



## **Administrative Structure of Local Self-Government: Civil Sector Perspective**

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### **Problems of the Local Self-Government's Administrative Arrangement**

At the present stage the still unsettled administrative-territorial arrangement of the country is a major obstacle to the decentralisation process within the development of local self-government in Georgia. The country's administrative-territorial structure is historically based on two levels of local self-government: local (i.e. the first level – town, village, community) and intermediate (i.e. the regional level – region, province). Since the late 90s of the last century political groups have proposed various changes to the administrative-territorial structure and local self-government. The last of these changes was implemented in 2006: the first level of local self-government (town, village, community) was abolished and the two-level system was replaced with a single-level one – today the municipality (its borders actually coincide with borders of former Soviet districts) is the only territorial unit of local self-government.

Authors of the reform argue that in the new system resources are used more efficiently, the quality of public service has increased, while the lack of professional cadre and the red tape has reduced.

At the same time, the new system has increased a gap between rural communities and local self-governments. Although territorial bodies are already under development in municipalities, the new system does not provide for representative bodies and independent local budgets, and local self-governments have few real competencies. Not only is it a clear breach of the very principle of local self-government, it also raises questions about the effectiveness and feasibility of the new system.

The results of the reform can be well illustrated by statistical data on the population of municipalities. Before the reform the population of the first-level self-governed territorial units averaged 4,354 residents per unit. Today the population of a municipality averages from 66,235 residents (including the population of Tbilisi) to 48,380 residents (excluding the population of Tbilisi). In contrast, in the overwhelming majority of EU countries (40 out of 47 member states) and in many developed democracies (USA, Japan, etc) the population of a municipality averages from 7 to 18 thousand residents.

The municipal level is too large for local self-government and lacks resources to carry out its increased competencies. As a result, there is a real danger of politicisation of local self-government – this aspect was highlighted by Council of Europe (Doc. 10779). As inefficiency of the new system has become increasingly evident, certain governmental circles have already suggested that new reforms may be necessary. The new self-government reform may be put on the agenda quite soon (in a year at the latest).

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## Analysis of alternative models

All alternative models proposed since the mid 90s till now can be grouped into four categories:

- Smaller self-governed units (splitting existing municipalities into smaller units – the number of municipalities will increase as a result)
- Two-level local self-government
- One-level local self-government on the basis of districts
- One-level local self-government on the basis of municipalities

Some of these models have been adopted, with minor revisions, in many post-Communist countries (Lithuania, Armenia, etc). Each of them has its pros and cons.

### 1. Smaller self-governed units (splitting existing municipalities into smaller units)

This model defines territorial units of local self-government as population centres – towns, villages, communities. There are more than 3,600 such centres on the territory controlled by the central Georgian government nowadays. The model does not require to abolish the district level, as its structure provides for district-based local government.

Advantages of the model:

- a) It's easier for local self-government to be in touch with the public's concerns.
- b) Local self-governments are able to take account of local specifics as much as possible
- c) Clear division of competencies and responsibilities between the central government and local self-government
- d) Administrative-territorial reforms can be implemented without direct administrative interference.

Disadvantages of the model:

Smaller self-governed units have fewer resources. It means that such local self-governments are weak and inefficient and depend greatly on the central government. As a result, more funds must be allocated from the central budget.

### 2. Two-level local self-government

This system consists of two levels:

- first level – local self-government
- second level – district-based local government

In a sense it is a “repeat” of the 1997 model, more exactly of its more decentralised variation. Unlike the 1997 system, both levels of the given model (not only the lower level) have local self-government based on the principle of subsidies.

Under this model, first-level self-governed units (town, village, community) are too small to have significant competencies. The first-level budgets will be subsidised by the second-level local self-governments and the central government. The division of competencies and responsibilities between the two levels is largely formal in this model.

It would be reasonable to adopt the two-level model only if the first-level self-governed units were enlarged. It means that the government would need to restructure the country's administrative-territorial arrangement, i.e. to abolish the district level because there would be no need for the second-level local self-government.

### **3. One-level local self-government on the basis of districts (the current system)**

The one-level system of local self-government is the best way to implement decentralisation reforms as fast as possible. It does not require changing the administrative-territorial arrangement, as local self-governments operate only in districts and large cities.

One of the disadvantages of the model is that the gap between the local self-government and the people will increase. Today district-level towns (for instance Zugdidi, Gori) feel underrepresented because district-level local self-governments are dominated by representatives of rural communities. It is quite possible, therefore, that in the future towns and rural communities will need to have separate local self-governments.

### **4. One-level local self-government on the basis of municipalities**

This one-level system of local self-government is based on municipalities, not districts. It means that functions of the district-level should be redistributed between lower level units (town, village, community) on the one hand, and the central government's decentralised units on the regional level.

This scheme raises questions about the future of public services concentrated on the district-level at present. If their functions are assumed by regional structures, the regional level should be given the status of self-governed entity.

One of the advantages of the model is that the first (municipal) level of local self-government will be able to implement all its exclusive competencies and responsibilities stipulated by the law because competencies of the first-level local self-government will need to be enlarged anyway, not matter how reforms progress in the country.

## **Conclusion**

Closer examination of the models can lead to the logical conclusion that an intermediary, regional (coordination) level is also necessary. Two subnational levels can be outlined.

Level 1 – Local self-government units: towns (excluding the capital), communities and enlarged municipalities (one or several villages) – population of each unit should average 10-15 thousand residents, there will be approximately 300-400 such units.

Level 2 – Regional self-government units (they should be created to perform functions that naturally pertain to local self-governments, but cannot be implemented by municipalities): autonomous republics and the capital (approximately 13 units).

Tbilisi must also have two-level local self-government:

- first level: traditional social-territorial units – districts – that are clearly separated from each other both territorially and structurally (about 25-30 units)
- second level: Tbilisi self-government