

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Three more noteworthy aspects have been disclosed in the survey: people's attitude towards society, state structures and ideology.

7. How much do Georgian citizens trust their fellow citizens?

67.7% of the respondents trust and feel closer to people of their ethnicity, while 52.2% of them put confidence in Georgian citizens regardless of their ethnicity. So people's ethnic consciousness seems stronger than their identification with each other as fellow citizens of a common country. Asked to specify what they regard as more important, wealth or ethnicity, 83.8% of the respondents preferred the latter.

It must be emphasised that this factor largely determines people's stance towards local self government. Most of those distinguishing their fellow citizens by the ethnicity criterion favour autocratic self government and the idea of "rigid hand", while those for whom ethnicity does not matter mainly back collective elected bodies (respectively, autocratic model is supported by 32.1% and 28.6%, while 20.7% and 25.1% give priority to *sakrebulo* or councils).

At the same time, those respondents who believe that Georgia is still not ready for democracy (82%) support, unlike their opponents, autocratic self government rather than collective or balanced models (respectively 30.5% and 21.6%; 44.0% and 55.2%).

8. As to people's attitude towards the state system, the survey unveiled two aspects:

a. What kind of state model should be considered comparatively better?

Correlation between the answers to the question and the survey data on self government problems allowed to divide the respondents into several groups (see table 9):

- the respondents who favour big western powers (France, Great Britain, Italy, partly Germany) support a balance between collective body and one-leader administration;
- autocratic administration (elected or appointed) is supported by those who admire big powers with strong presidential rule (USA, Russia);

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- a system of collective elected bodies is backed by those who consider European small countries ideal states (Sweden, Holland, Switzerland). It must be mentioned that they were joined by the respondents who describe Georgia as an ideal country as well.

A small part of the population chose an ideal country judging from their ethnicity. Particularly, Armenians, Azeri and Russians specified Armenia, Azerbaijan and Russia respectively as ideal countries.

b. Examining the survey results, it was found that the respondents, who clung to the idea of autocratic self government, oppose (on national scale) the idea of multi-party system and, on the whole, consider the role of the parliament as a representative institution in the public life insignificant (see tables 10a and 10b).

9. Finally, it would be interesting to draw correlation between people's vision of the world and their attitude towards the problem of self government.

The part of the public which give priority to the socialist economy over market one and believe that the state should regulate everyday public life, support the idea of one-leader administration. At the same time, the overall majority of supporters of liberal economy and social life claim that heads of local administrations and local elected councils should balance each other (see tables 11a and 11b).

* * *

Proceeding from the survey results, some conclusions may be drawn:

- the majority of the population favours the idea of simultaneous functioning of autocratic administration and elected representative bodies;
- the overall majority believes that local self government should be elected rather than appointed;
- people's assessment of the political system is based on their professional experience;
- people's attitude towards local self government vary dependent on their ethnicity;
- answers to the questions are also linked to regional factors that may be explained by a whole complex of reasons;
- the higher people's education and incomes the more democratic stance they display;
- those who get information mainly from state-run media show more conservative thinking if compared with those who read/listen independent (as a rule, the opposition) media;
- the overall majority of the population considers ethnic distinctions more important than the sense of common citizenship;
- supporters of socialism and the government's increased role in public life have more conservative judgements than those favouring a liberal state system and market-led economy.

D. The Problem of Self Government in the Light of Politics

1. Political Movements

Examining the problem of self government, it would be irrelevant to ignore such important institutions as political parties.

The collapse of the Soviet regime gave birth to multi-party system in Georgia. As a rule, these parties stemmed from unions created by former dissidents. The deepening crisis of the one-party system was accompanied by the process of splitting these quasi-parties into smaller groups. Economic depression destroyed the main social basis of the parties - the middle class. Besides, the parties usually had neither programs nor clear ideological doctrines. Actually, their activities were often based on personal relations or personal interests. Therefore, the large number of parties was to a certain extent conditioned by personal sympathy or antipathy.

The political spectrum is characterized by distinct from the wide range of political parties in post-Soviet Georgia. In 1990 there were for example 14 blocs (comprising 34 organizations participated in the elections. In 1992 there were 47 organisations, in 1995 there were 54 of them.

The modern parties are also distinguished by their drift into sectarianism and further splitting. They often have weak structure, lack a social basis and are centred around a charismatic leader. Nationalism, in fact, underpins ideology of almost all the parties (even the Communist ones). They often have the same names as Georgian political associations of the end of the 19th - the beginning of the 20th century or some western political organisations but have very little in common with them.

The role of political parties has significantly decreased in today's Georgian public life. Above all, just people's disappointment hits the parties destroying the main pillar of their strength - public support.

The downfall of the political parties' rating must be also explained by dramatic developments in the country. More or less prominent leaders, who used to be the unifying force of the parties, have lost their authority by now, while the rise of political indifference reduced public interest in their activities.

The April 1997 opinion poll bore out the above mentioned trends. Only 13.4% of the respondents supported the ruling party, CUG, while the National Democratic Party - the main opposition force - was favoured by 10.1%. Remarkably, 39.8% of the respondents said they backed no party in principle.

Confrontation between political parties or unions often arouses little interest of the public and looks more like a struggle for power between small alliances or political Mafia clans. All this makes the chances of political parties very slim.

The Citizens' Union is the only political force which managed to retain its features after the elections. This organisation has in fact merged with state structures and may be viewed as the post-Soviet Communist Party of Georgia.

By the spring 1994 it has already 35 thousand members. Although pro-Russian communist nomenclature have a strong position within the party, the leading force is still pro-Western, claiming to be supportive of market economy and democracy.

All the above-mentioned aspects do not suggest that the Citizens' Union is secure from inner perturbations. The absence of common ideological bases, the conglomeration of different mentalities, and various inner clans struggling for power pose a real threat to the party.

* * *

The current political parties may be described as follows:

1. declared program priorities of the Georgian political parties and their practical moves still does not correspond with each other. For instance, the ruling political organisation, Citizens' Union of Georgia (CUG), claims its ideology to be based on social-democratic values and gains the observer status at the Socintern. In its practical economic policy, however, the CUG follows recommendations of the IMF and endeavours to carry out monetarist policy. On the other hand, some parties - for instance, Reformers' Union that calls for the government's larger control over economy - consider themselves left-of-CUG in economic issues but this has no effect in practice and they are even represented in the government. The Greens' Party may prove one more example: in 1995 it first opposed the elections, pleading hard ecological and social problems, but then run the elections through the CUG party lists and even won 4 seats in the parliament. Neither the party members nor the society denounced such demeanour;
2. frequent use of ideological clichés plays no essential role in activities of parties. If necessary, the clichés are easily ignored without even a token crisis in the party. For instance, a number of MPs from the election lists of Union of Georgian Traditionalists joined the Labour parliamentary group

which declares the British Labour its ally. The Union, meanwhile, claims to have close relationship with the British Conservatives;

3. parties does not voice public interests and have no stable social base. Only the ruling party which benefits from coercive mechanism and economic incentives of the state apparatus or the parties with totally negative stance towards the current regime - they usually play on the feelings of marginalised strata, while concrete programs play little role in their activities - enjoy a large number of members and supporters;
4. the role of charisma which was rather important in early period of party life has decreased since some charismatic leaders either died (Zviad Gamsakhurdia, George Tchaturia) or lost people's confidence (Irakli Tzereteli, Akaki Bakradze, Nodar Natadze, partly Aslan Abashidze). As to the ruling party, Eduard Shevardnadze, the party chairman and the Georgian president, remains its only unifying force to keep inner groups together;
5. political parties have no clearly defined plans in case they get an opportunity to come to power. They prefer to stay in opposition and criticise the government. For instance, when debating Georgia's enlistment in the CIS in the 1992-95 parliament, Shevardnadze threatened to resign and the opposition parties backed down for fear of real responsibility, allowing Shevardnadze to push the matter through. The ruling party, CUG, too, has no clearly defined policy. Political orientation is frequently changed in foreign and domestic policy alike. Due to indecisive nature of political parties the society believes that Shevardnadze has no alternative. This makes any future changes in the government rather painful.

2. State Apparatus and Self Government

The situation in the state apparatus is rather vague. A fair chunk of state officials (especially in the regions) feel fear about the future.

The problem of territorial-administrative arrangement of the country is particularly pressing. The system of local self government still needs developing. As it is known, from this viewpoint there is no clear opinion about a whole range of problems:

- the majority of the civil servants (especially in regions) are of the opinion that territorial entities should become larger; thus the regional bodies will disappear and the Chairman of Administrative Council (gamgebeli) will act as a representatives of the Governor. Some favour the retention of the a regional Chairman's post;
- governors consider that a regional administration should have a budget and funds of its own; the district budgets should be abolished;
- the local administration, especially at the level of junior and middle management, demands the maximum restriction of the rights of self-governance bodies and retention of the traditional system of local administration appointment from the centre. These demands are often raised in a rather curious way. The situation seems better with regard to governors, though there is still the lack of initiative.

Regions as a rule, wait till ready made solutions to the problems are sent down from Tbilisi. There are attempts to give certain legitimacy to local administrations, e.g. the Mayor of Kutaisi, simultaneously being the President's Commissioner to the Imereti Region, tries to get approvals from the Council of political parties to proposed solutions to the problems.

Neither there is a clear attitude towards these problems in Tbilisi. The majority of parliamentarians agrees to give financial incentives to regions but resolutely opposes granting legislative rights to them. Simultaneously the parliament, in their view, should retain the right to abolish the decisions taken by a local administration.

The parliamentary opposition is of a different opinion. They consider that local authorities should be elected and that the superior bodies should have the right to intervene and examine the activities of lower ones. The lowest (local) level should be elected directly, whereas local Councils should be subject to indirect election.

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And finally, the relation of the state administration with commerce deserves special mentioning as it often causes infringement of the law. The Chairman of Procedural Committee stated that 12 MPs infringe the law by participating in commercial activities.

As a result of the inspection of government activities in 1991-1995 carried out by the Prosecution on the President's request on June 19, 1996, 1400 law offences were revealed in 1991-1995. This led to declaring 1997 as the year for combating corruption. Independent press considers this to be a campaign which is largely aimed at avenging old style functionaries (the case of former vice-premiers, A.Margiani and Z.Kervalishvili, etc.).

On February 6 1997 the Georgian president declared 1997 the anti-corruption year. This statement provoked new commotion in Georgian political life. A range of political forces raised against some top executive officials. Zurab Zhvania, the chairman of the parliament, and Irina Sarishvili-Chanturia, the leader of the National Democratic Party, hit Shota Kviriaia, then security minister. The ruling party censured the finance minister, David Yakobidze, while old (former Soviet) and new nomenklatura dealt a blow to Nodar Djavakhishvili, the president of the National Bank, and the bank's fiscal policy.

As a result, the first two resigned from office and were replaced by candidates of the CUG. At the same time, those persons who, despite a legal ban, used to hold two offices simultaneously were dismissed from one of them. These staff shifts even more strengthened positions of the ruling party.

Not only single officials but some political forces, too, have become the target for CUG. In June 1997 CUG launched a crusade against the Socialist and Communist parties.

CUG does not limit its criticism only to the central government. In April 1997 the union objected to the proposal of a free economic zone in Adjara and thus came to grips with the All-Georgian Union for Revival. At the same time, CUG seems eager to take control of economically important objects. In August 1997 CUG candidates were appointed Poti mayor, and head of Poti sea port customs and administration.

It is hard to say whether CUG is really independent in such its activities. Arguably, CUG may have followed the president's orders. However, the above mentioned personnel shifts have removed from office those persons who were appointed earlier, in time of relative weakness of Shevardnadze's authority, and may have opposed, willingly or not, the president.

One aspect is obvious: advocates of pro-Russian orientation found their position weakened. Supporters of Shevardnadze's policy took the helm of first Security and then Interior Ministry. The Defence Ministry remains the only law enforcement institution with old leadership, though the number of new, pro-Western staff is increasing there too.

The mentioned processes are still going on. On August 21, 1997, the Georgian president ordered the Security Ministry to investigate whether the law on state service is strictly observed, especially its provision which bans state officials from running private businesses. Despite numerous formal denials, people think that in fact all the high ranking officials, starting with the state minister, are directly or indirectly engaged in commercial activities.

It is still hard to say whether the authorities are really determined to defeat corruption but the issue provides good grounds for staff shifts.

Summarising the above mentioned factors, one can draw the conclusion that the Georgian president managed to strengthen legal bases of his positions and gained decisive advantage in staff policy.

IV. ASPECTS OF SELF-GOVERNMENT

The given chapter outlines general principles of self government and summarises, in part, the world's experience of the issue.

Naturally, the chapter gives only a general overview of the subject as it is practically impossible to compile all the available information in one book.

A. Theoretical base

1. Mission and Goals

Western self-government principles are a product of long processes which often counteracted each other. At times the development movement receded, replacing already achieved advances with archaic government systems.

"Many people firmly insisted that the most dramatic failure of democracy... manifested itself in American towns", said the first edition of "City Exemplary Regulations" published in the USA in 1990.

It must be mentioned, however, that unlike totalitarian systems democratic regimes did not try to escape predicaments and directed their energy at solving rather than evading problems.

The principle of self-government is not a "democratic whim". It is based on pragmatic attitude - the world is doomed to global governing rule. The need to keep originality (with the help of self-government itself), therefore, plays an essential role in any nation's progress, with human rights being the main concern. At the same time, self-government is an excellent indicator of a current balance between various branches of state government.

It's worth noting also that, as a rule, national governments do not seem much eager to see the country's regions or smaller territorial units growing stronger. But, nevertheless, they finally assent to such changes for a number of reasons.

First of all, local governing bodies are more flexible and, consequently, more open to reforms. The state, therefore, no longer needs to exert much power for governing its territories.

Delegating some of its functions to local self-governments the state may benefit in some other ways too. Lower expenditures, competitive economy, possibility to focus on the nation's general problems, mobile labour force, more efficient democratic control, clearly defined responsibilities, economical use of natural resources (since local self-governments are more interested to apply their meagre reserves effectively than "bigwigs" from the central state apparatus) - these are obvious positive features of self-government.

So central governmental institutions should not (and must not) deal with the matters that may be settled by local self-governments. "Think globally, govern locally" - this is demand of the times that local self-governments are to meet.

In the second part of XX century the world witnessed a general trend of deepening deregulation and growing importance of regional policy.

Western democracy is a way of living not a means or an ideal. Long ago the West came to realise that economic stability should be underpinned by political democracy (for instance, the overall majority of western experts agree that economic advances of some East Asian countries will not last for long unless they are accompanied by democratic developments).

Any judiciously minded government anxious to prolong its terms of power as long as possible must play the role of "good government". Its principles may be briefly specified as follows: nation's sovereignty, share of powers, supremacy of law, representation and participation.

That is why national governments have to differentiate services to promote competition, curtail budgetary expenses and increase the role of private and non-governmental organisations, these last being controlled by state agencies or governments themselves.

From this viewpoint, local self-governments have two functions: to voice people's interests (representative) and serve the public. At the same time, the second one may be taken over, partly or entirely, by a private sector. This is a general trend.

Carrying out their functions - development of the society (aiming at economic progress and people's unity), environmental security, education, public health care, social programs, people's protection (police, fire service, consumer protection), public utilities (water, gas and electricity supplies, sewerage), entertainment industry (sport, culture, tourism) - local self governing bodies free national governments of a lot of problems.

Naturally, various countries differ in this respect due to variety of traditions and development trends.

In the USA local self-governments handle local policy and set rules of everyday life, provided these last do not contradict the federal and state legislation. The main self-government principle of the USA - states can deal with all the issues which are beyond the federal government's competence and not banned by federal legislation - is the country's basic constitutional principle.

In 1968 western European countries adopted a declaration of self-government rights which became a law in 1981. It is now observed by all the European Union members. In 1994, at a summit in Rome, the EU member states endorsed an European Union's charter of self-government which was transformed into a convention in 1985. These events were conditioned by the fact that most of the European countries are in fact unitary states and their central governments have a right for legislative initiative.

The charter provides for 4 types of autonomies (political, economic, administrative and financial). Besides, each country has its own self-government legislation.

Small European countries - Malta, Luxembourg, Iceland - have no strict laws as they fear that delegation of broad rights to local self-governments may provoke conflicts between central and local authorities. In a small country such a conflict may indeed prove fatal for its territorial integrity.

East European countries which only recently have swept out totalitarian regimes opted for their own ways of development. They reckoned that it would be hardly expedient to merely copy western models into eastern Europe. Despite of this, however, basic self-government principles are firmly observed by these countries as well.

Things are different in the CIS where self-government problems appeared in the focus of attention only after they started to impede regional progress. Disparities between legislation and reality in CIS countries have led to people's indifference - a threat that is not less serious than economic crisis or external dangers.

The collapse of the USSR clearly showed that, from the viewpoint of efficiency, totalitarian regimes have no chances of success and that national governments should exercise only financial control.

One more recently emerged problem is that local self-governments in these countries are both short of money and not used to independent governing.

2. Society

To develop a self-government system, the countries that are building democracy have to solve two pressing problems.

The first and, in our opinion, the main one is the need to overcome people's indifference. This is one of the most painful issues for the countries committed to democratic reforms.

In XVIII century, examining England's political system, Jan Jacques Russo said the English were free only to elect members of parliament. Unfortunately, in our country even such a freedom was, and to some extent still is, rather formal. The society's active and conscious participation in state governing processes has always been none but some intellectuals' day-dream.

It is already widely known that decentralisation of the government helps to develop a civilised society. Besides, no central government can fully ensure stable activity of all the state structures. At the same time, all the western management theories acknowledge the fact that modern societies are determinedly striving for independence. More accurately, larger intellect demands more freedom.

How do things stand in former Soviet republics with this respect? For a whole number of reasons, post-Soviet societies, especially in the Caucasus and Middle Asia, put little confidence in democratic forms of government. This is especially true of the political establishment. Most of them simply fail to perceive that people's awareness of political processes and their confidence in governmental structures spur economic growth and, consequently, raise living standards.

Modern states need a more democratic system of government. Neither presidential representatives nor MPs sitting for particular regions can earn people's confidence, however "nice fellows" they are. Only local representatives, even if their number is limited, may gain public support in the regions. To make the population of natural communities (village, town, province) more active, it is vitally important to set up representative institutions.

Efficiency of governing is the second problem which may be better solved by local self-governments. This aspect will be examined below and we abstain, therefore, from detailing it here.

Today's political organisations or particular politicians have to maintain interrelations with the society. By the way, totalitarian regimes, too, comprehend such a necessity. Just for that reason both Communist and Fascist regimes were much concerned with ideological propaganda in their countries.

Modern western civilisation applies other means to achieve this end: independent press, exhibitions, information bulletins, "open door" days, public holidays, etc. Right at the time of such public meetings state institutions, political organisations or individual politicians usually practice self advertisement.

Besides, regular meetings with the public allow to find out people's will (even if it is wrong) and use it as a vindication of policy.

There are five basic reasons to develop contacts with the society:

- organisations may raise public support at meetings with people;
- people like being asked their opinions and, consequently, may welcome particular ideas;
- organisations that pursue such a policy may look like "competent" ones which "know their business well";
- public control mechanisms may be created;
- organisations get an opportunity to attract new staff for future activities.

Open debates on local budgets or development programs in provinces (villages, communities or towns) may prove especially useful, allowing people to get ready for coming changes in advance. On the other hand, the public may give quite practical advice.

There are two approved ways of maintaining relations with the society: public hearings and civil committees.

Public hearings/discussions are necessary to make the public aware of problems beforehand and feel positive about possible solutions. The number of people attending such hearings/discussions does not matter. It is more important to make the society know that these meetings really take place.

But the meetings cannot be permanent and their time is limited. Therefore, a system of civil committees - the main indicator of people's activism and lasting opportunity for innovative people - perfectly suits the purpose of generating new ideas.

This is a good way for the active part of the society to popularise those ideas or political forces which it wants to be in power. It also helps to create permanent public control and activates the process of forming popular opinion. For its part, this process forces the government to think hard about the necessity to put in practice interests of certain social strata.

3. Reforms

The need for local self-government reforms may be justified by a lot of reasons. Indeed, the old system has obviously failed - long distances between regions and large cities, a great variety and inefficiency of responsibilities, numerous and poorly skilled local administration, unclear and complicated procedures, the national government's scepticism about capabilities of local self-governments, a huge and cumbersome apparatus make it almost impossible to introduce such a system of local self-government which will be up to modern standards.

What are the ultimate objectives of the reform?

Reforms of internal governing mainly aim: to enlarge interrelations with the national government, to establish links between legislative and executive powers, to define the council's role and specify its structure, to define the role and structure of executive power.

Quite logically, in unitary states these models should match local ones. There must be no grounds for separatism. The principle "law but not bargain" must dominate.

What should be done to this end?

Reforms of the public sector must be based on the following 10 principles:

1. privatisation and creating a system of governmental agents;
2. pricing mechanisms for services;
3. pricing mechanisms for environmental security and entertainment;
4. consumer-oriented (rather than producer-oriented) services;
5. wider competition;
6. control of results rather than expenditures;
7. delegation of authority;
8. decentralisation;
9. self-service principles for communities;
10. marketing instead of planning.

There are two aspects of the reform: the delegation and the share of authority. They must be carried out with due regard to social consciousness and profitability.

Four groups of interest must be distinguished during the reform: Who is responsible for concrete activities? Who must implement the work? Who are potential beneficiaries? Who will finance the process? (For instance, the national government is responsible for educational programs, local

administration is authorised to implement them, students profit by these programs, while their parents or state institutions provide necessary finance).

How should the reform start?

The necessity to create a respective legislative base is the main problem to be solved at the first stage of the reform. With regard to local self-government, a constitutional law on local self-government should be adopted first of all.

The legislative base is to promote decentralisation, establish the rule of law and private ownership rights, and must correspond with international law (with such documents as the Charter of Local Self-government, etc.). A whole range of laws (including that on contracts, etc.) need developing to this end.

The laws must be adopted through debating several alternative drafts and with active participation of local self-governments. The failure to meet these requirements in post-Soviet republics (including Georgia) have already brought about negative consequences.

Any law or regulations should define in detail activities of a mayor (role, functions, payments, control, etc.).

The following aspects must be given priority over the others:

1. it is vitally important to detail functions rather than a structure;
2. it is necessary to create such national institutions that will advocate putting self-government principles into practice;
3. finances must be shared - responsibilities of local self-governments should be adequate to their finance. A system of state grants and local taxation scheme (notably, large enterprises should be deprived of running services - a common practice in industrial centres of the former USSR) need improving (or creating). Without such changes, future conflicts between local self-governments and central government are inevitable;
4. internal management should be properly organised. One must take into account that if heads of executive bodies are elected by direct ballot, interests of local executive and legislative bodies may clash. If so, local self-governments will appear in a disadvantageous position anyway. A poor executive system will make normal governing impossible, while successful administrations will reduce influence of legislative power, though the rating of elected executive heads will improve.

A more detailed analysis of the specified problems is up to the government's management. It is too a laborious task to be examined in the given book.

After the objectives are defined, a new problem will emerge - how should these objectives be achieved?

Corporate planning, policy planning and development of business plans play a great role in this time. More importantly, the society (and especially the apparatus) should comprehend the problem and set priorities.

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As to the share of functions, judging from the world's experience there are three possible scenarios:

1. functions of the central government and those delegated to local self-governments should be listed. This method, however, may result in a too unmanageable system;
2. rights of the national government and local self-governments should be clearly defined from the very beginning. In this case, however, the centre will be hardly able to fully control local finances, while local self-governments will always have a pretext for claiming more functions of the national government;

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3. it is better to work out the basic principles openly. This method proved especially successful in eastern Europe as it rules out any future problems.

When carrying out the reform, eastern European countries faced a dilemma - how should the governing system be reformed? All the proposals on the issue may be converged into two groups:

1. reforms should be implemented simultaneously to make them more effective;
2. economic reforms may be carried out without democratic ones.

In previous chapters we have already cited western experts' opinions about prospects of rapidly developing East Asian countries, which clearly mirror the West's attitude towards the problem - simultaneous reforms are more beneficial, efficient and reduce the risk of future conflicts to almost nothing.

How must these changes be made in practice?

As a rule, three types of interrelations are placed in the focus of attention:

1. relations between local self-governments and the centre - particularly, whether there is an institutional system for them to reach a consensus;
2. relations between elected local self-governments and heads of local administrations;
3. relations between local self-governments and the voters - whether the principles of just governing, publicity and open procedures (in case of citizens' initiative) are observed. To regulate these relations, many European countries have developed special "practice codes" or "standards".

And finally, what are the criteria for assessing the achieved results?

Three groups of criteria may be specified to assess the delegation of functions:

1. Political criteria of the reform:

- whether the reform contributes to harmonious relations between the centre and local self-governments;
- whether the reform is able to provide the society with minimal services;
- whether the national government is able to maintain its control over basic services;
- whether local self-governments have enough authority to exercise their autonomous and democratic rights;
- whether responsibilities are clearly defined.

2. Economic criteria of the reform:

- whether the share of functions leads to efficient use of resources;
- whether it facilitates the move towards market-led economy;
- whether it makes for developing a mixed model of services;
- whether potentials of privatisation and contracted services are fully applied;
- whether the reform results in logical distribution of property;
- whether the share of functions correspond with the financial regime.

3. Financial criteria of the reform. Whether there really exist:

- governmental control;
- helpful stability;
- fair distribution;
- universal and efficient financial and taxation systems;
- protection against short political interference.

How do things stand in post-Soviet republics with this respect?

Regrettably as it is, the situation is really miserable. As a rule:

1. administrative functions are delegated to lower levels of government without financial support;
2. privatisation of profitable fields gives birth to permanent conflicts, while free education system arouses little interest;
3. there are completely uncontrolled, the so-called "black funds";
4. the absence of a general decentralisation strategy remains an impeding factor;
5. greater emphasis is usually placed on tax exemptions to be permitted by the centre rather than new long-term financial sources.

The crisis of the governing system, people's profound indifference, complicated ethnic problems, the lack of professional experience, a rather slow pace of privatisation, the absence of independent courts and a lot of other factors make the current situation ever so hard.

B. The Anatomy of Self-Government

The given chapter gives a step-by-step analysis of local self-government and its organic parts - elections, structure, functions, decision making mechanisms, finances and control.

1. Elections

It is easy to understand that the creation of local self-governments must start with elections. Any government should perceive that all its rights and authority are granted by the society.

Western countries have no common election models and, therefore, it makes sense to examine the election procedures in each of them.

In regions (in this case in states) the U.S. legislative institution - Congress - is elected by direct ballot. It is difficult, however, to specify a state as an administrative unit since it has a higher status and may be factually considered a mini-country.

When speaking about the U.S. self-government model, experts usually mean elections of representatives in counties and cities. Elections of city councils are preceded, first of all, with defining an election method. All possible variants are given in the U.S. "City Exemplary Regulations" so that each city may select the most preferable one.

European countries have various, often completely different, election laws.

Unlike many other countries, France applies the double-election principle. To better voice local interests in the central government, one person may sit simultaneously in central and local representative institutions - 75% of the National Assembly members and 90% of Senators are at the same time members of local self governing bodies.

Election laws are often revised. For instance, the system of proportional representation hitherto existed in Italy has been replaced with the majoritarian one in order to increase political parties' role and interest in local self-governments.

The number of parliamentary seats of Belgian political parties is proportional to that of votes they received at elections. At the same time, the government provides them with certain finance but a party will not be financed during national elections unless it is represented in at least one district. The money allocated by the government to national elections is distributed proportionally on the level of

communities. Parties are free to use these funds - they may spend them to run elections only in one community.

The similar situation is in Germany where political parties enjoy governmental subsidies which, too, are proportional to the number of received votes.

All this aims at the only goal - the government's financial support helps avoid monopoly of one, economically more powerful party.

Naturally, it would be hardly relevant to copy such models into CIS countries. Political parties of post-Soviet republics are still at an embryonic stage. Therefore, a proportional system alone may pose a lot of problems.

The too large number of elected representatives is another problem facing the CIS. It impedes the process of competent decision making. Hence, it would be better to reduce the corps of representatives, while their maximal and minimal number should be defined by a national statute. Some eastern European countries have already applied the similar method. A smaller number of deputies, as a result, leads to cuts in apparatus personnel and better co-ordination.

Besides, the government may provide political parties with its, though minor, financial support specified above.

The structure of an election system must be defined in the framework of state policy. Each of the available models has its own positive and negative characteristics. For instance, choosing heads of local self-governments the society, especially at the lowest level of government, may "fall victim" to populism - good politician not necessarily means good administrator. On the other hand, pleading people's mandate local leaders usually pay little attention to advice and demands of elected bodies.

Both currently existing election methods - proportional and majoritarian - have their own positive and negative features:

- the proportional system (widely applied mostly in Roman countries) - the role of parties is bigger, importance of consensus and political decisions greater, but in regions election results are realised with difficulty, accountability to the voters is weak and decision making slow;
- the majoritarian system (Anglo-American model) - election results are clear, accountability of deputies higher, decision making expeditious, the role of parties less depends on charisma, but greater emphasis is laid on single representatives, the role of bureaucracy is bigger, the sphere of interests narrow.

One thing is obvious - both methods give an excellent chance to use activeness of various social strata for promoting certain ideas. People have an opportunity to express their opinions about urgent problems. As to election principles, the experience of eastern Europe suggests that a mixed (proportional-majoritarian) model is the best one for transitional periods.

2. Structure

Despite a lot of variants, local self-government system consists of three parts: legislative body, executive authorities and administration. At the same, distribution of powers is not always based on this principle.

While big European powers and the USA have three levels of local self-government, small European countries have only two, doing without the regional level.

As to various forms of government, all of them have weak points. The so-called "strong" model (USSR) stifles democracy; federalism encourages separatism (Spain) and hurts efficiency of small municipalities (Germany); regionalism (when a country is divided into regions and districts according to natural

boundaries) creates groups of strong and weak regions (France; Portugal and Sweden are going to adopt this model in the future); district forms of government bear out that one level cannot fulfil all the functions (Great Britain, Netherlands); municipal governments encounter problems caused by scanty population of municipalities (Switzerland and small European nations).

In various countries reforms are proceeding in different directions. For instance, the quality of autonomy in Germany where provinces once enjoyed a broad spectrum of rights has reduced, while in France developments are right opposite. European countries are making their structures closer. The situation is different in Great Britain where the authority of local self-governments was restricted by the centre.

So there is no universal, ever-efficient model across the globe. The state itself should define a most optimum system. However, there is certain regularity. Small countries avoid federal arrangement for fear of separatism since, as a rule, they need greater efforts to overcome this problem.

The experience of eastern European countries showed that diversity of forms at one level (the so-called "asymmetric" federalism) can pose great problems. At the same time, each level must have clearly defined functions. It does not mean, however, that a once developed model will not change in the future.

* * *

Developing a structure of local self-government, more and more states give preference to such models that provide for co-operation between an elected mayor and professional manager. This may create the symbiosis between people's confidence and professionalism.

Most of the U.S. small towns are governed by city councils (made up of members with part-time occupation) and elected mayors (or visiting managers). In big cities mayors, who are elected through direct ballot, often chair city councils. Besides, there is a system of special districts (for instance, education). Their boundaries not always correspond with borders of cities or counties. Nowadays, 19,076 municipalities, 16,734 districts and settlements, 14,851 school districts and 28,588 special districts exist in the USA.

By its significance, the regional association of European countries (CLARE) is the third after Europarlament and Eurogovernment. The association is made up of mayors and other representatives of self-governments (400 altogether) from 40 member states of the Council of Europe.

This does not mean that local self-governments of European countries have similar structures and authority.

For instance, in France heads of executive bodies at the same time chair legislative ones. To the contrary, in Great Britain members of local self-governments (councils) are banned to hold office in administration.

Serious structural reforms were carried out in Great Britain in 1963-85. All members of the United Kingdom (England, Scotland, North Ireland and Wales) introduced their own systems. They have two levels of self-government in common (county/city and flock/village). North Ireland is the only exception to the rule: there has been one level since 1973. The system of "Big London" and other agglomerations were abolished. The current law does not define the number of members in county councils (39) and it varies from 60 to 100 due to pragmatic reasons. Council members do their duties as a social obligation. In districts (364) local councils are made up of 50-60 members. The village flock (about 10,000) is the lowest level of self-government. Things are different in London where 32 district councils co-ordinate their activities.

In Germany similar reforms were carried out in 1965-77. Minor units were enlarged or connected by common links. Nowadays, there are about 1,000 such links in the country. The Federal Republic of Germany comprise 11 lands (with populace ranging from 665 thousands to 16,703 thousands), 237

regions, 91 cities and autonomous districts (with population from 100 thousands to 500 thousands - 160 thousands in average) and 8506 communities (from 500 to 500 thousands - 8 thousands in average).

In Spain each region has its own internal regulations - the so-called "pocket constitution" - which were created on the basis of bilateral agreements, belong to the "constitutional bloc" and are hard to revise. Unlike Germany, autonomies have a right for legislative initiative. As a rule, judging from common tendencies, each autonomy demands the same rights as granted to some privileged autonomies. For their part, these last, too, try to expand the spectrum of their rights. The Spanish call this process "chicken's game". Future threats are obvious - one day the autonomies will be no longer satisfied with the power delegated by the state.

Generally speaking, unlike the USA, Spanish and German local self-governments are not divided in blocs and their rights for legislative initiative are diluted.

In small European countries (for instance, Denmark), cities are not divided into municipalities. Quite the contrary, neighbourhoods are united with the centre. Denmark has a system of small municipalities (with 4-6 thousands population). There are 200 thousands and more population in regions. The capital - Copenhagen - does not differ from the regions in principle. This system was created in 1970.

In Sweden the 1977 legislation reduced the number of municipalities from about 2,500 in 50s to 284 (with population from 3 thousands to 700 thousands - 33 thousands in average). The second level of self-government is made up of 23 regions (from 560 thousands to 1,600 thousands). The number of elective offices reduced, while the role of political parties increased.

The Netherlands consists of provinces and municipalities (702 altogether, from 500 to 400 thousands population). According to the 1887 constitution of the country, any law shall take into account interests of provinces. These days, the provinces see their rights diminished as local self-governments are financed by the central budget.

In the Netherlands and Belgium mayors of big cities are appointed by the centre. Their authority, however, is rather restricted. They are responsible in fact only for maintaining public order, while cities are actually governed by elected municipalities.

In spite of this, local self-government structures of the democratic countries have many in common. For instance, big cities, and especially capitals, where state control is strong enjoy an exceptional status, etc.

Post-Soviet countries have their own problems. The number of representatives in local self governing bodies is usually too large, while functions (production related, legislative, executive, etc.) are often not shared.

The main problem, however, is the failure of executive authorities to perceive their accountability to local councils.

3. Functions

Along with the structure of local self-government, its functions should be defined as well. No structure, even an ideal one, will work efficiently unless the rights and responsibilities are strictly defined.

Those services that are to be shared between various state offices must be defined first of all.

As a rule, there are the following six services:

- strategic (long-term prospects);
- immediate needs (public health care, housing policy, education, social security);
- public security (law and order, observance of the law);

- social comfort (roads, lighting, environmental security);
- private comfort (transport, culture, entertainment, public utilities);
- registration (licences).

These services may be merged into four groups. They are:-functions of the central government, functions of the central government's local offices, functions delegated to local self-governments by the centre, functions of local self-governments as such.

1. functions of the central government: macroeconomic policy, employment, foreign and domestic policy, judicial system, defence, state security, national health care policy, environmental security;
2. functions of the central government's local offices: taxation offices, courts, police, protection of citizens' rights and interests, medical research, higher and special education, telecommunications;
3. functions delegated to local self-governments by the centre: social security, housing and pricing policies, management of national cultural institutions and hospitals, registration (licences, military tax), primary and secondary education, planning and building of public utilities and their infrastructure, environmental protection. Management of the local police, city design and transport are the prerogatives of the regional level;
4. functions of local self-governments as such: local economic developments, tourism, accommodation, supervision of local cultural and sport institutions and kindergartens, management of local public utilities and transport systems, design of territories.

The above specified definitions may well be changed. For instance, the Swedish police is controlled by the national government.

The modern world displays one significant trend - since 80s the rights of local self-governments have been gradually extending. This is especially true of mayors of big cities who are actively involved in big politics. A modern state should take into account these changes - it is time for mutual compromise. Capitals usually get additional compensation funds to keep the apparatus of central governments, though their residents dislike strict control of the national government which often provokes conflicts between municipalities and federal authorities (for instance, in the city of Washington). At the same time, the state pledges to regard interests of local self-governments - in 1994 the USA abolished the law that used to oblige local self-governments to finance programs not funded by the state budget.

Functions may be also partly duplicated, just like it is practised in the U.S. health care system. At the same time, functions are often changed and best governing models are found experimentally. So there is a permanent and laborious process behind "quiet" life in western countries.

The national level and local self-governments maintain close contacts with each other, with the society, business circles and NGOs. Foreign relations of local self-governments (contacts with other countries' local self-governments, international organisations, etc.) are also noteworthy.

And finally, speaking about the functions of local self-governments, one must emphasise two more tendencies. Firstly, local executive offices are depoliticised and secondly, some services (for instance charity and housing agencies) are rapidly shifted to the social sector.

4. Qualification and Decision Making

Available resources of labour force is one of the most serious hurdles in the way of developing a local self-government system. While in totalitarian regimes staff and salaries were subject to the central planning, nowadays the problem must be solved by local managers within limits of local budgets.

At the same time, as a rule, active and intellectual part of the society seem little eager to work in governmental institutions, especially in local self governing bodies.

Under the circumstances, the need to train new, national staff for the governing system must be considered the most important problem. The training must be focused, above all, on such fields as basic principles of democratic government, the role of representatives, relations between councils and the staff, the centre-region relations, financing, the share of functions between the centre and local self-governments, main institutions, efficiency of internal management. At the same time, the already working experts should regularly improve their skills.

* * *

Nor less important are the regulations of local self-governments. Local elective councils should neither discuss issues on a narrow scale nor act as mere "clients" of the committees. In some cases, however, committees may be granted more rights. Besides, it is necessary to launch preliminary consultations with all the concerned organisations, representatives of the society should have a guaranteed right to attend sittings (save certain exceptions fixed in advance); there must be a system of visiting experts, who will generate new ideas and balance one-sided political resolutions.

The role of lobbying in decision making is also considerable. If earlier only business circles practice lobbying, the public sector has been applying this method since middle 70s. Local self-governments, too, lobby higher levels of legislative power for their own interests.

5. Finances

No state structure can act efficiently without stable financing.

Right the problem of funding is the Achilles' heel of local self-governments in eastern Europe and the CIS. As a rule, private investments are not directed in local self-governments' property since its real owners remain unidentified, while possible profits unclear.

In the process of reforms local funds may benefit from privatisation and the rise of taxes. On the other hand, privatisation has many opponents: professional administrators of old times feel fear of new governing systems, the broad public are afraid of losing a good chunk of social property, while the bureaucracy is anxious to preserve traditional sources of income. Besides, municipalities are usually not financed by the central government.

Under the circumstances, it is vitally important to woo investments and set up funds for self-government reforms.

To raise money, such funds should apply: their own budgets, bank grants, returnable loans, municipal payments, resources of non-federal governments, interest payments on loans, supranational foundations.

Main objectives of state investment funds: development of infrastructure, maintenance of economic developments, organisation of new structures in the fields of health care, education and entertainment. Their expenditures include loans for municipalities and other local offices, debts, interest payments on loans, trade expenses.

Other forms of finance are available as well, such as: grants, bonds, loans with low interest rates, private investments. It would be also useful to free state structures of some services (for instance, public utilities) by the way of their privatisation.

This process should be carried out on condition of full financial openness of the government. At the same time, the government must guarantee coherent taxation policy. It is also important to develop a standardised book-keeping system for local self-governments. The similar system (GGAP) was introduced in the USA in 70s, after the crisis of municipal budgets.

When carrying out the reforms, eastern European countries made use of one more affirmed procedure: auctioning the state property. For instance, in 1990 Czech Republic restored the 1950 law and gave state property back to its former owners. At the same time, the finance ministry ceded all the other claimed objects to individuals or municipalities. At the third stage, the Czech government privatised the rest of state property.

* * *

Various countries apply different means to solve financial problems of local self-governments.

In the USA, the upper limits of tax payments set by states. There raise money from sales tax, a part of which is often directed to local level. To ensure higher incomes, every levels of government have a right to issue securities. At the same time, Constitution and legislation demand big cities to balance their budgets.

The German legislation bans duplication of federal payments. In some European countries (Belgium, the Netherlands) current processes are quite opposite to those in Georgia - the government strives for decentralisation and delegation of services, while municipalities resist such a policy being worried that their incomes may fall.

As to post-Communist countries, the experience of eastern Europe revealed that as long as the country is on the way of reforms fixed payments do not make much sense. A hybrid model may prove more useful.

There are currently from 20 to 50 kinds of payments in the world. Developed countries levy four national and 5-10 local taxes. By and large, too many small payments may have a negative effect - such a system is unpopular and expensive, while its small revenues are rather unprofitable.

As a rule, national governments levy four kinds of payments: income and property tax, profit tax, VAT (value added tax) and excise. Local budgets raise money by levying real estate and adding certain per cents to national taxes (for instance to income tax).

On the whole, there are three possible ways to collect money for local budgets:

- taxation;
- non-taxation incomes (delegation of functions to private sector);
- government subsidies and grants (as well as those of foreign organisations).

Western countries avoid levying special taxes as they are hard to control and as there are no guarantees that they will be collected fairly.

The approach to levying procedures themselves is quite different. For instance, everyone, including the destitute, have to pay the real estate tax. Some countries allocate special reimbursement sums for this category of tax-payers. Such a policy makes the public understand that taxes are unavoidable.

There are three types of levying procedure:

- centralised - most of taxes are collected by the national government and then directed to local self governing offices;
- decentralised - most of taxes are collected by local self-governments and then directed to the centre;
- hybrid - local self-governments defray a part of the taxes for the national budget, while the centre provides local self-governments with subsidies and grants. It must be mentioned that more and more experts favour the third method.

How do various countries allocate the collected taxes?

In 1987 taxes totalled 36% of the national income in the USA: 22% of them (\$1,060 billion) appeared in the federal budget, states and local self-governments got 8% and 6% respectively (\$650 billion altogether). Unlike European countries, VAT is not levied in the USA. One of the most interesting local taxes is the so-called "sin tax" - excise and taxes on entertainment combined. This tax provides money to finance particular projects.

In various European countries a share of local taxes varies from 10% to 50% of the central budget. On the other hand, government grants allocated to local self governing system average from 5% to 15% of the collected taxes.

Germany and Austria practice 3-5 years' contracts based on the principle of divided payments. This system may prove much more efficient than that of grants, provided the country's economy is developing steadily. As a rule, each income article is divided. For instance, according to the 1980 taxation legislation of Germany, local self-governments get 15% of income taxes and 85% of sale taxes. Communities are obliged to adopt the so-called budget law every year. In recent years, pleading the need for more money to balance rich and relatively poor communities, provinces have brought pressure to bear on local self-governments.

In Great Britain subsidies ("proportional support subsidy", etc.) constitute 40% of the incomes of local administrations, local taxes (main property) 30% and services (rent, etc.) 30%. Loans defray 20% of the local incomes as local self governing offices have a right to issue shares.

Incomes of Spanish autonomies are made up of: instalments from the central budget, subsidies dependent on the number of population, 15% of local income taxes (the figure is expected to rise to 30% in the future) and the compensation fund established to aid economically weak autonomies. Taxes are generally collected by autonomies and directed to the central budget; 25% of them are then allocated to autonomies, 15% to municipalities, while 60% to the central government.

In Sweden the local budgets total 247 billion Kronor. Taxes are shared between regions and municipalities. Income tax (30% of the revenues) and government subsidies (20%) are the main sources of local revenue.

In the Netherlands, taxes totalled more than 56% of the national income in 1987: 8% of them were provided by regions, while 3.6% by municipalities. Provinces are financed by the government (1,081 mln Guilders in 1993) according to the following principle: 43% are shared between all the provinces equally, 35% in accordance with the number of population, while 17% in accordance with the territory. Municipalities are financed by government funds by the same principle (13,360 mln Guilders in 1993). Central subsidies account for almost 90% of local incomes. So it may be assumed that independent local incomes in the Netherlands do not exist at all. One third of the subsidies are directed to general needs, while 2/3 to particular purposes.

In all western countries budgetary expenditures are planned as follows: the initial version is based on the previous year's figures and its calculation starts from the so-called "zero basis" (all the expenses must be justified). After defining main sections - "expenditure centres" - each article is processed by a manager. Financial manager has to specify indispensable expenditures. Surplus money creates new sources of income in kind of investments.

The most part of local administration's expenses (about 70%) is spent on municipal staff (educational offices, police, personnel of public utilities, etc.). The other money is directed to various repair or building works, entertainment, etc.

6. Control

A control system is an inseparable component of any structure. Modern control mechanisms of local self-governments are based on the principles of internal and external accountability. Internal

accountability is ensured by inner control, while external accountability means interstructural and social control. Defining criteria of such a control, one must take into account the following aspects: voters, the state, economy, society, nation and ethnic minorities, resources, demography, the rising demand, balance with private sector, international influence, etc.

As a rule, the central government maintains contacts with local structures, controls their expenditures and limits the rise of taxes. For instance, to implement financial control, ministries of Great Britain have a right to issue universal directives. At worst the central government may impose its direct rule over a territorial unit. It's worth mentioning that such cases are rather rare. Local councils may be dissolved by law in the last resort. To this end, the central government needs approval of a court.

In the USA oldermen, who are not necessarily local council members, may be assigned to the lowest levels of government. The control system implies not only controlling governmental structures but the society as well. For instance, municipality of the city of New-York took a hard line on the organisations that failed to pay for public utilities. They were cut off from the services (it must be mentioned, however, that in November-March they were still supplied with heating and water), while the debtors who had not paid for more than six months saw their property auctioned.

In the end, it must be mentioned that efficient control over local self-governments requires well arranged procedures of the whole state system. There must be an effective parliament, strong political parties and national services (audit, associations of local bodies), affluent municipal credit funds and, more importantly, a developed system of educational offices to train personnel of public services.

Yet again just the society should bear the main burden of control. Free media, independent civil inspectorate, the institution of ombudsman and non-governmental watchdogs are the most practical and effective control means of a democratic state.

V. TRENDS AND PROSPECTS

A. Directions of Development

Proceeding from the mentioned above, one can draw certain conclusions:

1. activeness during Zviad Gamsakhurdia's rule was followed, as a result of developments in 90s, by political indifference of public life caused by the loss of confidence in any political party's ability to cope with the crisis in the country;
2. the deep economic crisis, which seems unlikely to end soon, prevents from carrying out substantial (nation-wide and costly) programs (in 1995 the budget totalled \$190 mln, in 1996 - \$555 mln and in 1997 - \$840 mln);
3. there is an obvious tendency towards enlarging and strengthening state institutions, first of all law-enforcement bodies, which naturally also strains the budget. At the same time, state officials' low salaries and uncertainty makes for misuse of authority, first of all for corruption;
4. although a lot of time has passed (1992-97), the Georgian governing forces have failed to accomplish in developing the state system and, worse still, certain legislative bases.

When developing a self-government system, the primary attention must be given to the fact that in former Soviet republics, including Georgia, the process is marked with two characteristics:

- first of all, state structures display a trend towards more independence. All levels of government (political and ethnic autonomies, regions, municipalities and communities) are striving for more and more independence;
- at the same time, the initial euphoric mood has abated both in the society and bureaucracy. The hope for rapid changes was replaced with deep pessimism. As a result, it is now argued that old Soviet systems cannot be reformed - they must be entirely destroyed and give way to new ones.

Finally, a few words about the future prospects. It seems that:

- instead of swift reforms, the process tends to stretch;
- the government is unlikely to enjoy as people's mass support as it got in 1989-92. The majority of population (from 37% to 61%, according to various opinion polls) does not believe the government a priori and has no hopes for the future;
- all this makes the state structures unstable, and dependent on foreign (Russia), internal (corruption, Mafia, bureaucracy, retrograde processes, though the latter have decreased in frequency), and personal (who will be the president's successor?) factors.

B. Recommendations

What are possible solutions to the existing problems?

Of course, a whole range of measures should be implemented to overcome the existing difficulties. Permanent failures of foreign and domestic policy have substantially shaken positions of the new independent state. First of all, the scope of alienation between the government and the people has grown and may be described as much worse than in Soviet times. Therefore, there is an immediate need to awake people's interest in state policy and increase their sense of responsibility.

As it is known, local elections are scheduled for 1998. Local self governing bodies are now functioning rather inefficiently, while self government actually did not exist at all. Meanwhile, judging from western experience, just local self governments account for about 80% of the relations between citizens and state structures.

It is a technical problem to find out what a structure of local self government should be adopted but one thing is obvious - any structure with its own budget must be controlled by a representative body, if we want it to be really concerned with the problems facing the country.

Finally, it must be stressed once again that activities of state structures, especially of local self governments, are decisive to keep people informed and secure their participation in governing processes. The public should be educated in the use of finances. Otherwise, citizens will be unaware of their rights and responsibilities. General democratisation and privatisation of state property alone will hardly make things better.

What should be done to this end?

1. solutions to the current hard problems must be found in privatisation and commercialised services. Economic pillars of self-government may be developed by supporting the private sector. Local governing offices should retain control only in the fields they can administer best of all. Partial delegation of services and wise investment policy can reduce budgetary expenditures on the one hand, and give birth to new sources of income on the other;
2. common accountancy standards (budget balance, strict bookkeeping, balance of payments and municipal services) should be initially worked out to prevent possible conflicts and problems during local elections and the first days of local self-governments' functioning;
3. but- first of all, a "code of demeanour" of the state apparatus should be changed. While legislative bodies have the prerogative to legislate, the code is subject to just the public opinion;
4. thus, the most urgent problem is to make the society more active. Participation in elections means much by itself, regardless of what an election system is instituted in the country. The government must maintain relations with the society and attenuate, at least partly, indifference of the broad public. To this end, the process of solving local self-governments' problems should be maximum transparent;
5. under the circumstances, local elections reveal one more, indirect implication. Given people's current indifference, elections to local self governments and citizens' participation in their activities is the last hope to make the society more active and the government legitimate in the public eye.

APPENDIXES

APPENDIX 1

ADMINISTRATIVE MAP OF GEORGIA

APPENDIX 2

GEORGIA: GENERAL INFORMATION

Territory - 69,700 sq.km.

Population (according to official data of 1996) - 5,373,000 (4,818,000 within the territory controlled by the Georgian government).

Population density: 77 habitants per sq. km.

Urban population - 55,2%, rural population - 44,8%.

Big cities (evaluation of 1997): Tbilisi -1,360,000; Kutaisi -239,000; Rustavi - 156,000; Batumi - 138,000; Sokhumi - 50,000-70,000 (112,000 in 1992); Gori - 69,000; Poti - 50,000; Zugdidi -51,000 (in addition, about 50,000 refugees and IDPs from Abkhazia); Tskhinvali -42,000; Chiatura - 30,000.

Total: 62 cities and towns (including 48 towns as district centers), 53 settlements, and 4,475 villages.

Administrative-territorial arrangement: Tbilisi - capital of Georgia, divided into 10 town districts; 2 autonomous republics; 9 regions; 63 dsitricts; 7 territories under the rule of municipal councils; and 942 village councils.

The state language - Georgian.

Ethnic composition of the population (1989):

	Population	%
Georgians	3,787,000	70.13
Armenians	437,000	8.09
Russians	341,000	6.31
Azerbaijanians	308,000	5.70
Ossetians	164,000	3.04
Greeks	100,000	1.85
Abkhazs	96,000	1.78
Ukrainians	52,000	0.96
Kurds	33,000	0.61
Jews	25,000	0.46
Other ethnicities	58,000	1.07
Total:	5,401,000	100.00

Religion: the overwhelming majority (more than 75%) are Othodox Christians, The others are Grigorians, Moslem (soonits and sheets), judaists, catholics, baptists, yezids.

GNP (according to official data of 1996) - 3,847,068 lari.

GNP per capita - 716 lari. (according to the data of the review conducted by Caucasian Institute for Peace, Democracy and Development on the whole territory of Georgia in summer 1997, the average annual income per capita was equal to 432 GL).

Distribution of population after the occupation: Employeed - 37,3%, selfoccupied - 9,0%, students -10,2%, jobless - 19,2%. pensioners - 8,0%, housewives - 16,3%.

3,121,075 citizens of Georgia were eligible at the 1995 parliamentary and presidential elections.

State System:

Georgia is a presidential republic. The main law of the country is the Constitution adopted in 1995.

Legislative power belongs to Parliament which is elected for 4-year term. Parliament is constituted by 150 MPs elected through their party lists, and 85 MPs (“Majoritarians”) elected in single-mandate constituencies.

The President heads executive power and accomplishes the governing through the State Office (State Chancellory) led by the State Minister (the post roughly equivalent to prime-minister). The executive is constituted by ministries and state departments.

The Supreme Court and courts of Georgia carry out judicial power. In order to resolve constitutional litigations the Constitutional Court has been established.

The system of local government comprises:

- 2 autonomous republics where the legislative power belongs to the Supreme Councils, and executive power is held by the Councils of Ministers;
- 9 regions whose administrations are headed by the authorized presidential envoys;
- 63 districts and 7 territories ruled by the town’s municipal councils represent integrated parts of autonomous republics and regions.

APPENDIX 3

ADMINISTRATIVE AND TERRITORIAL ARRANGEMENT

AUTONOMOUS UNITES

The laws to regulate the status of autonomies:

Constitution of the Autonomous Republic of Abkhazia - June 6, 1978 (revised in 1991).

Constitution of the Autonomous Republic of Adjara - May 26, 1978.

Autonomous Republic of Abkhazia

Territory - 8,660 (12.4% of the country's total).

The republic comprise 6 districts (Gagra, Gali, Gudauta, Gulripshi, Ochamchire, Sukhumi), 7 towns (three of them being directly subordinate to autonomy: Sukhumi, Gagra and Tqvarcheli), 5 small rural towns, 105 village councils and 512 villages (the whole territory of the autonomous republic, save a part of Gulripshi and Ochamchire districts, is controlled by the Abkhazian government which does not recognise Georgia's jurisdiction over Abkhazia).

Supreme Council of the Autonomous Republic of Abkhazia.

Chairman - *Tamaz Nadareishvili*

Council of Ministers of the Autonomous Republic of Abkhazia.

Chairman - *Zurab Erkvania*

Ministries of:

- | | |
|--|-------------------------------------|
| 1. Environmental Security and Natural Resources; | 9. State Property Management; |
| 2. Education; | 10. Foods and Agriculture; |
| 3. Economics; | 11. Social Security; |
| 4. Trade and Foreign Economic Relations; | 12. Transport and Automobile Roads; |
| 5. Justice; | 13. Urbanisation and Building; |
| 6. Culture; | 14. Finance; |
| 7. Refugees and Settlement; | 15. Interior; |
| 8. State Security; | 16. Labour and Employment; |
| | 17. Public Health Care. |

Autonomous Republic of Ajara

Territory - 2,900 (4.2% of the country's total).

Population - 440,000 (8.2% of the country's total).

The republic comprise: 5 districts (Keda, Kobuleti, Shuakhevi, Khelvachauri, Khulo), 2 towns (one of them being directly subordinate to autonomy: Batumi), 7 small rural towns, 45 village *gamgeoba* (local administration), 329 villages.

Supreme Council of the Autonomous Republic of Adjara.

Chairman - *Aslan Abashidze*

The government of the Autonomous Republic of Adjara.

Chairman - *Avtandil Gorgiladze*

Ministries of:

- | | |
|--|--|
| 1. Environmental Security and Natural Resources; | 7. Foods and Agriculture; |
| 2. Economics; | 8. Social Security, Labour and Employment; |
| 3. Trade and Foreign Economic Relations; | 9. Urbanisation and Building; |
| 4. Mail and Communications; | 10. Finance; |
| 5. Refugees and Settlement; | 11. Interior; |
| 6. State Security; | 12. Public Health Care. |

Departments of:

- | | |
|---------------------------------|-------------------------------------|
| 1. Problems of the Youth; | 7. Forestry; |
| 2. Geology and Mining; | 8. Social and Economic Information; |
| 3. Production; | 9. Sports; |
| 4. Polygraphy and Publishing; | 10. TV and Radio Broadcasting; |
| 5. Archive; | 11. Tourism. |
| 6. Emergency and Civil Defence; | |

REGIONS

The laws to regulate the status of the regions:

Law on Administrative and Territorial Unit (Province) of Georgia - February 21, 1997.

Regions:

Tbilisi

Territory - 351 sq. km. (0.5% of the country's total). Population - 1,359,000 (25.3% of the country's total). The capital consists of 10 districts (Gldani, Didube, Vake, Isani, Krtzanisi, Mtatzminda, Nadzaladevi, Saburtalo, Samgori and Chugureti).

Mayor of Tbilisi - *Badri Shoshitaishvili*

Guria

Territory: 2,033 sq. km. (2.9% of the country's total). Population: 117,000 (3.3% of the country's total). The province consists of 3 districts (Lanchkhuti, Ozurgeti and Chokhatauri).

President's authorised representative - *Oleg Nikoleishvili*

Imereti

Territory: 6,412 sq. km. (9.2 % of the country's total). Population: 881,000 (16.4 % of the country's total). The province consists of 11 districts (Baghdati, Vani, Zestaphoni, Terdjola, Samtredia, Sachkhere, Tqibuli, Tzqaltubo, Tchiatura, Kharagauli and Khoni - and the city of Kutaisi).

President's authorised representative - *Teimuraz Shashiashvili*

Kakheti

Territory: 11,291 sq. km. (16.2 % of the country's total). Population: 500,000 (9.3 % of the country's total). The province consists of 8 districts (Akhmeta, Gurdjaani, Dedoplis Tzqaro, Telavi, Lagodekhi, Sagaredjo, Sighnaghi, Qvareli).

President's authorised representative - *George Arsenishvili*

Mtskheta-Mtianeti

Territory: 6,786 sq. km. (9.7 % of the country's total). Population: 156,000 (2.9 % of the country's total). The province consists of 5 districts (Akhgori, Dusheti, Tianeti, Mtskheta, Qazbegi).

President's authorised representative - *Teimuraz Gorgodze*

Ratcha-Lechkhumi and Kvemo Svaneti

Territory: 4,918 sq. km. (7.1 % of the country's total). Population: 59,000 (1.1 % of the country's total). The province consists of 4 districts (Ambrolauri, Lentekhi, Oni, Tsageri).
President's authorised representative - *Tedo Isakadze*

Samegrelo and Zemo Svaneti

Territory: 7,439 sq. km. (10.7 % of the country's total). Population: 478,000 (8.9 % of the country's total). The province consists of 8 districts (Abasha, Zugdidi, Martvili, Mestia, Senaki, Chkhorotzqu, Tzalendjikha and Khobi - and the city of Poti).
President's authorised representative - *Bondo Djikia*

Samtskhe-Djavakheti

Territory: 6,354 sq. km. (9.1 % of the country's total). Population: 258,000 (4.8 % of the country's total). The province consists of 6 districts (Adigeni, Aspindza, Akhalkalaki, Akhaltsikhe, Borjomi and Ninotzminda).
President's authorised representative - *Grigol Baramidze*

Kvemo Kartli

Territory: 6,761 sq. km. (9.7 % of the country's total). Population: 656,000 (12.2 % of the country's total). The province consists of 6 districts (Bolnisi, Gardabani, Dmanisi, Tetri Tzqaro, Marneuli and Tzalka - and the city of Rustavi).
President's authorised representative - *Levan Mamaladze*

Shida Kartli

Territory: 5,785 sq. km. (8.3 % of the country's total). Population: 403,000 (7.5 % of the country's total). The province consists of 4 districts (Gori, Kaspi, Kareli and Khashuri). (The Djava district and the city of Tskhinvali, as well as a part of the Gori and Kareli districts, are controlled by the South Ossetian government which does not recognise Georgian jurisdiction over this territory).
President's authorised representative - *Irakli Botchoridze*

DISTRICTS AND BIG TOWNES

Table 1
General Statistics (1 Jan. 1993)

1	2	3	4	5	6	7	8	9	10
Administrative unite	Area sq.km	Town	Settl.	Villag. Sakrebulo	Villag.	Total popul.	Urban	Rural	per sq km
Tbilisi	--	1	1	1	1	1271800	1271800	100	--
Guria	2032	2	4	58	187	160800	46900	113900	79
Chokatauri	824	--	1	19	61	26700	2500	24200	32
Lanchkuti	533	1	--	15	56	42300	9200	33100	79
Ozurgeti	675	1	3	24	70	91800	35200	56600	136
Imereti	6395	11	3	158	541	789400	428000	361400	123
Baghdati	815	1	--	12	22	30500	5900	24600	37
Khoni	428	1	--	11	39	35100	13700	21400	82
Kkarogouli	914	--	1	18	78	28700	3400	25300	31
t. Kutaisi	--	1	--	--	--	241000	241000	--	--
Sachkere	816	1	--	11	56	47400	8700	38700	58
Samtredia	364	1	1	13	48	66800	39200	27600	183
t. Tchiatura	542	1	--	15	61	69900	30200	39700	129
Terjola	357	1	--	18	45	44000	7100	36900	123
t. Tkibuli	478	1	--	9	45	36500	21900	14600	76
t. Tskaltubo	700	1	--	16	49	74700	20700	54000	107

Vani	557	1	--	18	41	37500	7000	30500	67
Zestaphoni	424	1	1	17	57	77300	29200	48100	182
Kakheti	11310	9	1	107	278	448600	103800	344800	40
Akhmeta	2207	1	--	11	60	44100	9600	43500	20
Dedoplistskaro	2529	1	1	11	16	36300	9600	26700	14
Gurjaani	846	1	--	19	29	80200	13000	67200	95
Lagodekhi	890	1	--	14	63	54100	8900	45200	61
Qvareli	1001	1	--	9	16	43900	12100	31800	44
Sagarejo	1491	1	--	15	43	61700	15200	46500	41
Sighnaghi	1252	2	--	12	22	49700	6700	43000	40
Telavi	1094	1	--	16	29	78600	28700	49900	72
Kvemo Kartli	6772	6	8	73	342	601500	265500	336000	89
Bolnisi	804	1	2	8	45	75200	19800	55400	94
Gardabani	1609	1	2	14	44	119900	24200	95700	75
Dmanisi	1199	1	--	13	58	39200	5600	33600	33
Marneuli	935	--	1	15	70	127100	34000	93100	136
t. Rustavi	--	1	--	--	--	158500	158500	--	--
Tetritskaro	1174	1	1	15	77	36800	12300	24500	31
Tsalka	1051	1	2	8	48	44800	11100	33700	43
Mtsketa-Mtianeti	6785	2	7	50	368	136100	402000	95900	20
Akhalgori	1011	--	1	9	116	11700	2800	8900	12
Dusheti	2981	1	2	16	58	37600	15000	22600	13
Kazbegi	1082	--	1	5	45	6200	2000	4200	6
Mtsketa	805	1	1	13	69	65200	15500	49700	81
Tianeti	906	--	2	7	80	15400	4900	10500	17
Racha-Lechkhumi and Kvemo Svaneti	4727	3	4	56	282	57400	13700	43700	12
Ambrolauri	1142	1	1	17	70	16400	3000	13400	14
Lentekhi	1344	--	1	7	56	9200	1800	7400	7
Oni	1486	1	1	19	99	15900	7100	8800	11
Tsageri	755	1	1	13	57	15900	1800	14100	14
Samegrelo and Zemo Svaneti	7439	8	2	133	494	432100	174200	257900	58
Abasha	320	1	--	14	40	28700	7200	21500	90
Chkhorotsku	619	--	1	12	30	30900	5400	25500	50
Khobi	725	1	--	18	56	40900	7100	33800	56
Martvili	881	1	--	20	76	46300	6000	40300	53
Mestia	3044	--	1	14	134	14000	2700	11300	5
t. Poti	--	1	--	--	--	50900	50900	--	--
Senaki	521	1	--	14	63	52800	29300	23500	101
Tsalenjika	647	2	--	12	37	39100	14300	24800	60
t. Zugdidi	--	1	--	--	--	51300	51300	--	--
Zugdidi	682	--	--	29	58	77200	--	77200	113
Samtshe-Javakheti	6412	5	7	66	250	239600	88600	15100	37
Adigeni	799	--	2	9	51	21700	3700	18000	27
Akhalkalaki	1235	1	--	16	63	71400	15500	55900	58
Akhaltzikhe	1010	2	--	14	47	54600	30700	23900	54
Aspindza	825	--	1	10	20	13600	3700	9900	16
Borjomi	1189	1	4	9	37	40800	27700	13100	34
Ninitsminda	1354	1	--	8	32	37500	7300	30200	28
Shida Kartli	5754	5	4	88	685	406400	190000	216400	71
t. Gori	--	1	--	--	--	70100	70100	--	--
Gori*	2334	--	--	34	272	104300	--	104300	--

Java	940	--	1	7	96	4200	1800	2400	4
Kaspi	803	1	--	16	71	56200	18300	37900	70
Kareli *	1092	1	2	20	165	60700	13200	47500	--
Khashuri	585	1	1	11	81	69300	45000	24300	118
t. Tskinali	--	1	--	--	--	41600	41600	--	--
Abkhazeti **	8647	5	4	105	492	497200	223800	273400	57
t. Gagra	772	1	2	11	47	80200	45900	34300	104
Gali	1002	1	--	24	69	80300	16000	64300	80
Gudauta	1640	1	1	20	110	55000	17700	37300	34
Gulripshi	1834	--	1	12	92	57200	11700	45500	31
Ochamchire	1877	1	--	27	113	76500	20800	55700	41
t. Sokhumi	--	1	--	--	--	111700	111700	--	--
Sokhumi	1522	--	--	11	61	36300	--	36300	24
Ajara	2880	2	7	45	329	386700	182900	203800	134
t. Batumi	--	1	--	--	--	137100	137100	--	--
Keda	452	--	1	7	60	19700	1200	18500	46
Khelvachauri	410	--	2	10	75	86900	9000	77900	212
Khulo	710	--	1	9	77	33400	1000	32400	47
Kobuleti	720	1	2	11	49	90900	33700	57200	47
Shuakhevi	588	--	1	8	68	18700	900	17800	32
TOTAL ***	69153	59	52	940	4249	5427600	3391200	2262400	78

* the Gori and Kareli districts include territories of the Qornisi and Tskhinvali districts, while their population is given without these last;

** information on Abkhazia is based on the 1991 data;

*** town territories are not included.

Table 2
Share of Regions in the Georgian State Budget (1996).
Source: Human Development Report, Georgia, 1997

1	2	3	4	5	6	7
Tbilisi	49,6	52,0	43,2	56,4	--	--
Guria	1,5	13,3	1,7	20,9	16,2	--
Imereti	19,9	19,7	11,4	23,3	5,8	1,9
Kakheti	4,6	13,0	4,4	16,1	11,0	2,1
Kvemo Kartli	9,1	16,7	7,2	19,6	4,4	8,9
Mtsketa-Mtianeti	1,7	16,6	1,9	22,3	18,5	9,0
Racha-Lechkhumi-Kv.Svaneti	0,3	6,7	0,8	23,4	198,4	--
Samegrelo and Zemo Svaneti	6,7	18,4	6,0	22,6	14,0	6,6
Samtshe-Javakheti	2,0	11,0	2,6	18,2	47,5	1,5
Shida Kartli	3,0	12,3	3,5	16,1	12,3	3,8
Abkhazeti	--	--	--	--	--	--
Ajara	9,1	36,4	15,7	63,6	12,9	--
TOTAL	100,0	26,7	100,0	33,1	7,1	1,8

Clarification:

1. Administrative unit
2. The share of the local budget in the revenues (%)
3. The local budget revenues per person (in Lari)
4. The share of the local budget in the expenditures (%)
5. The local budget expenditures per person (in Lari)

6. Instalments from the central budget (%)

7. Payments to the central budget (%)

**District Administration Heads And City Mayors
(by Jan. 1, 1997)**

Tbilisi:

Gldani - Soso Vashakidze
Didube - Oma Kizivadze
Vake - Davit Suladze
Isani - Davit Lomaia
Krtsanisi - Irakli
Medzmariashvili
Mtatsminda - Soso
Chkhikvishvili
Nadzaladevi - Niko
Kakhetelidze
Saburtalo - Badri Museridze
Samgori - Dato Megrelidze
Chughureti - Vladimer
Darjania

Guria:

Chokatauri - Grigol
Tsintsadze
Lanchkuti - Karlo Gujabidze
Ozurgeti - Vasil Tughushi

Imereti:

Baghdati - Jumber
Mshvildadze
Khoni - Otar Kashibadze
Kkarogouli - Nodar
Ebanoidze
t. Kutaisi - Davit Melkadze
Sachkere - Tsezar Lashkhi
Samtredia - Temur
Qacheishvili
t. Tchiatura - Davit
Ivanishvili
Terjola - Giorgi
Amiranashvili
t. Tkibuli - Davit Tsirekidze
t. Tskaltubo - Mirza
Korkashvili
Vani - Kako Kopaleishvili
Zestaphoni - Jemal Gorgodze

Kakheti:

Akhmeta - Ioseb
Mechurchlishvili
Dedoplistskaro - Temur
Lomashvili

Gurjaani - Gigo
Machkhashvili
Lagodekhi - Nugzar
Kakiashvili
Qvareli - Davit Lapachishvili
Sagarejo - Tengiz
Okrotsertsvadze
Sighnaghi - Vaja
Tsabutashvili
Telavi - Medea Mezvrishvili

Kvemo Kartli:

Bolnisi - Gocha
Tsopurashvili
Gardabani - Levan Japaridze
Dmanisi - Shota
Tsikhelashvili
Marneuli - Shota Maisashvili
t. Rustavi - Merab
Tqeshelashvili
Tetrtskaro - Shalva
Zangurashvili
Tsalka - Giorgi Kvaliashvili

Mtsketa-Mtianeti:

Akhlagori - Oleg Odishelidze
Dusheti - Koba Buchukuri
Kazbegi - Gela Kushashvili
Mtsketa - Armaz Shamanauri
Tianeti - Shota Midelaury

**Racha-Lechkhumi
and Kvemo Svaneti:**

Ambrolauri - Davit
Gagoshidze
Lentekhi - Davit Liparteliani
Oni - Revaz Nodarishvili
Tsageri - Karlo Kvirikashvili

**Samegrelo and
Zemo Svaneti:**

Abasha - Mkhedar Chachava
Chkhorotsku - Zurab
Khuntua
Khobi - Anguli Mikava
Martvili - Mamuka Adamia
Mestia - Erekle Japaridze

t. Poti - Vano Zodelava
Senaki - Taniel Dgebuadze
Tsalenjika - Davit Kantaria
Zugdidi - Leri Chitanava

Samtshe-Javakheti:

Adigeni - Gela
Kachkachishvili
Akhalkalaki - Sergo
Darbinian
Akhaltzikhe - Davit Lomidze
Aspindza - Giorgi
Tsitlanadze
Borjomi - Vaja Beridze
Ninitsminda - Rafik
Arzrumianian

Shida Kartli:

Gori - Davit Koblianidze
Java*
Kaspi - Zurab Karumidze
Kareli - Temur Sandodze
Khashuri - Givi Khvedelidze
t. Tskhinvali*

Abkhazeti:

t. Gagra - Anzor Fruidze
Gali - Murman Chedia
Gudauta*
Gulripshi - Vladimer
Nachqebia
Ochamchire - Khuta
Guguchia
t. Sokhumi - Davit Tsanava
Sokhumi - Demur Kekelia
t. Tqvarcheli - Guli Lashkhia

Ajara:

(representatives of council
of ministers of Ajara)
t. Batumi - Aslan Smirba
Keda - Revaz Manjgaladze
Khelvachauri - Anzor
Devadze
Khulo - Shota Abashidze
Kobuleti - Taniel Khalvashi
Shuakhevi - Taniel nijaradze

* Note: gamgebeli of Gudauta and Dzhava and the mayor of Tskhinvali have not been appointed yet.

APPENDIX 4

LEGISLATIVE BASE

(the articles of the Constitution and the Organic Law on Local Self-government and Administration directly relevant to administrative and territorial arrangement of the country)

The Constitution of Georgia

The people of Georgia whose strong will is to establish a democratic social order, economic independence, a social and legal state, to guarantee universally recognised human rights and freedoms, to strengthen the state independence and peaceful relations with other countries, announce to the world this Constitution based upon many centuries of state tradition and the main principles of the 1921 Constitution.

Chapter One - General Provisions

Article 1.

1. Georgia is an independent, unified and indivisible law-based state, ratified by the referendum carried out on March 31, 1991 throughout the territory of the country, including the Autonomous Soviet Socialist Republic of Abkhazia and the former autonomous district of South Ossetia and further adduced by the act of April 9th, 1991 restoring the independence of the Georgian state.
2. The form of political order of Georgia is a democratic Republic.
3. "Georgia" is the name of the Georgian state.

Article 2.

1. The territory of the Georgian state is determined by the circumstances of the country on December 21st, 1991. The territorial integrity of Georgia and the inviolability of state borders is confirmed and recognised by the Constitution and the laws of Georgia and also by the international community and international organisations.
2. The alienation of the territory of Georgia is forbidden. Changes to the state borders are possible only through bilateral agreement with neighbouring states.
3. The internal territorial arrangement of Georgia is determined by the Constitution on the basis of the principle of division of power after the full restoration of the jurisdiction of Georgia over the whole territory of the country.
4. The citizens of Georgia regulate matters of local importance through local self-government as long as it does not encroach upon national sovereignty. The procedure for the creation of self-governing bodies and their powers and relationship with state bodies, is determined by organic law.

Article 5.

1. The people are the sole source of state power in Georgia. State power is only exercised within the framework of the Constitution.
2. Power is exercised by the people through referendum, their representatives and other democratic forms.
3. No individual or group of individuals has the right to seize or unlawfully take state power.
4. State power is exercised and based upon legal state principles.

Article 6.

1. The Constitution is the supreme law of the state. All other legal acts shall be issued in accordance with the Constitution.
2. The legislation of Georgia corresponds with universally recognised norms and principles of international law. International treaties or agreements concluded with and by Georgia, if they do not contradict the Constitution of Georgia, take precedence over domestic normative acts.

Article 7.

The state recognises and defends universally recognised human rights and freedoms as eternal and supreme values. The people and the state are bound by these rights and freedoms as well as by current legislation for the exercise of state power.

Article 8.

The state language of Georgia is Georgian; in Abkhazia, Abkhazian is also the state language.

Article 9.

The state recognises the special importance of the Georgian Orthodox Church in Georgian history but simultaneously declares complete freedom of religious belief and confessions, as well as independence of the church from the state.

Article 10.

Tbilisi is the capital of Georgia.

Article 11.

The State symbols of Georgia are determined by organic law.

Chapter Two - Citizenship of Georgia. Fundamental Human Rights and Freedoms

Article 31.

The state guarantees equal social and economic development within the whole territory of Georgia. In order to guarantee the social and economic progress of the high mountain regions special privileges are envisaged in law.

Chapter Four - The President of Georgia.

Article 73.

1. The President of Georgia:

h) halts or dismisses the activity of representative bodies of local self-government, or territorial units if their activity endangers the sovereignty and territorial integrity of the country or the exercise of Constitutional authority of state authorities within the country.

Organic Law of Georgia On Local Self-government and Administration

The present Law determines principles of creation and activity of local self-government and administration bodies in compliance with paragraph 3 of Article 2 of the Constitution of Georgia till passing the constitutional law on the territorial state system of Georgia.

Chapter I - General Provisions

Article 1. Concept of Local Self-government and Administration

1. The local self-government is the constitutionally recognized right, ability and responsibility of the citizens of Georgia to solve under the law and own responsibility and independently the problems of local importance determined by the Constitution and law of Georgia through the local bodies created by them in the self-government units and in compliance with the established procedure. The local self-government is performed without any breach of the national sovereignty.

2. The local administration is coordinated activity of the state executive and representative bodies specified by the law, that ensures the protection of national interests in the places according to the requirements of local population.

Article 2. Exercising the Right of Local Self-government by Nationals of Georgia

1. The nationals of Georgia exercise the right on local self-government in accordance with the Constitution of Georgia and the present Law.

2. The nationals of Georgia have the right to elect and be elected to the local self-government bodies irrespective of their race, skin color, language, sex, religion, political and other attitude, national, ethnic and social belonging, birth, proprietary and official position.

3. The nationals of Georgia have the equal rights guaranteed by the law to apply to the local self-government bodies and officials.

Article 3. Legal Basis of Performing Local Self-government and Administration

1. The legal basis of performing the local self-government is the Constitution of Georgia, the present Law and other relevant regulatory acts.
2. The legal basis of performing the local administration is the Constitution of Georgia, the present Law and other relevant normative acts.
3. The rule of performing local self-government and administration in the city of Tbilisi is specified by the Law "On Tbilisi - the Capital of Georgia".
4. Additional powers and peculiarities of local self-government bodies in highlands are determined by the law of Georgia.

Article 4. Performing Local Self-government and Administration

1. Local self-government is performed in a village, community, settlement and town (city).
2. Villages united in the community elect the bodies of community self-government only.
3. Local administration is performed in regions and those cities which are not included in regions (cities Batumi, Rustavi, Sokhumi, Poti, Kutaisi and Tskhinvali).

Article 5. Working Language of Local Self-government Bodies

The rule of use of working language at local self-government bodies is specified by the Constitution and the law on language of Georgia.

Chapter II - Bodies and Officials of Local Self-government and Administration

Article 9. Representative and Executive Bodies and Officials of Village, Community, Settlement and City

1. The representative body of a village, community, settlement and city is the village, community, settlement and city council, composed of members elected by nationals of Georgia residing on the appropriate territory by the direct, total, equal and secret ballot under the procedure established by the law of Georgia on election of representative bodies of local self-government and administration.
2. The officials of a village, community, settlement and city council are:
 - a) chairman of the council;
 - b) secretary of the council;
 - c) chairmen of the committees of council;
3. The executive body of a village, community, settlement and city council is the administration composed of 3-7 members as provided by this Law. In those villages and communities where the number of population does not exceed 3000 the executive body of the council - the administration - is not established and its functions are performed directly by the head of administration.
4. Officials of the executive body of council are:
 - a) the head of a village, community, settlement and town administration to be elected by the council from its members. The head of village, community, settlement administration is at the same time the chairman of the appropriate council;
 - b) the deputy (deputies) head of a village, community, settlement and town administration, chief of staff and heads of local services to be appointed by the head of administration with consent of the council.
5. Structure and work of a village, community, settlement, city councils and administrations are determined by the statute to be approved by the council on presentation of the head of administration.

Articles 10. Representative and Executive Bodies and Officials of Those Cities (Towns) Which Are Not Included in the Region Structure

1. The representative body of a city (town) not included in the region structure is the council. It is composed of the members elected by the direct, total, equal and secret ballot under the procedure established by the law of Georgia on election of representative bodies of local self-government and administration..
2. The executive body of self-government of the city (town) not included in the region structure is a city (town) council composed of 7-15 members. The city council is such body of state administration that

simultaneously performs the functions of the council executive body in limits of powers determined by the present law and the city council statute.

3. Officials of councils of cities (towns) not included in the region structure are:

- a) chairman of the council;
- b) secretary of the council;
- c) chairmen of the council committees.

4. Officials of the city (town) council are:

- a) the mayor to be appointed and released by the President of Georgia, and in Abkhazia and Adjara - by the relevant higher representative body in co-ordination with the President of Georgia;
- b) vice-mayor, deputy (deputies) and chiefs of local services to be appointed and released by the mayor;
- c) chief of the staff to be appointed and released by the mayor in co-ordination with the council.

5. Terms, structure and work of councils of those cities not included in the region structure are determined by the present law and statute to be approved by the President of Georgia.

Article 11. Representative and Executive Bodies and Officials of Region

1. A representative body of a region is the region council composed of members elected by the direct, total, equal and secret ballot according to the proportional system under the procedure established by the law of Georgia on elections of representative bodies of local self-government and administration.

2. Officials of the region council are:

- a) chairman of the council;
- b) secretary of the council;
- c) chairmen of the council committees.

3. The executive body of a region is the administration composed of 5-11 members. The administration is the body of state administration that simultaneously performs the functions of the council executive body in limits of terms established by this Law and the administration statute.

4. Officials of the region administration are:

- a) the head of region administration to be appointed and released by the President of Georgia, in Abkhazia and Adjara - by the relevant higher representative body in co-operation with the President of Georgia;
 - b) vice-head, deputy (deputies) of the head of region administration and chiefs of local services to be appointed and released by the head of region administration.
- chiefs of the staff to be appointed and release by the head of region administration under consent with the region administration.

5. Region administration terms, structure and work are determined by this Law and statute to be approved by the President of Georgia.

Chapter III - Terms of Reference of Council

Article 12. General Terms of Reference of the Council

1. The general terms of reference of the council cover:

- a) consideration of local draft budget, making amendments in it, approval of draft budget, making changes in it, approval of the report on execution of the budget, control over execution of the budget under procedure and in term provided by the law of Georgia,;
- b) approval of the long-term plans of social and economic development and control over their implementation;
- c) imposition and removal of local taxes and fees in accordance with the applicable law; establishment of tax-exemption;
- d) supervision over the work of the executive bodies and officials of the council, hearing and evaluation of their annual reports;
- e) election and re-election of council's chairman and secretary;
- f) formation of committees of the council; election and re-election of the chairmen of committees; approval of staff of the committees and making changes in them;
- g) making decisions on recognition of terms of office of the members of council and on pre-term termination of their office;
- h) hearing of reports of the heads of bodies created by the council and officials.

2. The exclusive power of village, community, settlement and city council is to vote the grounded non-confidence to the head of administration, administration or any member of the administration. The right to vote the non-confidence is granted to the 1/3 of the council members. The decision is made if voted pro by more than a half of roll members of the council. Upon voting the non-confidence the head of administration, administration or any member of administration is deemed as dismissed. In case of dismissal they perform their obligations till election of the new members of administration or appointment of a new member.

3. The exclusive power of a region council or council of the city not included in the region, presented by more than a half of roll members is to raise the grounded issue on dismissal of the head of administration (mayor) before the President of Georgia, and in Abkhazia and Adjara - before the relevant higher representative body. The right to raise the issue on vote the non-confidence is granted to 1/3 of the council members.

4. The exclusive power of the council of region and the city not included in the region is to vote by more than a half of roll members the grounded non-confidence to the administration (city hall) or a member of administration (city hall). 1/3 members have right to raise issue on non-confidence. The decision is made if voted pro by the more than a half roll members of the council. Upon the voting non-confidence the administration (city hall) or a member of administration (city hall) is dismissed.

Chapter IV - Order of Activity of Council and Council Officials

Article 15. Officials of a Council and Their Terms of Office

1. The council members elect the chairman for the term of the council powers. The chairman is elected if voted pro by majority of those attended members of the council but at least 1/3 of the roll members of the Council.

2. The chairman of council:

a) heads the work of council, convokes and presides its meetings; arranges the preparation of the council meetings;

b) represents the representative body in limits of terms established by the law and the statute of council;

c) co-ordinates the work of permanent and interim commissions of the council;

d) signs the decisions of council;

e) executes other duties in accordance with the applicable law and the council statute;

3. The chairman of council is not entitled to hold any other position except those cases stipulated by this law, or carry out the entrepreneurship.

4. Upon the nomination of the chairman of council the council elects the secretary of council from its members for the term of the council reference.

5. The secretary of council performs the duties of chairman under his instructions, in case of impossibility of the latter to exercise his powers or in case of his dismissal. On instructions of the chairman or the council the secretary of council performs functions in accordance with procedure and in limits established by the statute of the council.

6. Within the performance of his powers the secretary of council may, by decision of the council, drop the economic or official activity and be remunerated.

7. Other officials of the council perform their powers without dropping their economic or official activity and without remuneration.

Article 16. Arrangement of Work of the Council Meeting

1. The first sitting of new members of the council is called by the chairman of the electoral committee within two weeks following the day of official announcement of the results of local elections if at least 2/3 members are elected. Before the election of the chairman the sitting of council is presided by the eldest member.

2. The regular sittings of council, at least once in 3 months, are called by the chairman of council, and in cases stipulated by paragraph 5 of Article 15 of the Law - by the secretary of council.

3. The extraordinary sitting of the council is called:

a) on proposal of the head of administration (mayor);

b) at request of at least 1/3 of the roll members of the council;

c) at request of at least 1/5 of the total electorate;

4. The extraordinary sitting of the council is called by the chairman within a week following the request.

Article 17. Procedure of Consideration of Issues at the Council

1. The council sitting is valid if attended by at least a half of members unless this Law provides otherwise.
2. Sittings of the council are held openly and publicly.
3. The sitting of council is declared close:
 - a) by decision of the council;
 - b) if disclosure of information connected with items to agenda is prohibited or restricted by the law.

Article 18. Procedure of Voting at the Sitting of Council

1. Issues belonging to the terms of reference of the council are voted, as a rule, by show of hands. Voting by secret ballot is held on personal issues or when voting non-confidence only.
2. If the head of administration (mayor) returns the issue to the council for re-consideration the council shall vote the observations of the head of administration (mayor) within two weeks. If the observations are not carried the initial version is voted. The resolution is adopted if the initial version is voted pro by more than a half of the roll members of the council.
3. Resolutions of the council are adopted by the majority of votes of those attended unless this Law provides other rule.

Article 20. Council Committees

1. The council establishes permanent committees.
2. The council is also entitled to establish interim committees in case of need.
3. The chairmen of the council committees are elected from the council members. The members of committees are approved by the council under nomination of the chairman of relevant committee. A member of the committee may be not a member of the council.
4. The rule of activity of the council committee is determined by the statute of the council in accordance with the applicable law.

Article 21. Auditing Committee of the Council

1. In order to control the activity of the executive bodies the council establishes the auditing committee composed of at least 3 persons from the council members for the term of its reference.
2. The auditing committee inspects the timeliness of deriving incomes and their accounting; legality of charges and their conformity with the local budget.
3. The auditing committee once in three months presents the report on the work done to the council. On approval of the report on implementation of the local budget the auditing committee submits the annual auditor's report to the council.

Article 22. Status of Member and Elective Official of the Council

1. Powers of the council member begin from the day of recognition of his terms of office and end on the first gathering of the new-elected council or on the pre-term termination of the council member's powers.
2. A council member is entitled to enjoy any information required for exercising of his powers, attend the local administration (city hall) meetings, make inquiry to the body answerable before the council, administration (city hall) member, head of administration (mayor), receive the answer in accordance with the procedure established by law. The appropriate body and official are obliged within a week to respond to the council member. Powers, order of activity and guarantees of a member and elective official of the council are determined by the law and other statutory acts of Georgia.
3. A member of council exercises his powers without dropping the economic or official activity.
4. The powers of a member of the council are exercised without consideration.
5. The office of a council member is terminated before the expiration of term if:
 - a) he applies for termination of his office;
 - b) he has been elected or appointed to the executive body (except as the head of village, community, settlement or town administration);
 - c) he has been found guilty by the court;
 - d) he has been recognized as incapable, being missed or deceased by the court;
 - e) he surrendered the nationality of Georgia;
 - f) he has omitted in the work of council for the not good reason for four months running;
 - g) he died.

6. The resolution on pre-term termination of office of a council member is passed by the council.

Chapter V - Executive Bodies of Councils

Article 23. Administration (City Hall)

1. The administration (city hall) is the executive body of council. The administration (city hall) is composed of the head of administration (mayor) and members of administration (city hall): deputy (deputies) head of administration (vice-mayor), the chief of staff and chiefs of local services.

2. The administration (city hall) ensures the execution of decisions made by the council and the head of administration (mayor); works out draft budgets and draft programs of social and economic development; provides for the implementation of programs of social and economic development and the budget approved by the council; makes with the council consent and in cases provided by the law, decisions regarding the use of land on the subordinate territories; issues prior consent on making contracts the value of which exceeds 5,000 lari.

3. The sittings of administration (city hall) are called and presided by the head of administration (mayor). The sitting of administration (city hall) is valid if attended by at least a half of the members of administration (city hall). The resolution is passed by the majority of votes of those attended unless the law or the statute of administration (city hall) provides another rule.

4. The head of administration presents to the council for approval the structure of village, community, settlement and municipal administration and candidatures of members of the administration (city hall) within two weeks following the election. If the council does not approve the nominee of the council member the head of administration is entitled to re-nominate the same or nominate another candidature. One and the same candidature may be nominated two times.

5. Terms of office of a member of administration (city hall) are terminated before the expiration of his term:

- a) in case of release from his post;
- b) in case of his filing the resignation;
- c) if he has been found guilty by the court;
- d) if he has been recognized incapable, being missed or deceased;
- e) if he surrendered the nationality of Georgia;
- f) in case of his death;
- g) in other cases stipulated by the law "On Public Service" and the Labor Code of Georgia.

Article 24. General Terms of Office of the Head of Administration (Mayor)

1. The head of administration (mayor) is the leader of executive body.

2. The head of administration (mayor):

a) directs the activity of administration (city hall), distributes functions among the members of administration (city hall); calls and presides the sittings of administration (city hall); presents the council report on the work done at least once a year;

b) organizes the making of the local draft budget; 45 days prior to the end of a fiscal year presents to the council for approval the local draft budget and the report on implementation of the budget of fiscal year made in accordance with procedure established by the law of Georgia; c) provides for the implementation of the approved budget;

d) presents the programs of local social and economic development to the council for approval, provides for implementation of the approved programs;

e) with respect to the activity of administration (city hall), works out and presents drafts of appropriate legal acts to the council for approval; provides for implementation of decisions passed by the council;

f) is entitled to return the issue with necessary observations to the council for the re-consideration within 1 week following the receipt of the resolution of council;

g) signs agreements and contracts executed on behalf of the village, community, settlement, city, region and that city not included in the region accordingly, represents and acts for this unit in official terms, performs other representative functions;

h) signs resolutions of the administration (city hall), issues orders and instructions within the terms of his office;

i) in accordance with the procedure established by the law of Georgia give consent on appointment and release of the managers of appropriate territorial bodies of public institutions.

3. The head of administration (mayor) has the right to resignation. Resignation or dismissal of the head of administration (mayor) arises the resignation of relevant administration (city hall). Members of the administration (city hall) perform their duties until the approval of new members of the administration (city hall).

Article 27. First Deputy (Vice-Mayor) and Deputy (Deputies) Head of Administration

1. First deputy (vice-mayor) of the head of administration (mayor) directs the finance and economic activity of the administration (city hall), carries out the complex implementation of the economic reforms measures; performs the head of administration (mayor) functions if the head of administration (mayor) could not timely perform his functions or under the instructions of the latter.
2. Deputy (deputies) head of administration (mayor) as per the functions divided by the head of administration (mayor) directs (direct) the fields covered by reference of executive bodies; prepares and presents to the head of administration (mayor) and the administration (city hall) the suggestions concerning measures to be carried out in relevant fields; organizes and controls execution of resolutions adopted by the head of administration (mayor), administration (city hall) and council.

Article 28. Local Services

1. The local services are established in accordance with the procedure provided by this Law and the legislation of Georgia in order to direct the social and economic fields covered by the reference of local self-government (administration).
2. The powers of local services are determined by the appropriate statute.
3. A chief of local service directs the activity of service, makes decisions on questions within his competence; issues orders on the grounds and for execution of resolutions of the head of administration (mayor) and the council.
4. Orders of the chief of local service are abrogated by the head of administration (mayor), council as well as by the court - in cases specified by the law.
5. A chief of the local service is accountable and responsible before the head of administration (mayor) and the council.

Article 29. Staff

1. The work of the council and administration (city hall) is organizationally ensured by the staff of local self-government (administration). The work of staff is directed by the chief of staff to be appointed and released by the council upon nomination of the head of administration (mayor).
2. The structure of staff is determined and approved by the head of administration (mayor) upon presentation of the chief of staff.
3. The employees - advisors and other personnel are appointed by the head of administration (mayor) on nomination of the chief of staff.

Article 30. Public Servant

1. A person working at the local self-government (administration) bodies is a public servant.
2. The statute of a public servant, terms of his appointment and work are determined by the Law of Georgia "On Public Service".

Article 31. Deeds of Bodies and Officials of Local Self-government and Administration

1. Bodies and officials of local self-government and administration issue legal acts within the terms of their office determined by the law.

Chapter VI - Economic Principles of Local Self-government and Administration

Article 32. Economic Terms of Local Self-government and Administration

1. The economic terms of local self-government are determined by the Constitution of Georgia, the present Law and other statutory acts.
2. The economic terms of local administration are determined by the present Law, legislation of Georgia and statute of the local administration body.

Article 33. Local Self-government (Administration) Ownership and Bases of Its Creation

1. The ownership of local self-government (administration) is the property included in the sphere of ownership, use and disposal (local ownership) of local self-government (administration) in accordance with the procedure established by the law of Georgia.
2. The list of objects included in the ownership of local self-government (administration) is defined by the law of Georgia.
3. The ownership of the local self-government (administration) is created:
 - a) by transfer of state-owned objects to the local self-government (administration) bodies under the procedure established by the President of Georgia;
 - b) by acquisition or creation of new objects by the local self-government (administration) bodies within their competence and under the law;
 - c) in result of those facts which the law of Georgia connects with the occurrence of civil and legal consequences;
 - d) on other basis stipulated by the law.

Article 34. Local Budget

1. The local budget is the general financial plan of mobilization and use of the funds of bodies of a village, settlement, community, town, region and the city not included in the region structure.
2. The local budget is independent from both the other bodies of local self-government (administration) and from the state budget of Georgia, and budgets of Abkhazia and Adjara autonomous republics.
3. The independence of local budget is determined by own revenues fixed by the law of Georgia, long-term assignments received from the state taxes in accordance with the economic standards and approved under the established rule and purpose-oriented transfers the use of which is independently determined by the council within its terms of reference and in accordance with procedure established by the law.
4. The order of making, examination, implementation and reporting of the local budget is determined by the present law, the law “On Budgetary System and Budgetary Powers” and other relevant statutory acts.
5. Kinds and rule of terms of local self-government and administration bodies with the tax inspection are determined by the tax law.

Article 35. Local Budget Revenues

1. Kinds and rates of local budget revenues are determined by the appropriate law of Georgia.
2. Differentiation of local taxes and fees, delimitation of income gained from them and the rate of charges from revenues among the village, community, settlement, municipal and region budgets are determined by the Law “On Budgetary System and Budgetary Powers”.

Article 36. Providing the Minimal Level of Local Budget

1. The state provides the maintenance of minimal level of the local self-government budgets by the strengthening of sources of its revenues in order to compensate the necessary minimal expenditures from the local budget.
2. The minimal level of expenditures of the local budget is determined on the basis of rates fixed by the law of Georgia.

Article 37. Compensation of Costs Charged When Performing Several Functions of State Authorities by Local Self-government Bodies

1. Transfer of several functions of the state to the local self-government bodies is allowed only together with transfer of relevant material and financial resources. Performing functions transferred by the state is subject to the state control in accordance with procedure established by the law of Georgia.
2. Such decisions passed by the higher organs of state power of Georgia as well as of Abkhazia and Adjara that increase the expenditures of the local self-government or decreases its revenues shall be compensated by the organ having passed such decision. In case of decrease in expenditures or increase in revenues of the budget of local self-government the funds of the same amount are transferred to the state organ.

Chapter VII - Legal Guarantees of Exercising of Local Self-government

Article 38. Binding Effect of Resolutions of Local Self-government and Administration Bodies and Officials

Resolutions passed by local self-government and administration bodies and officials within their terms of office are binding upon any enterprise, institution and organization on the subordinate territory irrespective of their organizational and legal type as well as upon local self-government and administration bodies and citizens.

Article 39. Consideration of Applications of Local Self-government and Administration Bodies and Officials

The applications of bodies and officials of local self-government and administration are subject to consideration by the organs and officials of state power as well as by those enterprises, institutions and organizations where the application is sent.

Article 40. Protection of Rights of Local Self-government (Administration) by Order of the Court

Nationals of Georgia, local self-government and administration bodies and officials are entitled to appeal to the court against those acts passed by organs and officials of state power, bodies and officials of local self-government (administration) as well as against enterprises, institutions and organizations, which restrict the rights of local self-government (administration) guaranteed by this Law.

Article 41. Compensation for Damage Caused to the Bodies of Local Self-government (Administration)

1. Organs of state power, enterprises, institutions, organizations, other legal or natural persons bear responsibility for the damage caused by their actions or decisions to the local self-government (administration) bodies.
2. Compensation of damage in favor of local self-government (administration) takes place in accordance with the law of Georgia.

Article 42. Abeyance and Abrogation of Resolutions of Local Self-government and Administration Bodies

1. Resolutions of the bodies and officials of local self-government and administration may be changed by that body or official passed such resolution only.
2. Council resolution may be abrogated by the own resolution or by order of the court.
3. Those state organs which have transferred their certain rights to the bodies of local self-government are entitled to abrogate the resolutions passed by the bodies of local self-government in limits of powers transferred to them.
4. The right to suspend the resolutions of village, community, settlement and town administration and head of administration for a month is granted to the relevant council, except case provided by subpoint f) of point 2 of Article 24 as well as by the court - under procedure established by the law. The head of region administration is entitled to suspend for a month resolutions of administrations or heads of administrations of village, community, settlement and town included in the region and apply for their abrogation to the appropriate administration, head of administration, council or court.
5. Resolutions of a village, community, settlement and municipal administration and the head of this administration are abrogated by the court in cases specified by the law as well as by the relevant council, except the cases provided by subpoint f) of point 2 of Article 24 of this Law.
6. The right to suspend the resolution of a region administration and city hall of cities not included in the region structure and the head of region administration (mayor) for a month is granted to the state authorized person of the President of Georgia, and in Abkhazia and Adjara autonomous republics – to the relevant higher executive body as well as to the court in cases determined by the law.
7. Resolutions of region administration (city hall) and the head of region administration (mayor) are abrogated by the court - in cases determined by the law, the President of Georgia, and in Abkhazia and Adjara - the higher representative body of Abkhazia and Adjara.
8. Region council and council of city not included in the region structure is entitled to apply for abeyance or abrogation of resolution of its executive body to a relevant state organ or officials mentioned in items 6 and 7 of this Article and to receive the substantiated response from them.

Article 43. Suspension of Activity, Dissolution or Pre-term Termination of the Reference of the Council

1. Suspension of activity or dissolution of the council is allowed in cases and in accordance with the procedure specified by paragraph i) of Article 73 of the Constitution of Georgia.
2. Reference of the council is terminated before the expiration of term by the edict of the President of Georgia under Parliament consent on presentation of the state authorized person of the President of Georgia, if:
 - a) the number of council members is reduced more than a half;
 - b) the council has not elected the head of executive body within two months;
 - c) the council has not approved the local budget made in accordance with procedure established by the law of Georgia within two months after the beginning of the fiscal year.
3. In case of suspension, dissolution or pre-term termination of activity of the village, community, settlement and town the powers of their executive bodies are terminated as well.

Article 44. Substitution of Local Self-government and Administration with Direct State Government

1. The direct state government takes place, if:
 - a) the council could not be elected in accordance with procedure established by the law;
 - b) the council powers were terminated before the expiration of its term in accordance with the procedure established by the law;
 - c) the council is dismissed or its activities suspended by virtue of Article 73 (point 1, subpoint - "i") of Constitution of Georgia.
2. The direct state government takes place in case of suspension, dissolution or pre-term termination of the council powers within the certain term but shall not expire the term of council powers.
3. The forms and procedure of introduction of the direct state government is determined by the law.

Chapter VII - Responsibility of Local Self-government (Administration) Bodies and Officials

Article 45. Responsibility of Bodies and Officials of Local Self-government (Administration) before the State

1. Local self-government (administration) bodies and officials bear the responsibility before the state in the event of violation of the Constitution and laws of Georgia by them.
2. When performing certain functions of the state power the bodies and officials of local self-government (administration) are responsible for implementation of those functions within the limits of material and financial means assigned by the organs of state power.

Article 46. Responsibility of Bodies and Officials of Local Self-government and Administration before Natural and Legal Persons

The bodies and officials of local self-government and administration bear the responsibility before legal and natural persons under the law of Georgia.

Chapter IX - Transitional Provisions

Article 47. Provisional Legal Regulation of Certain Terms Provided by This Law

1. The local self-government and administration bodies are created on the basis of territorial division existing by the effective date of this Law.
2. Before the passing the constitutional law on territorial state system of Georgia the establishment and cancellation of regions, towns, settlements, communities and villages as well as boundaries, change of categories, naming and renaming, registration and account are carried out under the statute "On Procedure of Settlement of Issues on Administrative Structure of Georgia" approved by the President of Georgia. At the same time, establishment and cancellation of regions, naming and renaming of regions, changing their boundaries and categories of cities is allowed under the consent of the Parliament of Georgia only.

Chapter X - Conclusive Provisions

Article 49. Effective Date of the Law

1. The organic law of Georgia "On Local Self-government and Administration" is takes effect from the day of official announcement of results of the election of the bodies of local self-government and administration.

2. Elections of local self-government and administration shall be carried out in accordance with this Law and the procedure established by the law of Georgia on elections of representative bodies of local self-government and administration.

Tbilisi, October 16, 1997

APPENDIX 5

PUBLIC OPINION POLL DATA

The materials of the sociological survey conducted by the Caucasian Institute for Peace, Democracy and Development and Burgschtrasser Institute (Freiburg, Germany) in the summer 1997:

The society's attitude towards the problem of Self-Government:

There are various systems of self government. Which one do you prefer from the following three:

1. local self government is head by a single person (gamebeli, mayor);
2. local self government is head by an elected body (council, sakrebulo);
3. the authority is shared by these two.
4. no opinion / no answer.

Table 3

Public attitude to self-government problems as function of professional activities.

N	Place do you work	1	2	3	4	Total
1	factory	11	14	33		58
	%	19	24.1	56.9		2.9
2	building works	7	1	10		18
	%	38.9	5.6	55.6		0.9
3	private office	26	14	36	1	77
	%	33.8	18.2	46.8	1.3	3.9
4	government office	46	62	107	1	216
	%	21.3	28.7	49.5	0.5	10.8
5	own business	30	20	33		83
	%	36.1	24.1	39.8		4.2
6	shop/wholesaler/individual trading	32	20	60		112
	%	28.6	17.9	53.6		5.6
7	transport	13	10	15		38
	%	34.2	26.3	39.5		1.9
9	domestic/house	81	80	101		262
	%	30.9	30.5	38.5		13.1
10	educational institutions	41	68	85	1	195
	%	21	34.9	43.6	0.5	9.8
11	hospital/clinic	23	13	37		73
	%	31.5	17.8	50.7		3.7
12	clergyman	1		1		2
	%	50		50		0.1
13	in workshop (artisan)	4	7	10		21
	%	19	33.3	47.6		1.1
14	at home (artisan)	2	5	4		11
	%	18.2	45.5	36.4		0.6
15	law enforcement structures	19	18	19		56
	%	33.9	32.1	33.9		2.8
16	large farm (owner)	1	1		2	

	%		50	50		0.1
17	small farm (owner)	7	9	6		22
	%	31.8	40.9	27.3		1.1
18	landlord's farm	1	1	1		3
	%	33.3	33.3	33.3		0.2
19	hotel/restaurant/guest-house	1	2	1		4
	%	25	50	25		0.2
201	student	22	20	52		94
	%	23.4	21.3	55.3		4.7
202	housewife	43	31	63		137
	%	31.4	22.6	46		6.9
203	pensioner	69	51	91	2	213
	%	32.4	23.9	42.7	0.9	10.7
204	disabled person	7	6	20		33
	%	21.2	18.2	60.6		1.7
205	unemployed	87	43	126		256
	%	34	16.8	49.2		12.8
206	soldier	2		1		3
	%	66.7		33.3		0.2
207	NGO member	3	2	6		11
	%	27.3	18.2	54.5		0.6
	Total	578	498	919	5	2000
	%	28.9	24.9	46	0.3	100

Table 4
Public attitude to self-government problems as function of ethnicity.

N	Ethnicity	1	2	3	4	Total
1	Georgian	396	290	762		1448
	%	27.3	20	52.6		72.4
2	Armenian	48	21	57	1	127
	%	37.8	16.5	44.9	0.8	6.4
3	Russian	27	3	19	2	51
	%	52.9	5.9	37.3	3.9	2.6
4	Azeri	18	47	16		81
	%	22.2	58	19.8		4.1
5	Osset	36	65	31	2	134
	%	26.9	48.5	23.1	1.5	6.7
6	Greek		1	1		2
	%		50	50		0.1
7	Abkhaz	42	62	16		120
	%	35	51.7	13.3		6
8	Other	11	9	17		37
	%	29.7	24.3	45.9		1.9
-	Non-Georgian (total)	182	208	157	5	552
	%	33.0	37.7	28.4	0.9	27.6
	Total	578	498	919	5	2000
	%	28.9	24.9	46	0.3	100

Table 5

Public attitude to self-government problems as function of monthly family income.

N	What is the average mounthly income of your family?	1	2	3	4	Total
1	0-10 Lari	60	34	76	1	171
	%	35.1	19.9	44.4	0.6	8.6
2	11-20 Lari	59	44	84		187
	%	31.6	23.5	44.9		9.4
3	21-30 Lari	55	30	67		152
	%	36.2	19.7	44.1		7.6
4	31-40 Lari	27	26	48	2	103
	%	26.2	25.2	46.6	1.9	5.2
5	41-50 Lari	51	52	83		186
	%	27.4	28	44.6		9.3
6	51-60 Lari	26	29	44		99
	%	26.3	29.3	44.4		5
7	61-70 Lari	18	21	36		75
	%	24	28	48		3.8
8	71-80 Lari	33	19	45		97
	%	34	19.6	46.4		4.9
9	81-90 Lari	15	9	25		49
	%	30.6	18.4	51		2.5
10	91-100 Lari	60	61	121	1	243
	%	24.7	25.1	49.8	0.4	12.2
11	101-120 Lari	31	34	33		98
	%	31.6	34.7	33.7		4.9
12	121-140 Lari	17	10	22		49
	%	34.7	20.4	44.9		2.5
13	141-160 Lari	37	27	73	1	138
	%	26.8	19.6	52.9	0.7	6.9
14	161-180 Lari	11	10	11		32
	%	34.4	31.3	34.4		1.6
15	181-200 Lari	31	31	51		113
	%	27.4	27.4	45.1		5.7
16	201-250 Lari	13	14	24		51
	%	25.5	27.5	47.1		2.6
17	251-300 Lari	8	15	41		64
	%	12.5	23.4	64.1		3.2
18	301-400 Lari	9	13	11		33
	%	27.3	39.4	33.3		1.7
19	401-500 Lari	7	8	7		22
	%	31.8	36.4	31.8		1.1
20	more than 500 Lari	10	11	17		38
	%	26.3	28.9	44.7		1.9
	Total	578	498	919	5	2000
	%	28.9	24.9	46	0.3	100

Table 6

Public attitude to self-government problems as function of regions.

N	Region	income per month	1	2	3	4	Total
1	Tbilisi, Rustavi	131.68 Lari	146	96	287		529
	%		27.6	18.1	54		26.5
2	Imereti, Racha	85.49 Lari	145	60	115		320
	%		45.3	18.8	36		16
3	Ajara	113.40 Lari	18	30	87	1	136
	%		13.2	22.1	64	0.7	6.8
4	Samegrelo	138.68 Lari	28	56	69		153
	%		18.3	36.6	45		7.7
5	Guria	53.43 Lari	12	7	41		60
	%		20	11.7	68		3
6	Samtshe-Javakheti	75.29 Lari	40	25	34		99
	%		40.4	25.3	34		5
7	Shida Kartli	155.20 Lari	49	16	112	2	179
	%		27.4	8.9	63	1.1	9
8	Kakheti	75.42 Lari	34	35	96		165
	%		20.6	21.2	58		8.3
9	Kvemo Kartli	155.20 Lari	33	49	37		119
	%		27.7	41.2	31		6
01	Abkhazeti	161.14 Lari*	42	62	16		120
	%		35	51.7	13		6
02	Former South Ossetia	198.78 Lari*	31	62	25	2	120
	%		25.8	51.7	21	1.7	6
	Total	116.47 Lari	578	498	919	5	2000
	%		28.9	24.9	46	0.3	100

* Note: the revenues of Abkhazia and the former South Ossetia were first calculated in Russian Roubles and then converted into Georgian Lari.

Table 7

Public attitude to self-government problems as function of education level.

N	What is your education?	1	2	3	4	Total
1	I have never gone to school	3		1		4
	%	75		25		0.2
2	primary school (4 forms)	7	14	13	1	35
	%	20	40	37.1	2.9	1.8
3	unfinished secondary school (7-9 forms)	32	26	27		85
	%	37.6	30.6	31.8		4.3
4	profesional secondary school	159	97	211		467
	%	34	20.8	45.2		23.4
5	secondary school (10-11 forms)	165	107	204	1	477
	%	34.6	22.4	42.8	0.2	23.9

6	unfinished higher education	41	40	89	1	171
	%	24	23.4	52	0.6	8.6
7	graduated	167	205	359	1	732
	%	22.8	28	49	0.1	36.6
8	degree	4	9	15		28
	%	14.3	32.1	53.6		1.4
99	no opinion / no answer				1	1
	%				100	0.1
	Total	578	498	919	5	2000
	%	28.9	24.9	46	0.3	100

Table 8
Public attitude to self-government problems as function of using different mass media.

N	Source of information	1	2	3	4	Total
1	television	420	343	675	3	1441
	%	29.1	23.8	46.8	0.2	72.1
2	radio	28	35	42	1	106
	%	26.4	33	39.6	0.9	5.3
3	newspapers	41	45	74		160
	%	25.6	28.1	46.3		8
4	friends and relatives	89	75	128	1	293
	%	30.4	25.6	43.7	0.3	14.7
	Total	578	498	919	5	2000
	%	28.9	24.9	46	0.3	100

Table 9
Public attitude to self-government problems as function of an ideal political model of a country.

N	Which country comes closest to being ideal country?	1	2	3	4	Total
1	France	26	18	47		91
	%	28.6	19.8	52		4.6
2	United Kingdom	20	13	37		70
	%	28.6	18.6	53		3.5
3	USA	114	87	190	2	393
	%	29	22.1	48	0.5	19.7
5	Germany	128	99	207	1	435
	%	29.4	22.8	48	0.2	21.8
6	Switzerland	31	43	69		143
	%	21.7	30.1	48		7.2
7	Japan	12	13	16		41
	%	29.3	31.7	39		2.1
8	Russian Federation	31	25	20		76
	%	40.8	32.9	26		3.8
9	Sweden	6	16	16	1	39
	%	15.4	41	41	2.6	2
12	Georgia	23	15	48		86

	%	26.7	17.4	56		4.3
15	Holland	7	3	15		25
	%	28	12	60		1.3
16	Italy	6	5	19		30
	%	20	16.7	63		1.5
27	Armenia	11	5	5		21
	%	52.4	23.8	24		1.1
30	Azerbaijan	6		16	5	27
	%	22.2		59	18.5	1.4
44	no country	85	49	91		225
	%	37.8	21.8	40		11.3
99	no opinion / no answer	49	47	67	1	164
	%	29.9	28.7	40.8	0.6	8.2
	Total	578	498	919	5	2000
	%	28.9	24.9	46	0.3	100

Table 10
Public attitude to self-government problems as function of the ideological model preferred.

a.

N	Which of the two could you agree with?	1	2	3	4	Total
1	one party which a single plan	320	211	289	4	824
	%	38.8	25.6	35.1	0.5	41.2
2	many parties, each with its own plan	257	287	628	1	1173
	%	21.9	24.5	53.5	0.1	58.7
99	no opinion / no answer	1		2		3
	%	33.3		66.7		0.2
	Total	538	497	919	5	2000
	%	28.9	24.9	46	0.2	100

b.

N	Which of the two could you agree with?	1	2	3	4	Total
1	a president whose power is balanced by the parliament	388	418	776	3	1585
	%	24.5	26.4	49	0.2	79.3
2	a president who can act without interference of members of parliament	189	80	141	1	411
	%	46	19.5	34.3	0.2	20.6
99	no opinion / no answer	1		2	1	4
	%	25		50	25	0.2
	Total	578	498	919	5	2000
	%	28.9	24.9	46	0.3	100

Table 11
Public attitude to self-government problems as function of attitude to economic systems.

a.

N	For an honest man is better	1	2	3	4	Total
1	socialist system	420	348	508	5	1281
	%	32.8	27.2	39.7	0.4	64.1
2	market economy	158	150	411		719
	%	22	20.9	57.2		36
	Total	578	498	919	5	2000
	%	28.9	24.9	46	0.3	100

b.

N	Which of the two could you agree with?	1	2	3	4	Total
1	authority which controls particular interests and preserves social harmony	176	125	171	2	474
	%	37.1	26	36.1	0.4	23.7
2	freedom to pursue different interests provided they respect the rules	400	373	746	2	1521
	%	26.3	25	49	0.1	76.1
99	no opinion / no answer	2		2	1	5
	%	40		40	20	0.3
	Total	578	498	919	5	2000
	%	28.9	25	46	0.3	100

APPENDIX 6

EUROPEAN CHARTER OF LOCAL SELF-GOVERNMENT

(Strasbourg, 15.X.1985)

Preamble

The member States of the Council of Europe, signatory hereto,

Considering that the aim of the Council of Europe is to achieve a greater unity between its members for the purpose of safeguarding and realising the ideals and principles which are their common heritage;

Considering that one of the methods by which this aim is to be achieved is through agreements in the administrative field;

Considering that the local authorities are one of the main foundations of any democratic regime;

Considering that the right of citizens to participate in the conduct of public affairs is one of the democratic principles that are shared by all member States of the Council of Europe;

Considering that it is at local level that this right can be most directly exercised;

Convinced that the existence of local authorities with real responsibilities can provide an administration which is both effective and close to the citizen;

Aware that the safeguarding and reinforcement of local self-government in the different European countries is an important contribution to the construction of a Europe based on the principles of democracy and the decentralisation of power;

Asserting that this entails the existence of local authorities endowed with democratically constituted decision-making bodies and possessing a wide degree of autonomy with regard to their responsibilities, the ways and means by which those responsibilities are exercised and the resources required for their fulfilment,

Have agreed as follows:

Article 1

The Parties undertake to consider themselves bound by the following articles in the manner and to the extent prescribed in Article 12 of this Charter.

Part I

Article 2 - Constitutional and legal foundation for local self-government

The principle of local self-government shall be recognised in domestic legislation, and where practicable in the constitution.

Article 3 - Concept of local self-government

1. Local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population.

2. This right shall be exercised by councils or assemblies composed of members freely elected by secret ballot on the basis of direct, equal, universal suffrage, and which may possess executive organs

responsible to them. This provision shall in no way affect recourse to assemblies of citizens, referendums or any other form of direct citizen participation where it is permitted by statute.

Article 4 - Scope of local self-government

1. The basic powers and responsibilities of local authorities shall be prescribed by the constitution or by statute. However, this provision shall not prevent the attribution to local authorities of powers and responsibilities for specific purposes in accordance with the law.
2. Local authorities shall, within the limits of the law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence nor assigned to any other authority.
3. Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy.
4. Powers given to local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority except as provided for by the law.
5. Where powers are delegated to them by a central or regional authority, local authorities shall, insofar as possible, be allowed discretion in adapting their exercise to local conditions.
6. Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly.

Article 5 - Protection of local authority boundaries

Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned, possibly by means of a referendum where this is permitted by statute.

Article 6 - Appropriate administrative structures and resources for the tasks of local authorities

1. Without prejudice to more general statutory provisions, local authorities shall be able to determine their own internal administrative structures in order to adapt them to local needs and ensure effective management.
2. The conditions of service of local government employees shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence; to this end adequate training opportunities, remuneration and career prospects shall be provided.

Article 7 - Conditions under which responsibilities at local level are exercised

1. The conditions of office of local elected representatives shall provide for free exercise of their functions.
2. They shall allow for appropriate financial compensation for expenses incurred in the exercise of the office in question as well as, where appropriate, compensation for loss of earnings or remuneration for work done and corresponding social welfare protection.
3. Any functions and activities which are deemed incompatible with the holding of local elective office shall be determined by statute or fundamental legal principles.

Article 8 - Administrative supervision of local authorities' activities

1. Any administrative supervision of local authorities may only be exercised according to such procedures and in such cases as are provided for by the constitution or by statute.
2. Any administrative supervision of the activities of the local authorities shall normally aim only at ensuring compliance with the law and with constitutional principles. Administrative supervision may however be exercised with regard to expediency by higher-level authorities in respect of tasks the execution of which is delegated to local authorities.
3. Administrative supervision of local authorities shall be exercised in such a way as to ensure that the intervention of the controlling authority is kept in proportion to the importance of the interests which it is intended to protect.

Article 9 - Financial resources of local authorities

1. Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers.
2. Local authorities' financial resources shall be commensurate with the responsibilities provided for by the constitution and the law.

3. Part at least of the financial resources of local authorities shall derive from local taxes and charges of which, within the limits of statute, they have the power to determine the rate.
4. The financial systems on which resources available to local authorities are based shall be of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost of carrying out their tasks.
5. The protection of financially weaker local authorities calls for the institution of financial equalisation procedures or equivalent measures which are designed to correct the effects of the unequal distribution of potential sources of finance and of the financial burden they must support. Such procedures or measures shall not diminish the discretion local authorities may exercise within their own sphere of responsibility.
6. Local authorities shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them.
7. As far as possible, grants to local authorities shall not be earmarked for the financing of specific projects. The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction.
8. For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market within the limits of the law.

Article 10 - Local authorities' right to associate

1. Local authorities shall be entitled, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.
2. The entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities shall be recognised in each State.
3. Local authorities shall be entitled, under such conditions as may be provided for by the law, to co-operate with their counterparts in other States.

Article 11 - Legal protection of local self-government

Local authorities shall have the right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for such principles of local self-government as are enshrined in the constitution or domestic legislation.

Part II - Miscellaneous provisions

Article 12 - Undertakings

1. Each Party undertakes to consider itself bound by at least twenty paragraphs of Part I of the Charter, at least ten of which shall be selected from among the following paragraphs:
 - Article 2,
 - Article 3, paragraphs 1 and 2,
 - Article 4, paragraphs 1, 2 and 4,
 - Article 5,
 - Article 7, paragraph 1,
 - Article 8, paragraph 2,
 - Article 9, paragraphs 1, 2 and 3,
 - Article 10, paragraph 1,
 - Article 11.
2. Each Contracting State, when depositing its instrument of ratification, acceptance or approval, shall notify to the Secretary General of the Council of Europe of the paragraphs selected in accordance with the provisions of paragraph 1 of this Article.
3. Any Party may, at any later time, notify the Secretary General that it considers itself bound by any paragraphs of this Charter which it has not already accepted under the terms of paragraph 1 of this Article. Such undertakings subsequently given shall be deemed to be an integral part of the ratification, acceptance or approval of the Party so notifying, and shall have the same effect as from the first day of the month following the expiration of a period of three months after the date of the receipt of the notification by the Secretary General.

Article 13 - Authorities to which the Charter applies

The principles of local self-government contained in the present Charter apply to all the categories of local authorities existing within the territory of the Party. However, each Party may, when depositing its instrument of ratification, acceptance or approval, specify the categories of local or regional authorities to which it intends to confine the scope of the Charter or which it intends to exclude from its scope. It may also include further categories of local or regional authorities within the scope of the Charter by subsequent notification to the Secretary General of the Council of Europe.

Article 14 - Provision of information

Each Party shall forward to the Secretary General of the Council of Europe all relevant information concerning legislative provisions and other measures taken by it for the purposes of complying with the terms of this Charter.

Part III

Article 15 - Signature, ratification and entry into force

1. This Charter shall be open for signature by the member States of the Council of Europe. It is subject to ratification, acceptance or approval. Instruments of ratification, acceptance or approval shall be deposited with the Secretary General of the Council of Europe.
2. This Charter shall enter into force on the first day of the month following the expiration of a period of three months after the date on which four member States of the Council of Europe have expressed their consent to be bound by the Charter in accordance with the provisions of the preceding paragraph.
3. In respect of any member State which subsequently expresses its consent to be bound by it, the Charter shall enter into force on the first day of the month following the expiration of a period of three months after the date of the deposit of the instrument of ratification, acceptance or approval.

Article 16 - Territorial clause

1. Any State may, at the time of signature or when depositing its instrument of ratification, acceptance, approval or accession, specify the territory or territories to which this Charter shall apply.
2. Any State may at any later date, by a declaration addressed to the Secretary General of the Council of Europe, extend the application of this Charter to any other territory specified in the declaration. In respect of such territory the Charter shall enter into force on the first day of the month following the expiration of a period of three months after the date of receipt of such declaration by the Secretary General.
3. Any declaration made under the two preceding paragraphs may, in respect of any territory specified in such declaration, be withdrawn by a notification addressed to the Secretary General. The withdrawal shall become effective on the first day of the month following the expiration of a period of six months after the date of receipt of such notification by the Secretary General.

Article 17 - Denunciation

1. Any Party may denounce this Charter at any time after the expiration of a period of five years from the date on which the Charter entered into force for it. Six months' notice shall be given to the Secretary General of the Council of Europe. Such denunciation shall not affect the validity of the Charter in respect of the other Parties provided that at all times there are not less than four such Parties.
2. Any Party may, in accordance with the provisions set out in the preceding paragraph, denounce any paragraph of Part I of the Charter accepted by it provided that the Party remains bound by the number and type of paragraphs stipulated in Article 12, paragraph 1. Any Party which, upon denouncing a paragraph, no longer meets the requirements of Article 12, paragraph 1, shall be considered as also having denounced the Charter itself.

Article 18 - Notifications

The Secretary General of the Council of Europe shall notify the member States of the Council of Europe of:

- a. any signature;
- b. the deposit of any instrument of ratification, acceptance or approval;
- c. any date of entry into force of this Charter in accordance with Article 15;
- d. any notification received in application of the provisions of Article 12, paragraphs 2 and 3;

e. any notification received in application of the provisions of Article 13;

f. any other act, notification or communication relating to this Charter.

In witness whereof the undersigned, being duly authorised thereto, have signed this Charter.

Done at Strasbourg, this 15th day of October 1985, in English and French, both texts being equally authentic, in a single copy which shall be deposited in the archives of the Council of Europe. The Secretary General of the Council of Europe shall transmit certified copies to each member State of the Council of Europe.

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