# Democracy
# at the Local Level

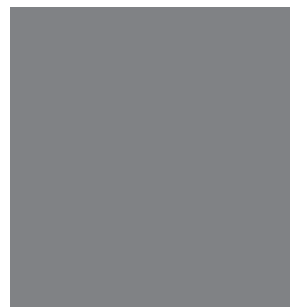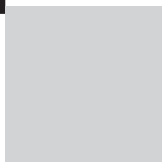*A Guide*

*for the South Caucasus*

INTERNATIONAL
IDEA
INSTITUTE FOR
DEMOCRACY AND
ELECTORAL
ASSISTANCE

DEMOCRACY AT THE LOCAL LEVEL
*A Guide for the South Caucasus*

# DEMOCRACY AT THE LOCAL LEVEL
## *A Guide for the South Caucasus*

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# Acronyms and Abbreviations

| | |
|---|---|
| CEC | Central Electoral Commission (Azerbaijan) |
| CSO | Civil society organization |
| FPTP | First-past-the-post |
| IDEA | Institute for Democracy and Electoral Assistance |
| IFES | International Foundation for Election Systems |
| NGO | Non-governmental organization |
| PR | Proportional representation |
| SNTV | Single non-transferable vote |
| STV | Single transferable vote |
| UNCTAD | United Nations Conference on Trade and Development |

# FOREWORD

Like many other regions of the world, the countries of the former Soviet Union have embraced democracy after a period of authoritarian rule only to find that the rapid introduction of democratic processes does not necessarily mean that social problems are resolved, that public attitudes towards politics will suddenly be favourable, or that the beneficial effects of democracy will be instantly and uniformly felt by all its citizens. This is particularly true for Armenia, Azerbaijan and Georgia, which remain challenged by continued social conflicts, difficult transitions to market-based economies, contested elections and enduring legacies of authoritarian rule, after a decade of halting strides toward democracy.

In the South Caucasus region, International IDEA in 2001 launched an initiative for 'democracy assessment through dialogue' that features a series of projects to enhance political dialogue and participation, electoral processes, political party development, gender equality and regional interactions.
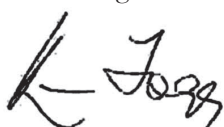
For democracy to be sustained and enhanced in transitional societies, one of the most critical tasks is the improvement of democracy at the local level. This level of governance—in big cities, municipalities and villages alike—is where the citizen is closest to government, where people have the opportunity to participate directly in civic life, and where decisions are likely to affect their everyday life most. The local level is where the concept of grass-roots democracy finds its meaning, and without such depth of origin we cannot expect a vigorous democracy to grow.

IDEA is pleased to present this Guide on the opportunities and challenges of local democracy in the countries of the South Caucasus region. The publication is designed to offer insights into the critical elements that shape systems of good local governance and the experiences of these countries with three key themes: local elections, political parties and citizens' participation. These themes are explored, along with an analysis of new local governance systems in these countries, by independent experts from the region.

This regional Guide is part of IDEA work on local democracy that began in 1998. Through IDEA's programme on political participation, we have sought to advance the knowledge and raise the awareness of critical issues of local representation, direct participation in governance by civil society and citizens, and the linkages between a healthy and vibrant local democracy and the management of social conflicts.

IDEA's work on local democracy has included the publication of a handbook with case studies from all world regions—*Democracy at the Local Level: The International IDEA Handbook on Participation, Representation, Conflict Management, and Governance*—along with seminars and briefings with national and local authorities in West and Southern Africa, Central and South America, Russia, Indonesia and the Balkans. IDEA has also sought to shed light on thematic issues such as new applications of information technology to local governance and the advent of 'e-democracy' in cities around the world.

With this publication, we seek to introduce some basic tools for understanding and practising local democracy and to present an overview of the first decade of experience in the South Caucasus. Our hope is that local authorities, civil society, municipal associations, national-level parliamentarians and those in the international community will benefit from the knowledge provided and will use the tools and findings to further develop and nurture grass-roots democracy in this region.

**Karen Fogg**
*Secretary-General*
*International IDEA*

# Preface

## The Guide: its Objective, Composition and Audience

After more than 70 years of Soviet rule, the countries of the South Caucasus—Armenia, Azerbaijan and Georgia—proclaimed their independence in the early 1990s. At that time the three states shared a common heritage of highly centralized governance, the absence of a multiparty system and non-democratic elections. Similarly, all three declared a firm commitment to transform themselves into true democracies. Common preconditions, including their Soviet past and shared cultural and historical background, as well as the common goal of joining the family of democratic states, have triggered processes in which an outside observer can recognize similar patterns.

The newly established governments of Armenia, Azerbaijan and Georgia have each launched large-scale political reforms aimed at the creation of a new decentralized and more democratic system of governance. These efforts included the establishment of a legislative framework, the administration and conduct of multiparty elections, and the transfer of authority from national to local level, to name but a few.

Not all these efforts have proved successful, for various reasons. As the regional case studies in this Guide show, legislation has often been unclear and contradictory, policies have not been consistent, and the commitment and trustworthiness of the authorities, both national and local, have often been questionable. However, there is another equally important reason why many democratization efforts have only been partially successful in the South Caucasus. This is the insufficient knowledge and limited experience of how authorities, non-governmental organizations and ordinary citizens can work together towards a better tomorrow, where they can expect obstacles and how they can overcome those obstacles.

Although there is some academic research on democratic processes in the region, as well as anecdotal evidence of innovative practices, practice-oriented publications such as manuals and guides are still rare. The present publication aims to fill this niche and bridge the gap between researchers and practitioners by providing a user-friendly overview of the forms and methods of local democratic governance.

Conceptually, the Guide is organized into two main parts—on representative (Part 1) and participatory (Part 2) democracy. The first part focuses on institutions and processes that are the cornerstone of representation—local elections and political parties at the local level. The second deals with the forms and methods of participatory governance that often augment representative democracy. The following diagram illustrates the concept and composition of the Guide.

**Figure 1:**  **Conceptual Composition of the Guide**

```
                            LOCAL DEMOCRACY

  Electoral                                          Participatory
  Processes                                          Processes
  (Local Elections)                                  (Inform., Consult.,
                                                     Decision-making)

                    Representative      Participatory
                    Democracy           Democracy
                    (Part 1)            (Part 2)

  Political                                          Civil Society
  Institutions                                       Institutions
  (Political Parties                                 (NGOs/CBOs)
  at Local Level)

                        Local Government
                   Institutions (mayors, councils, administration)
```

PROCESSES

INSTITUTIONS

These two conceptual parts are followed by three case studies, one from each of the South Caucasus states. They provide an overview of the current situation of local governance in the region and its current challenges, and offer proposals for addressing these problems. In addition, the cases give concrete examples of both the successes and the failures of participatory and representative practices in the South Caucasus, which the reader can put into the framework of democratic forms and methods provided in parts 1 and 2.

Overall, the aims of this Guide are threefold:

· EDUCATION. To serve as a tool for local practitioners and decision makers as they seek to learn more about models and practices of local democracy, particularly in an international comparative perspective.

· EMPOWERMENT. To help public officials and civil society leaders as they attempt to build a better-quality democracy for their communities.

· RESOURCE. To provide practitioners in local governance with practical resources, new options and methods that they may find useful in evaluating or rethinking their current or planned participation practices.

The educational value of the Guide lies at several levels. Local authorities can learn about both the positive and the negative experiences of their counterparts in the South Caucasus and beyond, as well as common opportunities and problems associated with enhanced participation. Civil society representatives can learn more about opportunities to influence public policy making and the implementation of decisions. Citizens can learn about ways of voicing their opinions more effectively in the communities where they live. Overall, this Guide should serve as a reference and source book for all those who would like to see their neighbourhoods becoming more democratic, dynamic and prosperous communities.

Although the Guide is designed primarily for reference and use in larger urban settings with a population of 5,000 or more, the concepts and methods it presents can equally apply to smaller rural settings (villages), which are often the predominant type of settlement in some regions of the South Caucasus. For simplicity of reading, the text refers mostly to 'cities' but this does not necessarily mean that it is not relevant to other types of settlement.

# ACKNOWLEDGEMENTS

# INTRODUCTION

*Igor Koryakov and Timothy D. Sisk*

## I. Trends Affecting Local Democracy

In recent years increasing attention has been paid to the concept of local democracy and citizen participation. Several factors have contributed to this. First, despite formal pronouncements of 'democratization' in many of the former Soviet republics, including Armenia, Azerbaijan and Georgia, the changes that have taken place in recent years are often woefully incomplete. The quality and depth of democratic life are widely perceived to be inadequate because the benefits of democratization have yet to be directly felt by many citizens. Moreover, in many cases the local level has been neglected as a result of a narrowly focused emphasis on reform at the national level, elections for national presidents and parliaments, and the establishment of new institutions and political processes in capital cities. Attention should now turn to taking democratization further through decentralization and improved local governance.

Second, the initial period of transition in the South Caucasus was accompanied by increased poverty, unemployment and crime, environmental decay and other problems. Governments—both national and local—lack the resources to address these problems in a timely and effective manner. Attracting and sharing resources with non-governmental actors from civil society and private businesses—often referred to as 'strategic partnering'—will help local authorities to meet the pressing economic and social challenges, particularly in the areas of supporting socially disadvantaged groups, protecting and monitoring the environment, health care, child care and many others.

Third, as more and more people move from villages to urban centres in search for jobs and higher salaries, and between the regions and countries in an attempt to escape from conflicts and poverty, the cities are becoming centres of growing and diverse populations. Diversity can be enriching but at the same time it could serve as a breeding ground for conflicts. This is particularly true when the interests of minorities are overlooked or not catered for by the majority of the population. Democracy could be both a key to the resolution of such conflicts and a preventive measure for averting hostile situations in the urban centres.

One trend that is shaping local governance in the region and worldwide is the development at the international level of new, universal guidelines on democratic development. European regional organizations have been particularly progressive in establishing new norms that ensure a proper place for local governance in a country's political life. The most extensive of these is the European Charter of Local Self-Government, which provides guidelines on the appropriate powers and scope of local authorities. In particular, the charter encourages the application of basic rules guaranteeing the political, administrative and financial independence of local authorities. It considers a greater devolution of public responsibilities to the level of governance closest to the citizens. To this end, the charter sets out the principles concerning the legal regulation and protection of local authorities, adequate resources (including financial), and administrative and other capacities. It also specifies that local authorities are to be elected by universal suffrage. The full text of the charter is reproduced in appendix 1.

The charter has proved to be of great value, as it has been extensively applied in the drafting of the relevant legislations in the South Caucasus states. Its value rests on a foundation of basic democratic values and principles, some of which are considered below.

## II. Democracy and Local Governance: Principles and Characteristics

Local democracy in different setting means many different things, and there is no single concept or model of the 'best' form of democracy. At the same time, there is a general understanding about the

essential principles of democracy that apply universally:

· Democracy means that there should be *periodic (or regular) and genuine elections* and that power can and should change hands through the exercise of the popular suffrage and not through coercion and the use of force.

· In democracies, political opponents and minorities have the right to express their views and exert *influence* on the policy-making process. This means more than just achieving representation. When minority views cannot be accommodated, *opposition* should be legal and loyal and not extra-institutional and violent.

· There should be the opportunity for *alternation* in governing coalitions, that is, voters should be able to remove politicians from office and replace them with a new leadership.

· Democracy means that there should be respect and protection for basic *civil and political rights.*

Based on the above principles, an effective and democratic system of local governance can be characterized by (a) its **openness** to civil society organizations (CSOs) and the general public, and (b) the **capacity** of all players in the local governance arena to be involved in representative and participatory practices.

**Openness.** In a democratic system the participation of all is not required; in fact, many people prefer to spend their time on non-political activities, while others face social and economic constraints that limit their time for political activity. This is true particularly when citizens feel that their interests are already well protected or not threatened. Nevertheless, it is crucial to maintain the essential openness of the system. Barriers to the expression of dissent must be low and the system must limit the disadvantages of the poorly organized and resourced.

The openness of the local governance system to its citizens could take the forms of traditional and formal representative democracy—parties and the formal political institutions (see Part 1)—as well as more recent institutions of direct citizen participation—community groups, CSOs, user forums, processes of citizen consultation, citizens' initiatives and referendums, many of which are highlighted in Part 2. All these options should operate without making overwhelming demands on people's time and in a way that enhances the broad social representativeness of those involved.

**Capacity.** Even when the system of local governance is essentially open and provides multiple options for both direct and representative participation, all the constituencies concerned, including politicians, municipal workers, CSOs and ordinary citizens, should have the capacity to act. In particular, they should have adequate resources (financial, human and other), a comprehensive and consistent institutional and legislative basis, sufficient time, and a clear knowledge of and skills in the participatory processes.

Realizing and applying the principles of democratic governance at the local level requires a careful consideration and analysis of various factors that influence and shape local governance. These include the national context, the type and form of local government, the size of the community and its population density, and these are considered in the next section.

## III. Systems of Local Governance

Local governance takes place in a context established by a rich array of national, regional, cultural and community settings. These settings shape a unique environment for local governance and can either facilitate or constrain the establishment and development of democracy in a given local setting.

## III-A. The National Context

The **scope and scale of local** governance are directly affected by the degree of centralization in a country. The national context establishes the kinds of decision that are made locally as opposed to

those that are directed (or constrained) by policy decisions made at the national or regional level. Municipalities differ significantly, often within a single country or setting, in the degree of devolution and the types of responsibility exercised at the local level. Clearly the size and function of a capital city and the challenges it faces are very different from those of a small rural village.

From an international comparative perspective, it is possible to distinguish several types of national context in which local decisions are made:

·       highly centralized one-party systems, such as that of China;

·       integrated, relatively homogeneous political systems, as in Norway or Japan;

·       relatively small countries, such as Austria or Senegal, with significant district-level decision making;

·       federal systems, such as Australia, Brazil, India or the United States, with a strong role for states;

·       highly devolved political systems with strong local powers, such as Switzerland;

·       highly devolved political systems where power is given to ethnic minority or religious groups, as with the local self-governance of native Canadians;

·       autonomous local government within a centralized context, as in Hong Kong; and

·       situations of contested sovereignty, such as Sudan or Yugoslavia (Kosovo).

Given the particular national context, some critical questions in designing systems of local democracy include:

·       **AUTHORITY**. Does the municipal structure make policy and take major decisions, or does it mostly implement policy that has been debated and established at a higher level, such as that of a national parliament?

·       **FINANCIAL CAPACITY**. What is the all-important pattern of revenue flow and fiscal authority? Who controls the budget?

·       **CAPACITY FOR POLICY IMPLEMENTATION**. Do the structure and exercise of local authority create political space for civil society organizations and all major players on an issue to have an assured role in local decision-making processes?

·       **DEVOLUTION TO THE APPROPRIATE LEVEL**. To what extent is power within a municipal structure devolved to the forum in which it is best exercised, for example, is decision making decentralized to wards, community groups or special panels?

## III-B. Basic Types and Forms

The phenomenon of local democracy comprises both the institutions of local government—mayors, councils, committees and administrative structures—and the relationships among officials and civil society and political organizations (see figure 1). Within this broader concept of local democracy, there are two fundamental sets of choices that affect the basic types and forms of local governance:

**1. Institutional choices** and institutional innovation may help enhance participation and promote better and more efficient conflict management. Political institutions reflect the agreed rules of the game. In local politics, one of the key levers of democratic practice is the electoral system (see Part 1).

**2. Procedural choices** may include issue-specific participation processes such as special-purpose town meetings, community budgeting, special outreach efforts to young people or women, and others (see Part 2).

Keeping these two fundamental choices in mind, we can examine six basic types of local governance:

**Strong mayoral systems.** In strong mayoral systems, a single individual is elected as the leader of the

municipal area, and this individual wields broad authority (and is often charismatic). The mayor is usually elected to one or more terms of office and plays both a decision-making role in establishing public policy and a symbolic role in representing the values, characteristics and culture of a given city. Mayors are also executives, directing and managing the bureaucracy. Strong mayors often emerge in large 'mega-cities' where opportunities for direct participation are limited by the size of the urban arena. For example, Moscow is widely viewed as a city in which the mayor is an especially powerful elected official, overshadowing other public officials.

**Strong council or parliamentary systems.** In some municipal arenas, a legislative group of city councillors wields the most authority. These elected councils have considerable legislative or parliamentary authority and in many instances they collectively administer the bureaucracy. Strong council or parliamentary systems often feature the employment of a professional city administrator or manager who handles the city's business and who is held accountable to the council. As an example, Amsterdam is run by a city council and a college of aldermen. The council is the highest authority in the city of Amsterdam and is responsible for important decisions. There are 45 seats on the council, contested every four years by the various political parties. The mayor is appointed by the monarch of the Netherlands and chairs the council but does not have a formal vote.

**Appointed authority.** Although this is much less common nowadays, some cities are managed by authorities (often mayors or prefects) that are not elected but appointed by provincial or national authorities. This type of local governance is often found in highly centralized countries or those with a strong system of regions or provinces. Policy is simply implemented by these appointed authorities on the basis of decisions made at higher levels of government. Sometimes, when a city is financially bankrupt or otherwise in crisis, the central authorities will appoint an administrator on an interim basis until the problem is solved and authority can be returned to elected officials. In China, the administrators of the most significant metropolitan areas are appointed by the authorities in Beijing and are accountable to the central government through both Communist Party and governmental channels.

**Ward or borough systems.** Some large cities feature a highly decentralized form of governance, where larger metropolitan areas are governed in wards or boroughs that enjoy devolved or delegated authority. (Devolved authority generally cannot be revoked, whereas delegated authority can often be withdrawn by those at higher levels of government.) Akin to federal systems at the national level, this type of governance is based on a division of authority within a broader arena. New York City, for example, has a central authority but it also has five major boroughs that enjoy significant autonomy and feature powerful elected posts and administrative authority.

**Regional councils.** Many cities today are really an amalgamation of what were once, prior to massive urbanization and economic development, smaller towns or villages. In some instances, large metropolitan areas still recognize the territorial boundaries and local self-governance rights of these original smaller towns, but there is a need to coordinate policy formulation and implementation across jurisdictional lines. Regional councils are collections of these authorities—for example, a regional mayor's forum—that work together to coordinate policy on issues such as transport grids or expanding economic growth and employment. As an example, there are 110 regional councils with elected authorities in Ghana.

**Direct democracies.** Some municipal areas bypass leaders or parliamentary councils and take major decisions only with the direct participation of the people, either through referendums or through village or neighbourhood meetings. Bureaucrats implement the decisions taken by the people as a whole. Switzerland, for example, consists of 23 cantons. Each canton and half-canton (of which there are three, created for historical reasons) has its own constitution, parliament, government and courts. Direct democracy in the form of the Landsgemeinde, or open-air meetings of citizens, is found only in the cantons of Appenzell Innerrhoden and Glarus; in all the other cantons, voters make their decisions at the ballot box. All the cantons are divided into municipalities or communes. Around one-fifth of the 2,900 municipalities have their own parliament; in the other four-fifths, decisions are

taken by a process of direct democracy in the local assembly. This type of governance is limited by the size of the city, although developments in communications technology such as the Internet may produce new opportunities for more direct local democratic governance.

## III-C. Criteria for Comparison: Size, Density and Settlement Patterns

An important consideration in comparing municipal models is size, and in particular density of population. Although this may not be true in all instances, there is a general belief that the denser the population in an area the greater the challenges of urban management. The rules that govern social interaction in highly dense urban arenas must take into account the close interaction of communities and the need to promote cooperation and conflict management. For that reason, large cities are also amenable to further subdivision and decentralization into sub-metropolitan units such as districts, boroughs, neighbourhoods and other 'incorporated' entities. A useful notion in these types of cities is that of layered or nested governance, that is, there are several layers of governance at different levels within large cities, with the subsidiary levels 'nested' in other levels. An image for this type of governance is a system of concentric circles, with each circle representing a broader level of government with a larger population.

Evaluating a municipality's size helps us think about the possibilities for self-governance within national contexts and devolution within a city to neighbourhood associations, community boards, property owners' associations or civic groups. As a design criterion, one must consider the ways in which the interplay between local governance and the size of the municipal arena provides advantages or disadvantages for different types of innovation in democratic practice, such as those described in Part 2.

Another criterion to consider is settlement patterns. A critical issue in any urban arena is the pattern of settlement and the socio-cultural identity of neighbourhoods, districts and other areas. Normally the concentration of settlements into areas that are socio-culturally distinct occurs informally, but in some instances, such as Cape Town, South Africa, settlement patterns by ethnic, racial or religious group are the result of specific policies. Many cities today feature highly diverse or cosmopolitan areas where diversity and multi-ethnicity are celebrated and vibrant aspects of a neighbourhood's identity. When settlement patterns coincide with distinct ethnic, racial or religious communities, issues invariably arise about the fair and appropriate distribution of services—for example, policing—and the connection between taxation and service delivery. Relationships among and between communities and city-level officials are critical in such situations.

Other characteristics are also important. Comparing the size of cities and evaluating aspects of size as it relates to participation and conflict management is not a matter of the simple merits and demerits of size (i.e. the traditional notion that 'small is better' in facilitating direct links between government and the people). Rather, the issue is that size implies certain characteristics that may help practitioners and citizens situate themselves comparatively and help identify various distinguishing features. For example, the following variables might give some indication of the distinguishing features of different cities:

· ECONOMIC BASE. What is the principal economic base of the city? For example, is tourism a major source of tax revenue? Is there a single dominant manufacturer or economic sector?

· LAYOUT. What is the layout or grid of the city? Are there distinctive physical features that define the municipality's boundaries?

· FUNCTION. Is the city a hub city, a provincial capital or a national capital with special features such as a high number of public-sector employees?

· SITUATION. Is the city situated close to, or far from, national boundaries? Is there a concentrated city core or is the physical or geographic metropolitan environment more dispersed?

When answers to these questions are available, and when the contexts of the national relationship, the community size (density and type) and the form of local government are established, then the process of identification, design and implementation of representative and participatory practices will be more efficient and they will have a higher chance of success and long-term sustainability.

# Part 1: REPRESENTATIVE DEMOCRACY

*Igor Koryakov and Timothy D. Sisk*

In most democratizing countries, as in the South Caucasus, the initial stages of democratization at the local level often include citizens' first experience with local elections. The local level is a good place to start developing electoral participation since local elections are the element of democratic governance that is closest to the people and the right to vote and to choose among local office-seekers who are accountable at the ballot box is a necessary element of democracy.

## 1. The Importance of Local Elections

Sometimes politicians and voters alike attach a greater degree of importance and weight to national than to local elections. They argue that local elections rarely make much difference in political life. However, local elections have certain distinct characteristics as compared with national elections which give them considerable significance in political life:

- **As bellwethers of national political trends**. Local elections are important for their role in a broader national democracy. Their results are indicative of broader political trends and provide important information about the preferences, concerns and attitudes of the electorate.

- **Determining what matters most to voters**. Often issues in local elections are those that directly affect the daily lives of citizens; sometimes local issues are the ones voters care about most. The nature of the competition between parties and candidates and the issues that arise can be important indicators of what voters care deeply about and want the local authorities to tackle.

- **Minority inclusion**. Local elections can be very useful for allowing minorities to find inclusion in a country's political life. If a minority (e.g., a regional, ethnic, religious or occupational minority, such as farmers) is not well represented at the national or provincial level, local elections often provide the opportunity for it to gain some representation and sense of inclusion in government.

- **Development of national party systems**. There are also intricate linkages between local elections, party systems, and the formation of party systems at local level and national level. Local elections provide training grounds and valuable experience for those who aspire to office at the regional and national levels. This is especially true when the electoral system allows party-political candidacy for local office.

## 2. Elections: Legitimacy, Accountability and Trust

The principal function of elections is to provide **legitimacy** for public authority and give officials a mandate for specific action. Election campaigns serve many functions, such as clarifying issues and policies, holding candidates to account, communicating information among candidates and voters, and offering the public choices of solutions to community problems.

Elections are also a critical means of promoting public **accountability**. This involves not just the ability of voters to vote out of office elected officials who have not performed well in the public interest, but also the opportunity for elected officials to give an account of their performance in office. This includes explaining how public funds are spent, what the priorities of the local government are and how they are decided, and how problems and challenges that confront the community will be addressed.

The critical issue with regard to elections is the element of **trust**. Voters must be able to trust that elected officials will carry out their campaign promises and that they will engage in open, corruption-free governance. Candidates must be able to trust that if they lose a particular election they will still have a fair opportunity to win the next one (the concept of alternation in power). Minority communities must trust that, even if they do not win a majority of seats in the city council (for example), their interests will not be neglected and they will not be subject to systematic disadvantage by virtue of their minority group status. All actors in local elections must trust that the administration of the poll is free and fair and that the will of the voters will prevail.

When legitimacy, accountability and trust are in question, in many cases people will refrain from participating in local elections; low turnout rates in local elections—as the cases from the South Caucasus demonstrate—can be indicators of a deficit in public satisfaction with the local electoral process.

## 3. Electoral Systems in the Local Context

The choice of an electoral system is extremely important to local democracy. It determines who stands in elections, how the campaign is run, the strength and role of political parties and, most importantly, who governs. Electoral systems define and structure the rules of the game of political competition. The process by which these rules are adopted is critically important. In some cases, local municipalities have the right to choose their own electoral systems, whereas in others the electoral system is determined by national legislation. Even when there are national frameworks for electoral systems for local elections, it is important to highlight the alternatives given that the initial choices may need to be revisited for future electoral system reform.

Selecting an electoral system is a matter of careful design to meet the specific challenges of a given local setting. The choice of a particular system of translating votes into public positions entails decisions about—and sometimes trade-offs between—certain values, such as stable government, clear election outcomes, representation, accountability, links to constituencies, the importance of political parties, and the extent of voter choice between alternative candidates and parties.

Choosing between alternative election systems for a municipal arena means bargaining among interests over the objectives, meaning and form of elections. The choice may imply very serious decisions for a community, especially the choice between adversarial elections—choosing between candidates with sharply differing positions—and more collaborative democracy in which representatives to consensus-building forums such as city councils are chosen.

Electoral systems can be characterized by various features, including the size of the electoral districts, the electoral formula, the structure of the ballot paper and others. However, the primary attribute of an electoral system is the principle of representation, that is, majority versus proportional representation. The different types of electoral system presented in section 4 are all based on either the majority or the proportional principle of representation, or a mixture of the two.

## 4. Types of Electoral System

The three main types or 'families' of electoral systems are the majority, proportional and mixed (or semi-proportional) systems. Each has several distinct variations which are presented below.

### 4.1. Majority (Plurality) Systems

The distinct feature of majority (plurality) systems is that they aim to produce a majority winner even if it results in a disproportion between votes cast and seats won.

· **First-past-the-post (FPTP)**. This is the simplest system. In single-member districts, the candidate (not the party) who receives more votes than any other candidate wins the seat; this does not necessarily mean that the candidate received an absolute majority of votes, simply a plurality.

- **Block vote**. The system is similar to FPTP with one exception: it is used not in single- but in multi-member districts. The block vote allows voters to have as many votes as there are candidates to be elected (e.g. if there are three seats, each voter has three votes). Voting can be either candidate-centred or party-centred, and the candidates with the highest number of votes win the seats.

- **Two-round**. If no candidate receives a majority of the votes in the first round, a second round is held between the top two (or, sometimes, more) vote-winners. Whoever wins the highest number of votes in the second round is declared elected, sometimes regardless of whether they have achieved majority support or not.

- **Alternative vote**. Under this system voters specify their first and alternative (second, third etc.) preference on the ballot paper. It is used in single-member districts. A candidate who receives over 50 per cent of first preferences is declared elected. If no candidate receives an absolute majority of first preferences, votes are reallocated until one candidate has an absolute majority of votes cast.

## 4.2. Proportional Representation (PR) Systems

In PR systems the share of seats won by a party (for example, on a city council) is roughly proportionate to its share of the vote.

- **List systems (List PR)**. List systems enable each party to present a list of candidates to the electors, and the electors choose among parties. Parties receive seats in proportion to their overall share of the vote. The winning candidates are drawn from the party lists. List systems can be closed (or 'fixed', as the candidates cannot be changed by the electorate) or open (voters can indicate their preferences among candidates on the list). In some instances, parties can link their lists together through a mechanism known as *apparentement*.

- **Mixed member proportional**. In these systems, a portion of the council (usually half) is selected by plurality–majority methods, and the remainder is elected from PR lists. The PR seats are used to compensate for the disproportion that may occur in non-PR seats, so that the overall calculation leads to proportional outcomes in the assembly as a whole.

- **Single transferable vote (STV)**. A preferential system used in multi-member districts. To win election candidates must exceed a specified minimum quota of first-preference votes. Voters' preferences are reallocated to other continuing candidates when an unsuccessful candidate is excluded or if an elected candidate has a surplus. The overall effect of this system is proportionality in the elected assembly while elected officials have a link to a specific constituency.

## 4.3. Semi-Proportional (Mixed) Systems

- **Parallel**. In parallel systems, proportional representation is used in conjunction with a plurality–majority system but the two systems run in parallel, and the PR seats do not compensate for any disproportion (i.e. between the share of the vote won and the proportion of seats won) arising from the election of the candidates in single-member districts.

- **Single non-transferable vote (SNTV)**. In this system, FPTP methods of vote counting are combined with multi-member districts, with voters having only one vote. Thus, the candidates who win the highest number, the second-highest number, the third-highest number of votes and so on are deemed to have been elected.

**Figure 2:** **Types of Electoral System**
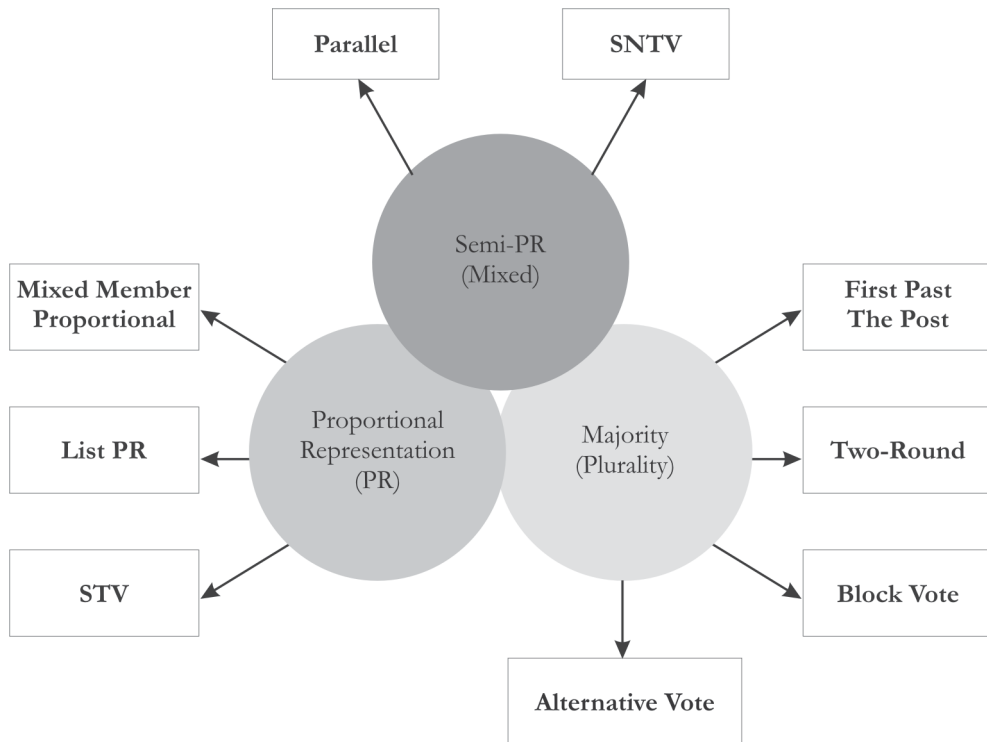


## 5. Strengths and Weaknesses of the Different Electoral Systems

Each of the electoral systems presented above offers advantages and has its limitations. Planners of electoral systems should carefully consider their distinct characteristics as they establish a basis for local politics, shape the outcome of elections and define the behaviour of the participants.

**Majority systems.** Their simplicity has a strong appeal to voters, who can easily understand how their votes are translated into seats. Another positive feature is their ability to produce a majoritarian government which is more stable and unified in pursuing certain policies. Indeed, the majority system does favour strong parties and under-represent weaker ones. However, this can result in certain groups and minorities that are deprived of representation becoming dissatisfied, and will lead to their refraining from participation in politics and even, in some cases, to their choosing non-political means of manifesting and pursuing their interests. Furthermore, a declining or traditionally low voter turnout could also be attributed to the limited ability of a majority system to reflect the variety of views among the general public.

**Proportional representation systems.** Their major advantage is that they produce a better representation of the whole spectrum of voters' preferences. PR systems encourage the participation of minorities and under-represented groups in political life by giving them a better chance of transforming their votes into seats at elections. However, this building block of democracy can turn into a stumbling block when the variety of views and opinions in the government that emerges hinders consensus over a particular issue. In general, coalition governments are less effective in developing a common policy and can be less stable than majoritarian governments.

**Semi-proportional (mixed) systems.** Being a combination of proportional and majoritarian systems, mixed systems feature both their advantages and their shortcomings, and these have to be balanced after careful analysis of local factors.

Readers who are interested in more detailed information about electoral system design should refer

to the International IDEA *Handbook of Electoral System Design*. It provides a detailed overview of the issues related to electoral system design. In addition, the Administration and Cost of Elections project (www.aceproject.org), jointly run by IDEA, the International Foundation on Election Systems (IFES) and the United Nations Development Programme (UNDP) offers detailed information on electoral systems, legislative frameworks, electoral management, boundary delimitation, voter registration and education, parties and candidates, and vote counting.

## 6. Special Considerations for Local Elections

Although the above principles and features of electoral systems are equally applicable and relevant to both national and local elections, voting at the local level by its very nature has several distinct characteristics.

**Elections to the position of mayor** can be either direct or indirect. By indirect procedure, the mayor is elected by the members of the local council, and in direct elections it is the citizens who vote for competing candidates. Indirect elections by council members are often characterized by a resulting greater trust and confidence between the mayor and the council. Direct election of the mayor by the citizens, on the other hand, can put into office a politician who can have a more adversarial approach towards the council.

**Elections to municipal councils** are held according to a majority, proportional or mixed system (see section 4 above). In most countries, the electoral system for local councils is based on proportional representation. A PR system allows a clearer and more comprehensive reflection of the diverse social composition of today's cities. This is particularly true for growing urban centres, where an increasing population requires a proportionately higher number of seats on the municipal council. As a result, a larger number of city council members can represent the more diverse interests of their community. By contrast, elections to local councils in smaller municipalities are often based on the majoritarian system, which can reflect and cater for the more homogeneous nature of a small community.

**Personality.** Because local officials are especially well known to voters, often on a personal basis, and because cities often lend themselves to mayoral systems with a strong executive, the role of individuals and personality in local politics is more important. This emphasis on personality and individuals in politics tends to favour the adoption of majoritarian systems for the selection of the executive, often featuring 'run-offs' if no clear winner emerges in the first round of the electoral competition.

**Geography and space.** The geographical dimension of representation—electoral districts and their delimitation—is particularly important since issues decided at the local level involve matters of everyday life, such as service delivery, neighbourhood security, sub-municipal identity (neighbourhoods characterized by ethnic, religious, cultural or racial factors), economic development, transport, schools and so on. People identify themselves closely with the area in which they live and feel common interests with others residing in the same community. For this reason, many municipal electoral systems feature a 'ward' (small district), neighbourhood or sub-municipal system of electoral boundary delimitation. This can be beneficial in terms of ensuring representation, but it can also be problematic when minorities within these sub-municipal boundaries are not fully represented. Districting or boundary delimitation offers certain opportunities but also introduces potential problems.

One solution is the 'spokes of the wheel' principle whereby districts or wards are delimited not on the basis of definable communities but on the basis of segments of a circle emanating from the city centre as one might cut a pizza. That is, district boundaries are drawn in a way that divides the city up into several equal segments. This option may allow for districts to include both inner city and suburban communities and a greater mix of ethnic or class differences; in systems such as these, other urban boundaries such as those between neighbourhoods or geographical features are not taken into account when drawing the district boundaries.

# 7. Political Parties

In a democratic society political parties play a significant role as intermediaries between state and society which articulate and advocate public views and preferences. Political parties competing in elections are primary structures providing opportunities for citizen representation. In contrast to non-governmental organizations (NGOs) or interest groups which focus on specific areas of policy, political parties strive to influence the political agenda across a broad spectrum of issues at both national and local level. For this purpose, they contest elections regularly, aiming to win office, and are equally active in the period between elections. Overall, political parties perform several important functions in a democratic society, including the following:

· articulating and aggregating public interests and preferences on a broad range of issues;

· educating citizens and mobilizing them to become politically active between and during elections;

· ensuring that leaders are established in office in non-violent fashion and changed or replaced peacefully; and

· recruiting and training political leaders.

To perform these functions effectively, political parties need to develop their structures and support bases in a coherent and systematic way. However, the challenges for the development of political parties in established democratic countries are different from those that affect transition environments. In established systems, party affiliation and voter loyalty are strong, the networks of party organization are well established, and political leadership within parties is more stable and cohesive. In transitional countries like those in the South Caucasus, the structure of the political parties is less established and thus more subject to the volatile entry and departure of new parties, often based around a charismatic individual or an identity group. Furthermore, many local and national elites in the South Caucasus are drawn from the former ruling party and these political leaders do not often reflect the broad base of contemporary society. All three case studies presented in this Guide illustrate how political parties often revolve around strong political leaders or clans rather than coherent political platforms, approaches to socio-economic development, and citizen-oriented programmes.

## 7.1. Internal Party Democracy

Being one of the building blocks of democratic society, political parties have a moral obligation to apply the principles of democracy not only in their external activities but within their own organizations as well. This concerns issues such as the recruitment of party activists and members, budget and policy-making transparency, tolerance for a broad spectrum of opinions and others.

An important democracy issue for local political party development is the ways in which party activists and members are recruited, and the extent and nature of grass-roots organization. The networks that centralize power in national governments can also be abused in order to create patronage networks that can feature anti-democratic practices such as nepotism and corruption.

Particularly important is the issue of inclusion of traditionally under-represented groups. In some countries a requirement in the form of a quota is placed on political parties to ensure that their candidates generally reflect the composition of the communities they serve. In some cases laws have even been adopted that require representation by traditionally under-represented groups, such as women. This change has revolutionized the ways in which political parties find, nominate and promote their candidates and relate to their office-holders. Some have suggested that these changes have also significantly broadened the agendas and policies of parties to include such diverse issues as public health, the care of children and the elderly, education and so on.

A series of questions can help structure evaluations of the relative democratic nature of local political organizations. The purpose of the questions is not to suggest that there is a blanket recipe for internal

party organization but rather to suggest the key issues that need to be discussed within an organization as it seeks to improve its internal democratic procedures.

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**CHECKLIST: Evaluating Democratic Practices in Local Political Organizations**

· Are parties' internal electoral processes subject to external observation and monitoring, and are elections procedurally and substantively free and fair?

· Are candidate selection procedures transparent, open and fair? Are the criteria for standing as a candidate and the nomination and selection process clear and reasonable? How does the party deal with candidates who are clearly tied to narrow special interests as opposed to broader community-wide interests?

· Are candidates allowed to cross the floor (switch parties) once they have been elected, or is their election tied to representing the party? What is the balance between the exercise of individual discretion and decision making by party office-holders or candidates and the policies of the party?

· How are candidates selected at ward or district level and at large? Is the process accessible? What is the nature of the party's ties to the community that is represented?

· What are the procedures for funding candidates and the linkages between local campaign finance and regional or national level party coffers? Can the party receive donations from foreign sources? Can party funds be externally audited?

· Is the party open to the representation of communities that are often marginalized, such as women and young people?

· Is a neutral, independent agency (such as a court or electoral commission) empowered to oversee and supervise local political party practices?

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The worldwide concern with the role of national political parties in local politics suggests that new, innovative ways need to be found in order to re-engage citizens in democracy and encourage their direct expression of their views. In a practical sense there are limits to the extent to which all citizens in large political entities (like large urban settings) can be involved; there are too many voices for all to be equally heard. One of the solutions may be further sub-municipal devolution; another can be improving the electoral system and fostering democracy internally through political parties. A third option is to expand civic participation beyond the traditional, and occasional, casting of a ballot as the primary means of citizen involvement in governance.

Indeed, there are exciting possibilities in developing new practices which take participation beyond the boundaries of traditional and formal representative democracy. Parties and the formal political institutions have an important role to play but they cannot be relied upon or given exclusive roles as mobilizers and organizers of involvement. The existence of community groups, civil society organizations and public forums, as well as opportunities for direct participation through citizen consultation, citizens' initiatives, referendums, and exchanges through information and new communication technology—all contribute to the openness of a system, and are explored in greater detail in Part 2.

# Part 2: PARTICIPATORY DEMOCRACY

*Igor Koryakov and Timothy D. Sisk*

Citizens' participation has many functions in developing a strong system of local self-governance, as it is a central way to build awareness of the importance of the local structures and a means of understanding the concerns and desires of the community. Research also shows that development initiatives can be more successful when there is a feeling of ownership in projects through direct involvement in the key decisions that affect people most directly.

Although it can be difficult, complicated, time-consuming and sometimes impossible to promote citizens' participation in decision making, when consensus-based decisions are made the results are often more legitimate and more widely accepted than decisions made by elected officials acting independently. This is known as the 'slow–fast' method of decision making, because consensus-building can be laboriously slow in the initial stages but once there is a broad agreement policy implementation can be fast and more effective.

There are strong reasons for making an effort to encourage citizen participation and collaboration. Fundamentally, participation is essential to the core meaning of democracy and good governance as it improves information flow, accountability and due process, and gives a voice to those most directly affected by public policy. Furthermore, citizens' feedback allows timely identification of community needs and priorities and the efficient allocation of resources to address them. When resources are scarce, the contributions and involvement of non-governmental organizations (NGOs), private businesses and ordinary citizens to particular areas or activities can relieve the pressures on local authorities. Moreover, procedures that encourage ongoing participation between elections and consensus-oriented decision making produce more legitimate decisions because people have been involved in the process. One practical outcome of collaborative processes is the creation of 'social capital'. Social capital is the trust and confidence that are developed when government and civil society meet together in pursuit of a community's common good. Without social capital, when trust and confidence are lacking, government efforts can be stymied; in the long run, communities without trust are dysfunctional and in the worst scenarios violence among contending social forces can erupt.

## 1. Options: Types of Citizen Participation

There are a wide variety of participatory methods and approaches, which are grouped below into four broad categories. The following list is not comprehensive; sometimes processes go by other names, and there are virtually infinite variations on any given type of method. Readers should consult the bibliography at the end of this book for a more detailed assessment of each of these options.

**Information gathering and sharing.** These types of process flow in two ways: top–down and bottom–up. The top–down approach is generally the information flow from local authorities to the citizens. It can be passive, for example, opening up access to municipal archives or minutes and the records of different departments or the municipality, or it can be the active communication of information to citizens. Active information sharing can be carried out by means of printed products, including press releases, reports, newsletters and bulletins, and in oral and visual mode, for instance, television and radio appearances, speeches and presentations. The bottom–up approach aims to provide channels for citizens and civic groups to give feedback to local government, voice their concerns or request particular information. The forms it takes vary from surveys and public opinion polls to report cards, ombudsman offices, suggestion boxes and others.

**Consultation.** These types of approach feature structures and events that aim to consult the constituencies affected systematically—together or separately—on matters that affect them. After such systematic consultation, the decision makers (such as elected officials) make decisions that seek to

reconcile different positions. The outcome of consultation can be binding or non-binding for the local authorities. In general, consultation, like information gathering and sharing, involves a learning component, but the element of decision making by those in positions of authority distinguishes this approach from the others. Consultative processes commonly take the form of public meetings, assemblies, hearings and so on.

**Policy formulation and decision making.** In the policy-formulation and decision-making processes, authority over the final definition and resolution of the issue at hand lies with the participants around the table. The policy-formulation process often involves regulatory bodies at the local level (e.g. local councils) and decision making is generally in the domain of an administrative institution and its chief executive (e.g. a municipality and mayor or city manager). In many cases citizens participate in policy-formulation and decision-making processes by means of joint committees, commissions and task forces.

**Joint implementation.** Often citizen participation goes beyond discussions and debates towards the practical implementation of decisions made. The forms it takes vary from volunteering (mostly by ordinary citizens) to resource sharing with civil society organizations and private businesses. This kind of approach results in a greater sense of ownership of the process and its results for all the participants and, equally importantly, often supplies local authorities with much-needed resources—both human and financial—for the implementation of community projects.

**Figure 3: Types and Level of Direct Citizen Participation**
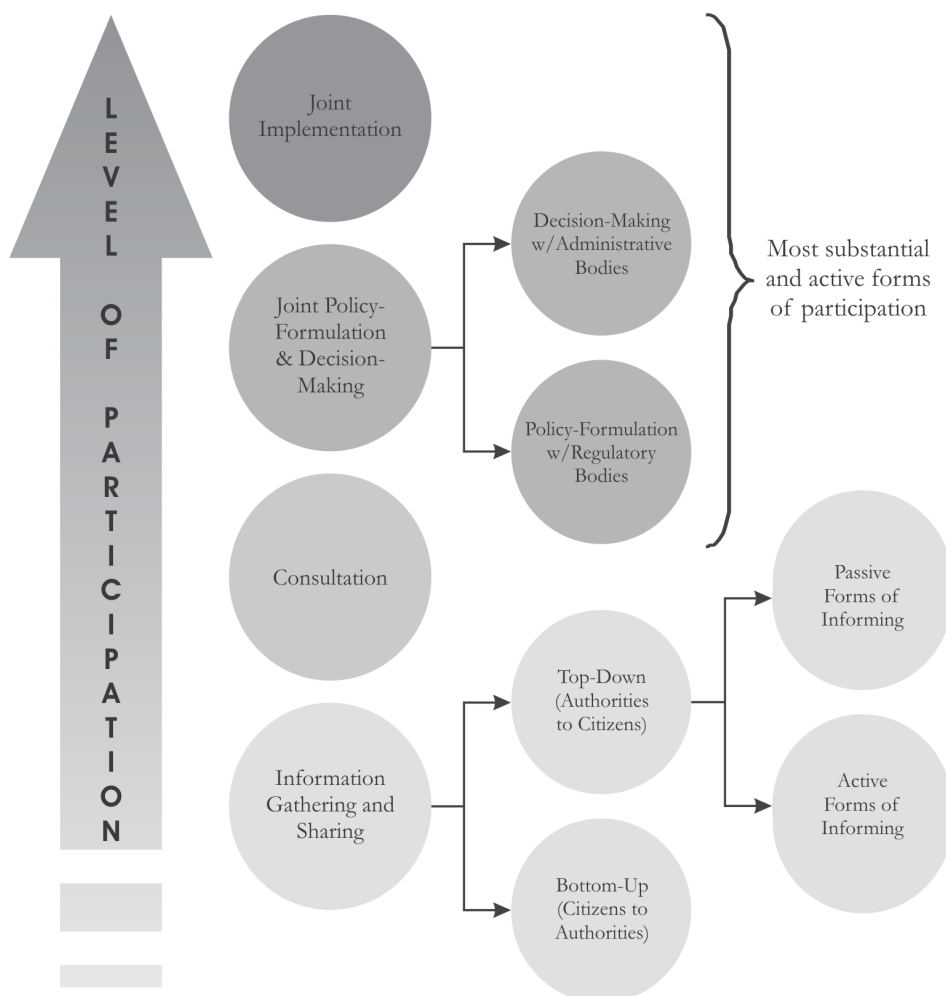
## 2. Menu: Examples of Proactive Forms of Citizen Participation

The four main types of direct citizen involvement comprise a great number of distinct and varied forms of participation, from radio talks to community hearings and from public opinion surveys to citizen juries. Some of these are clearly identifiable with a distinct type of participation; others spill across several types or can change from one type to another in the process, for example, a public hearing can start as an information process and move on to become consultation at a later stage. Below are some examples of citizen involvement that will put this typology of participation into a practical context.

### 2.1. Information Gathering and Sharing

**Public opinion surveys and preference polling.** Surveys and opinion polls seek to determine the range of community views on a set of issues or opinions. Sampling involves selecting a representative subset of the population, devising a questionnaire, carrying out the survey through interviews, and analysing the results. Preference polling is a similar method, which relies on identifying different views and assessing, among other things, the intensity of the preferences.

**Public hearings and community forums.** A traditional form of civic engagement in some established democracies, public hearings are a way formally to inform the groups affected, either by selection or by open invitation, on potentially contentious issues. Usually participants can give testimony or question public officials on the matter at hand in an open, transparent process of question and answer. Sometimes the hearing can move on from being a simple information process to interactive consultation and positive engagement.

### 2.2. Consultation

**Issue-specific ad hoc consultations and issue forums.** These methods involve structured dialogues on specific problems before the community on an ad hoc or occasional basis in which key participants are systematically consulted on policy options. Issue forums can be held singly or in a series; they may involve the same set of participants or participation may vary. The purpose of the consultation is to learn more about the sources of problems, to engage interested parties on potential policies and to develop recommendations. These methods are consultative since the forum is not empowered to make authoritative decisions; rather, the recommendations are forwarded to elected officials who ultimately choose the policies that will be adopted.

**Citizen monitoring programmes.** Citizen monitoring programmes allow individuals to be directly consulted on the efficacy of a particular policy or programme and involve them in making recommendations for improvement. For example, a common option under this rubric is a standing citizen panel that evaluates the impact of a programme on the community and regularly reports to the authorities its view of the programme's success in meeting the declared goals.

**Participatory appraisals and beneficiary assessments.** These consultative mechanisms seek to systematically consult a target population (such as the unemployed, young people or women) in the development and implementation of projects and programmes designed to address their specific concerns. These methods allow the objects of local policy making to be directly involved in the activities designed for their benefits.

**Community visioning and planning processes.** These methods involve collaborative approaches to strategic planning for a community and to the policies, programmes and resources that will be required for a community to reach its goals. A common tool in this method is the development of a vision statement to frame goals and set priorities. Participants are often asked to evaluate questions such as 'What kind of quality of life do we want in our community in 10, 20 or 30 years, what are the values that lie behind that vision, and what are the steps that will be necessary to achieve this vision?'. The process can often be transformed into or contribute to policy formulation types of participation.

**Community budgeting.** This method involves more than just engaging community representatives in the financial calculations because community budgets do more than just reconcile revenue with expenditures. Budgets set priorities and help clarify, define and even quantify a community's priorities. Community budgeting methods involve consultations on both the fiduciary details of a municipality's life and the priorities that budget allocations reflect. Although budgets are often seen as technical documents that are best handled by officials and administrators, public involvement in the budgeting process is increasingly seen as a critical way to help a community understand the possibilities and constraints of local governance. By highlighting how scarce or finite resources are allocated, it can help citizens and civic groups to understand better how the competing values of the community may be more effectively balanced.

**Standing citizen advisory councils.** This method involves the establishment of a representative panel of citizens with knowledge of or interest in a particular issue to provide advice and recommendations to the local authority. The advantage of standing panels over ad hoc mechanisms is that over time citizens can acquire a great deal of collective memory, expertise and awareness of the issue. Although citizen advisory councils are usually more permanent bodies, participation in them usually changes over time; that is, they can be designed to be fairly dynamic and fluid over time as individual participation changes.

### 2.3. Collaborative Decision Making and Policy Formulation

**Citizen juries.** This is a well-known option of dialogue by a select group of citizens (usually broadly representative) for a specified time period, such as four to five days, during which they receive evidence, question experts and discuss possible policy responses. Often a background document is prepared for the jury that sets out the basic policy options, and the jury is asked to make a choice among them. After investigation and decision making, a report is prepared that outlines the decision, describes areas of consensus and disagreement, and provides the overall findings of the jury investigation.

**Problem-solving workshops.** In problem-solving workshops, the participants engage in a creative and consensus-oriented search for the solution to a problem. The aim is to provide an initial period of open dialogue to help define the problem, identify obstacles to its resolution and frame the set of solutions. After a period of open discussion, a moderator or facilitator prepares a summary document outlining the consensus-oriented findings and recommendations. This summary document becomes the basis for discussion for the next two or three days and is revised until there is agreement on all matters or until irresolvable differences are identified. The summary document that emerges at the end of the workshop becomes the decision reached by participants on how a community problem can be effectively addressed.

**Joint task forces.** This method is often used when it is expected that a subset of community groups, leaders and citizens will be able to brainstorm on specific issues in order to develop policy responses. With a specified time frame, task forces are broadly representative panels that systematically consult with and engage affected populations, analyse problems, devise options and make recommendations. Task forces may also be formed at the implementation phase, where collaborative efforts are needed to ensure the success of a policy or programme.

### 2.4. Joint Implementation

Often municipalities find themselves in a situation of scarce resources and a vast number of community problems to be addressed. Ordinary citizens, civil society organizations (CSOs) and private businesses can be of great assistance in taking part of the burden of multiple challenges by contributing their resources, both human and financial, to improve the lives of their communities. Examples of such joint actions range from volunteering to clean a city park to environmental monitoring and in-kind contributions to homeless shelters.

## 3.  Designing Citizen Participation: Agenda and Participant Selection

Participatory policy making is not a single approach or a single method or technique. There are a wide variety of approaches and techniques that may serve different purposes or have widely varying forms, costs, structures and effects; these approaches may be used singly or in combination. Which method will work best and when it should be used depends very much on the context. For example, in a particular local context there may be a traditional culture of decision making with long-standing patterns of policy formation, leadership and social relations that will decide how feasible a particular approach or method is. Thus, designing an appropriate approach to citizen participation involves taking into account the structures on the ground and the discretion and the sensitivities of the community.

### 3.1. Agenda Setting

Choosing among different types of citizen participation approaches is often a matter of agenda setting. Agenda setting determines not just the issues to be discussed but also the overall purpose of the activity and its ultimate aims. In deciding among types of participatory approach and method, there are a number of pre-activity questions that must be answered which in turn will help set the agenda. In many instances, local authorities will decide the agenda and solicit participation. On the other hand, there are clear benefits to involving civil society at the very earliest stages of planning for collaborative approaches, as NGOs can often play a vital role in developing capacity, thinking through issues and facilitating post-dialogue steps such as follow-up, evaluation and implementation.

Some of the questions to think about in deciding what type of citizen participation process to use and how to set it up include the following.

· What are the objectives? For what purpose is the participatory initiative being launched?

· What should the process look like? Who should initiate it, who should be involved, and what types of response are expected or desired?

· How can we define the problem we are seeking to address? Who has the expertise, and on what aspects?

· How can we ensure that citizens affected by a particular issue participate throughout the process from the very beginning?

· What should the agenda be?

· Where should the discussions be held and what type of room arrangement is most conducive to a successful meeting?

· How should we invite participants or announce the aims, structure and goals of the process?

· How can we expect the deliberations to unfold? What methods can we use to facilitate the discussions?

· How can we move from dialogue to consensus-building, especially in bringing the initiative to closure?

· How can we ensure that decisions are implemented and the results are carefully evaluated? How should the results of the process be used?

· In what ways can we communicate to others how things went, what decisions were made, and next steps?

· Who will sponsor the process and who will provide the resources for it? What types of training and other pre-initiative preparatory work will need to be done before the initiative can be launched?

· How can the key participants in the process be involved at the very earliest stages in the planning and project formulation process?

## 3.2. Participant Selection

One of the enduring issues in citizen participation processes is that of selecting participants. Who should be included, who (if anyone) should be excluded, and who should decide on participation? Should participants be chosen or should open invitations be issued? How structured should participation be? Should participants be representatives of organizations, prominent individuals or ordinary citizens? How many participants should be involved? Selecting participants is not just a practical matter of policy or politics but a critical aspect of what is known as 'democratic justice', which is related to the notion of inclusion. At least one purpose of making participation as broadly inclusive as possible is building and strengthening social ties among individuals, organizations and institutions around solutions to issues of common interest.

# 4. The Roles of Local Authorities and Citizens in the Participatory Process

What role, if any, should the local authority be given in such a process? Should the official be an advocate for defining a problem and promoting a solution, a mediator among different civil society groups, a listener and ultimately an arbitrator, or a facilitator? Indeed, local authorities may end up playing various roles at different stages of the process or even simultaneously. In any event, each of these tasks will require more of local authorities in terms of their own skills as social mediators. They must be able to build coalitions and listen carefully to different points of view, be open to persuasion, and be able to negotiate and mediate between contending social forces. They must be able to forge a consensus and to decide when complete consensus is impossible or undesirable. NGO staff and citizens, too, should possess these skills if consensus policy making is not to prevent them from being manipulated by more powerful state officials or by other interest groups.

## 4.1. The Roles of Local Authorities

The following are some of the roles that local authorities can play in collaborative decision-making processes.

**Convener.** Public officials convene the participatory initiative and ultimately decide on the structure, the participants, the nature of participation, the agenda, the outcome and implementation. The convening power of the municipal authority suggests that it in some way has the legitimacy and capacity to gather all the parties around the table and facilitate their participation.

**Mediator.** A mediator acts as a third-party facilitator in bringing together disparate individuals or groups in a dispute. Mediation implies that the official may seek to manipulate the situation to bring the parties to agreement, for example, through financial incentives or sanctions, but that ultimately the parties themselves must reach agreement on how to solve the problem.

**Catalyst.** The authorities may serve to catalyse a consultative process and work with civic groups to facilitate and launch a participatory initiative that will ultimately be run by others (such as a neighbourhood association).

**Funder.** In some instances, local governments may prefer to allow other groups to conceptualize and implement a participatory process but do not want to be directly involved. They may instead provide financial resources to an NGO or CSO, such as a church, to design and manage the initiative.

**Technical assistance provider.** Similarly, when technical issues such as zoning or sanitation are involved, local officials may serve in participatory forums primarily as the providers of technical assistance.

**Capacity-builder.** Local authorities may help empower certain groups to participate by helping them build capacity. This may involve training, education, financial support or informal advice.

## 4.2. The Role of the Citizen

The other parties shaping the process—citizens and civil society organizations—have equally important roles to play, including the following.

**Initiator.** Being primary consumers and stakeholders, citizens occupy a unique position in being able to identify and articulate current and forthcoming challenges and needs in their communities. Citizens' involvement could be limited just to bringing their concerns to the local authorities (as in the 'information' bottom–up approach), or it can take the more advanced and proactive forms of consultation, joint decision making and implementation.

**Debater/discussant.** By providing their opinions on specific issues and discussing different options to address community problems, citizens assist local authorities in clarifying the situation and generating possible solutions.

**Contributor.** At the decision-making and policy-formulation stages, citizens act as contributors to the process, defining a range of possible policies or decisions, and developing an approach for their implementation.

**Implementer.** Being an integral part of implementation gives citizens a strong sense of ownership of the process and ensures that its outcomes meet the demands of the community.

**Evaluator.** Participatory monitoring and evaluation (PM&E) is gradually replacing the conventional approach of having agencies and external actors evaluate projects and activities. Citizens, civil society and other local stakeholders define the indicators of success or failure, collect and process data, and share findings and recommendations.

Finally, both local authorities and citizens play an important role as partners. They seek to partner with each other and with civil society groups to launch and manage a process. Partnership involves division of labour, combining resources, mutual support and shared obligations.

# 5. Referendums and Citizen Initiatives

One practice that embodies both the representative and the participatory forms of participation is the use of referendums. Although the process of administering and conducting a referendum is technically close to electoral democracy, its essence is more relevant to forms of direct citizen participation. Referendums are associated with citizen initiatives because the laws of many communities and countries allow for a group of citizens that has sufficient support to put a referendum question before the people to be directly decided at the ballot box. In a referendum, a public issue that cannot or should not be decided without direct reference to the will of the people is put to the electorate in terms of a question. Voters are most often asked to vote 'yes' or 'no' on the referendum question, and in most cases 50 per cent or more of votes will decide the outcome (although some require 'super-majorities', for example, two-thirds or 67 per cent of the voters).

Key issues in using referendums to settle community public policy questions include:

· the appropriateness of letting the issues be decided directly by the people;

· whether the people are sufficiently interested in the question being put to them;

· the means by which the referendum is called or placed on the ballot;

· the phrasing of the question;

· the intensity of opinion on the issue and the consequences of a 'yes or no' outcome;

· the decision rule (amount of votes needed to pass or fail); and

· educating the public on the importance of the issue.

Some of their proponents regard referendums as a key element of local democracy and argue that they allow citizens to have a direct voice on important policy matters—that referendums can help decisively resolve particularly contentious issues which political representatives have been unable to resolve in the normal political process, for example, at city council meetings. If democracy is seen to be synonymous with or equal to majority rule, then there is no better mechanism for determining the will of the majority than a basic referendum where more than 50 per cent support a measure and it is adopted.

Others argue against referendums precisely because they believe that the will of the majority can be an objectionable way to run a democratic city. Majority rule can work against the democratic principles of equality and tolerance if the will of the many overrides the important rights of the few. When minorities are vulnerable and their preferences are strongly held, majority rule can become majority tyranny, and the referendum becomes a tool for domination by the many at the expense of the few. Another question is whether the public has enough information on certain policy issues—which can be rather technical—and whether the people can always make the best choice for the community given the often inflexible nature of a 'yes or no' choice on a complex issue.

With the advent of information technology applications such as Internet voting, some people believe that it would be a good thing to have citizens vote on each issue before the community; that Internet voting offers the possibility of a new form of direct democracy—government by the people without a strong role for elected, representative officials. Detractors argue that elected representatives should decide on behalf of the community and that it would be impractical to have citizens voting online on a regular basis and unlikely to succeed.

### 5.1. Direct Citizen Voting on the Issues: the Promises and Perils of Referendums

Promises

- They can resolve public disputes definitively; a decision based on the results of a referendum is universally seen as legitimate.

- They offer a clear and easily understandable mechanism for citizen participation and direct decision making.

- Citizen initiatives can put questions up for the vote.

- They provide a clear and unambiguous determination of the popular will and demonstrate the precise level of support or opposition among voters.

- They provide opportunities for public education on important issues.

Perils

- Referendums lend themselves to 'minimum winning coalitions' or bare majority rule. On contentious issues, this can lead to 'winner takes all' politics, which can induce community conflict rather than resolve it.

- Referendums can undermine the authority and legitimacy of the representative institutions which are charged with responsibility for decision making.

- Questions can be written in such a way as to mislead or obfuscate the issues, rather than clarifying them.

- Sometimes the referendum can become a vote on the legitimacy of the incumbent government instead of the merits of the particular issue at hand.

- Some issues require deliberation and compromise rather than clear 'yes or no' answers.

- Some issues require specialized knowledge and information that the public may not be able to digest easily and decide upon, particularly if the issue is highly technical or emotionally charged.

·       Sometimes what may be in the individual interests of a bare majority of voters is not really in the broader interest of the community as a whole, for instance, tax cuts which then undermine funding for education and schools.

## 6. Principles of Successful Citizen Participation Initiatives

Although there is no single recipe for success in implementing a citizens' participation approach, the following principles have been seen to yield success in many instances.

**The range of participants should include all the relevant parties.** Efforts should involve the entire range of community interests and bring all concerned constituencies together in the same forum for interactive dialogue and consensus-based decision making. As far as possible, traditional power brokers and the traditionally disadvantaged should relate to each other on equal terms.

**Common interests should be identified.** Participatory processes should seek to bridge differences and find solutions based on the common interest of all parts of the community in mutually beneficial coexistence. All participants should take responsibility for the process and its outcomes.

**Citizens should be involved in the early stages and throughout the process.** As citizens become a part of participatory practices from the very beginning, they gain a stronger sense of ownership, as well as a commitment to contribute to and sustain the process in the long run.

**The problem must be clearly defined.** The process should focus on the issue at hand, in particular defining problems, sketching out the broadest possible array of options, developing strategies and finding solutions that can be jointly implemented.

**External accountability and internal flexibility are exercised.** Participatory processes must be externally accountable and transparent, yet within them there should be flexibility in the dialogue—participants should be able speak freely—and in the process and methods of decision making.

**The process is institutionalized.** To ensure long-term sustainability, the leaders of and participants in the process should ensure the integration of its components into (a) existing governance structures (which will often require legislative provisions to be made), and (b) routine local governance procedures.

**Sufficient financial and human resources must be available.** Collaborative policy making and implementation processes often run aground when there is a shortage of qualified personnel with negotiation, mediation and consensus-building skills or of financial resources.

## 7. Barriers to Citizen Participation

While collaborative approaches offer considerable promise in solving social problems and building community capital, their introduction and implementation are often hindered by both obvious and hidden obstacles. A World Bank study, *Participation in Practice: The Experience of the World Bank and Other Stakeholders*, identified the following barriers to enhanced participation in planning for development projects:

·       lack of government commitment to adopting a participatory approach;

·       unwillingness on the part of project officials to give up control over project activities and directions;

·       lack of incentives and skills among project staff to encourage them to adopt a participatory approach;

·       limited capacity of local-level organizations and insufficient investment in community capacity-building;

·       participation starting too late; and

·       mistrust between government and local-level stakeholders.

The reality in many societies is that the average citizen may be cynical about politics or apathetic or unwilling to participate. It is for this reason that the World Bank has stressed the difference between 'citizen' participation as popular participation and the need to include key 'stakeholders' in policy decisions. Stakeholders are those people whose interests are specifically affected, and these special interests should be represented and satisfied in public decision making.

Some policy practitioners are sceptical about participatory policy making, arguing that the choices are limited and citizen input often has, in the long run, little impact on policy outcomes. Those involved in participatory practices could be dissatisfied when processes drag out too long, powerful interests prevail, macro-level constraints (i.e. national or international influences) drive policy, or policy makers do not act upon citizen input. Much of the concern with direct participation, however, indicates that practitioners need better skills and knowledge about when, how and why to launch participatory practices.

In some cases participatory policy making may not even be feasible. The more sensitive the issue, such as determining official language policy, the less probable complete consensus is. Mechanisms for engaging citizens and building broad consensus on community affairs involve the balancing of many interests and the search for a compromise. Some of the issues to consider include the following:

**Is equal participation attainable?** Equal participation is a tenet of liberal democracy, yet the reality is that some participants will be more vocal or powerful, or both, or may have access to information that others do not have.

**Realities of networks.** A collaborative process may be taken over by 'network operators' or powerful 'stakeholders'. Citizens' groups may be unable to cope with or counter the pervasive influence of some individuals, factions or organizations, such as powerful local businesses or a representative of a national ministry.

**Election mandates.** Office-holders may have been elected after a campaign that sharpened differences and clearly delineated an official's position on issues. Once elected, however, the official needs to represent the entire community. When do local office-holders have an interest in promoting consensus-based solutions to local problems? When do consensus outcomes override alternative policies that are popular in elections?

**Perils for civil society.** If a participatory process puts the onus of implementation of a decision or programme on an NGO, and the resources for that are then not forthcoming, the NGO may be held responsible even though the outcome was beyond its control.

**Fragmentation in the political community.** In some instances, the social structure of a community is so fragmented that finding legitimate spokespersons for a group or interest is very difficult. For example, a public official seeking to initiate a problem-solving workshop might have difficulty deciding which particular individual or group validly represents a specific interest. The choices can be frustratingly difficult, and the choice of a person who is not closely tied to the interest they purportedly represent can undermine the legitimacy of the entire consensus-building exercise.

**Inability to develop complete or even near-complete consensus.** One risk of a collaborative process is that it may highlight to a community that there are indeed irreconcilable views on some problems; this realization may sharpen differences and encourage those who are not inclined to seek a solution through dialogue to harden their positions even further.

**Design flaws.** Participatory processes can run aground because they are not properly designed or carried out. The absence of a clear strategy of how and why to engage citizens and civil society on a policy problem or an inability to mediate among social groups because of poor skills, training or information can lead to participatory exercises turning into ineffective 'talking shops' that are inefficient in their attempts to devise new options and solutions.

**Limits of the local context.** Sometimes communities can convene, share information, consult and make decisions on a local policy problem only to learn that the power to resolve the problem does

not lie within the sphere of local governance. The reality of many national and regional contexts is that some local problems (e.g. financing for major transport improvements) are often addressed at other tiers of governance, and local communities are relatively powerless in addressing them.

## 8. Evaluating Citizen Participation

Evaluating collaborative decision making is a challenging task. One of the most common problems is determining whether the exhaustive efforts required to engage citizens and forge collaborative approaches really make much difference in terms of policy development, implementation and, most importantly, the attainment of goals. The practical aspects of a collaborative approach can be measured: participants came, they discussed, they recommended and they departed. But whether recommendations are carried out and situations in a given community change significantly cannot be so easily determined. Although a number of rigorous methods for evaluation can be introduced into the collaborative policy-making process, measuring the performance of local governance over the long term is a more difficult, demanding, and ultimately subjective task.

One of the main purposes of evaluation is ensuring accountability. Accountability is central to good governance. Approaches to accountability reflect differing conceptualizations of local governance. Accountability is exercised through the ballot box as citizens have the opportunity to vote out elected officials who are not performing well and to elect new authorities that can serve the community more effectively. Accountability is also about preventing and punishing corruption, or the use of community resources or political power for individual private gain. Thus, one of the most important tests of a collaborative process is whether the process itself has been open, fair and transparent. When this overarching criterion of evaluation is met, the likelihood that the deliberative effort was worthwhile is quite high.

Important evaluation questions that are usually posed by those who have sponsored, organized or convened the dialogue include:

· Was the issue under consideration a suitable subject for collaborative policy making?

· Was the process of the dialogue carefully and professionally managed?

· What were the nature and quality of participation?

· What will be the effect of the deliberative process on those who are expected to benefit most from the policy, programme or project?

· How effective will the collaborative process be in influencing the authoritative policy decisions that are made?

· Were public policies changed or improved as a result of the process and the recommendations given?

External evaluators can also be asked to conduct evaluations of citizen participation efforts. For example, a neutral specialist on the community, on collaborative decision making or on the policy options under consideration can be invited to observe and prepare an independent report that is provided to sponsors or circulated to all parties. Similarly, a subgroup of participants might be asked to perform this task. Officials from national ministries or national-level civil society organizations might be asked to observe and report.

Ultimately, collaborative decision making must be evaluated according to a long-term assessment of whether the community is reaching its goals. Assessing whether goals have been attained over the long term requires a more thorough process of monitoring, measuring, tracking and re-evaluating, and an ability to take into account unforeseen events. The outcomes of policy—the performance of those involved in governance in delivering the services they provide—are some of the most difficult aspects to measure.

# Part 3: CASE STUDIES OF LOCAL DEMOCRACY IN THE SOUTH CAUCASUS

*An Overview of Local Government in the South Caucasus Countries*

In the past decade Armenia, Azerbaijan and Georgia have made significant progress in moving away from authoritarian rule towards more democratic governance. This progress is recognized and acknowledged in these countries themselves, as well as by the international community. At the same time, serious shortcomings and drawbacks have accompanied the process of reform. These countries' independence in the initial stages brought the disintegration of regional economic ties which, among other factors, contributed to increased unemployment and the impoverishment of many people. The withdrawal of total state control and supervision in many areas was conducive to a flourishing of corruption and fraud. Freedom of speech and political organization coupled with very little experience with democracy and political culture added to political violence and instability. Overall, weakened states have often failed to provide their citizens with the preconditions and opportunities for a peaceful and prosperous life. As a result, many people in the South Caucasus associate their grim living conditions not only with the policies of certain politicians and government officials but also with the general democratic principles that are formally declared by the state authorities.

This is a dangerous tendency since it undermines both the achievements so far—large and small—and the future commitment to democracy. The fragile institutions of democracy taking root in the South Caucasus should be sustained and nurtured, and there are several areas which call for undivided attention and decisive action.

To begin with, a strong system of local democracy requires that the conduct of elections be improved to ensure that they are meaningful to the people who vote and to the candidates who are elected to municipal councils and the position of mayor. Beyond simply being free and fair, elections must also be perceived as making a tangible difference in improving the community and solving common problems. To be effective, local government needs to be accountable and trustworthy, and this can only occur through a regular pattern of elections that citizens appreciate as being important and relevant to the issues in their daily lives that matter most to them. The design of the election system is critically important because it shapes representation and has important implications for the inclusion or exclusion of social interests.

As all three case studies in this Guide indicate, an elaborate legislative environment is a necessary condition for stable and dynamic local government. Although the South Caucasus countries have mostly established a basic legislative framework for elections to and the administration of the local government system, their legislation is still underdeveloped and embodies numerous internal contradictions and breaches of other principles. A comprehensive audit of the legislation involving local and international experts with subsequent consideration and follow-up by legislators would contribute greatly to the establishment of inherently transparent and fair conditions for managing local communities.

Also important are well-thought-through decisions about the appropriate roles of political parties at the local level. There is no single formula for determining the extent to which party affiliations should play a role in local democracy. However, all local party systems should be internally democratic and help build accountability at the national level. Whether in democratizing states such as those in the Caucasus or in long-established democracies, elections need to be constantly evaluated to ensure that they meet the needs of giving citizens basic choices at the local level, the tier of government that is closest to them.

At the same time, the smaller size of the local arena allows for options to facilitate direct citizen participation in between elections, particularly on those issues that are especially complex or over which the community is sharply divided. There are many forms of citizen participation, with different purposes and methods. Citizen participation must be carefully designed, the method should be matched to the problem at hand and participation initiatives should be rigorously evaluated upon completion.

Democracy activists and those who design and implement different forms and methods of local democracy should take into account *cultural influences* on the way people think about democracy. Some cultures may have a tradition of citizen participation, whereas in others people may be more deferential to appointed or elected authorities. The concepts explored in this Guide may mean different things in different cultures. The principal point is that, at the local level, deeply ingrained cultural practices must be carefully integrated into democratic governance.

As the case studies that follow reveal, there are also other factors which influence local democracy and these should be closely examined and considered by both national and local authorities before participatory practices are introduced. Such factors include the territorial organization of municipalities, their external (with national government) and internal (between mayor and council) relationships, the degree of decentralization and the scope of authority vested in the municipal setting, financial (including taxes) responsibility and others.

**Improving electoral practices and systematically involving citizens in local government can go a long way towards addressing the cynicism and apathy that many citizens in Armenia, Azerbaijan and Georgia have towards the newly established institutions of local governance. The results of such improvements may be highly desirable for authorities and citizens alike—higher rates of voter turnout in elections that are transparent and meaningful, more effective and sustainable community development, and a greater degree of trust in the fledgling democracies that are emerging in the region.**

# Case Study 1: Local Self-Governance in Armenia: Past, Present and Future

*Mkrtich Gimishyan and Hripsimeh Manoukyan*

## 1. Introduction

Before the declaration of independence in 1991, the local self-governance system in Armenia had no authority or rights to ownership of property. Local self-governance was administered by partisan institutions of the Communist Party. Council members were elected in theory but in practice they were appointed by the Communist Party. Appointments to the executive bodies of local government were also subject to the approval of the party. Territorially, Armenia was divided into 37 regions; the two major cities of Yerevan and Gyumri had eight and two regions, respectively. There were 27 urban councils, 31 municipalities and 479 rural councils. Until the adoption of the constitution in 1995, the local self-governance bodies were free of direct subordination to party bodies but they continued to be controlled by the executive authority of the state.

The 1995 constitution provided the basis for a local government system in Armenia. Following its adoption, local elections were held in 1996, 1999 and 2000, and local governments were formed. Their essential mandates, responsibilities and powers were determined by legislation. The constitution also paved the way for fiscal decentralization in the form of allocating community property to local governments and recognizing independent local government budgets.

The Law on the Administrative–Territorial Division (1995) was equally important to Armenia's system of local self-government. Under this law, Armenia is divided into ten provinces (*marz*) and the city of Yerevan, which is ranked as a province. The state's territorial policy is implemented within the provinces. Local self-government is exercised by 930 communities or *obshchtiny*—47 urban communities, Yerevan's 12 districts and 871 rural communities—which vary greatly in their size, population and level of social and economic development, and in other ways.

## 2. The Constitutional Grounds of Local Self-Governance

The 1995 constitution lays down the essential principles of local self-governance, its functioning and development. In particular, it states that the power of the people is implemented through governmental authority (the President, Parliament and the government) and the bodies of local self-governance. This implies a clear-cut division of authorities and responsibilities, including a separation of financial resources and the independence of central and local budgets. Particular areas of responsibility and authority are covered in greater detail in the Law on Local Self-Government.

### 2.1. Positive Aspects of the Constitution

According to the constitution, local self-government bodies—the elected deputies on the local community councils and the executive mayors—are elected for a three-year term by direct suffrage. This provision strengthens both the independence and the authority of local governments.

The constitution states the fundamental rights of communities to own and use property which cannot be confiscated by the state except in extraordinary circumstances, in which case a separate law is adopted and compensation is to be provided.

Another constitutional provision concerns the right of local self-government bodies to run their own independent human resources policies and form their institutional structures. This right allows the community council, upon submission by the mayor, to approve the organizational structure of ad-

ministration, based on the tasks that the community faces. Consequently, the mayor, who is elected directly by the people, appoints the staff of the administration. At the current stage this provision has had a negative effect on the retention of staff and the establishment of an institutional memory. With the arrival of a newly-elected mayor, almost all the staff are reshuffled, a major selection criterion being personal loyalty rather than subject expertise or skills. This results in a continuous loss of professional expertise accumulated over the previous period. Furthermore, systems of internal staff rotation and professional development are virtually non-existent. To resolve the problem, a Law on Municipal Service is currently being drafted. One of its provisions is the introduction of licences for professional municipal servants that would ensure that staff are selected on the basis of objective criteria such as skills, knowledge and professional experience.

## 2.2. Controversial Aspects of the Constitution

However, along with its positive aspects, the constitution contains a number of provisions that create serious obstacles to the development of local self-governance in Armenia. Furthermore, some important areas are not even covered, and a number of constitutional guarantees that are essential for local government are missing.

The constitution allows the government to impeach an elected mayor in the manner stipulated by law. The government exercises this prerogative quite arbitrarily, and often applies it in an attempt to obtain mayors' cooperation. This provision undermines the legitimacy of the communities and their ability to function within the legal framework; it also facilitates corruption and violations of the law.

Upon the impeachment of a mayor, the government is constitutionally bound to hold an extraordinary election within one month. Prior to the election, the government appoints its authorized representative as mayor ad interim. Practice has proved that quite frequently the ad interim mayor stands in the extraordinary election, using the administrative resources and the backing of the national government, and thus has a very high chance of winning. If the impeached mayor appeals to a court of law against the decision of the state government, the trial is delayed until a new mayor has been elected in an extraordinary election and has embarked on his official duties.

The constitution does not guarantee the communities the right to own land. Legislators use this lack of regulation to reject communities' requests for land ownership, thereby severely impeding municipal planning and development.

Overall, the absence of constitutional guarantees is leading to an increasing centralization of power and authority at the national level, including a process of what is called 'reverse decentralization'—that is, authority and certain rights that were initially granted to local government are being transferred back to the national level. This was the case with the Law on Local Budgets, under which local authorities were entitled to 15 per cent of the revenue from income tax: the provision was abolished in 1997.

## 2.3. Laws and Regulations

In order to secure the sound functioning of local self-governance bodies, a number of laws were passed in Armenia. One of the most important is the Law on Local Self-Government. It was initially introduced in full compliance with the requirements of the European Charter of Local Self-Government (see appendix 1). The law distinguishes between the authority of the local council and that of mayor (policy formulation and municipal administration, respectively) and specifies a transfer of power and responsibility to the local level, including the following:

·        Communities have the status of legal entities, which creates a solid basis for them to enjoy their rights and carry more fully-fledged responsibilities to the members of the community.

·        Communities collect land and real-estate taxes independently.

·        Communities administer the registration of residents in the community and maintain a register of births, marriages and deaths.

- · Communities maintain the cadastral register of land and real estate.

- · Communities prepare the land balance sheet and maintain its accounting.

- · Communities organize public transport.

- · Communities manage the social assistance centres for their members.

- · Communities enjoy a wider financial base: local budgets receive a portion of the personal income tax and corporate profit taxes.

The transfer of these and other rights strengthened the process of decentralization by achieving:

- · decentralization of social policy implementation;

- · decentralization of local tax collection;

- · greater decentralization of financial resources, as a result of which the community budgets increased significantly;

- · decentralization of the Civil Acts Registration Department and cadastral services; and

- · further decentralization of government ownership in favour of communities, and the transfer of basic tools (the allotment of land and the granting of construction permits) to encourage small and medium-sized businesses locally.

Moreover, in pursuance of a constitutional requirement the Law on Local Fees and Duties was introduced. It grants communities the right to authorize certain fees and duties, and each community determines the amount of the fees or duties within a range established by the law.

Recognizing the differences in the sizes and financial bases of different communities, the Law on Financial Grading of Communities was introduced. It stipulates subsidies to community budgets from the national budget. A fund for financial support for communities is to be established within the framework of the national budget.

The relationship between the national and community budgets is further addressed in the Law on the Budgetary System. The law regulates the cash flows, distinguishes the sources of income and areas of expenditure for national and local budgets, defines the mutual responsibilities of the state and local authorities, and regulates the process of adopting, executing and accounting for budgets, that is, the budgetary process.

The laws on land and real-estate taxes regulate the major sources of tax revenue for local authority budgets and establish a system of relationships between taxpayers and local budgets. Control over the collection of land and real-estate taxes was vested in the national government's tax agency. However, the tax agency is not accountable to the local self-government bodies and is not interested in executing the local budgets. This and the difficult social situation have led to only 20–30 per cent of land and real estate taxes being collected.

The Law on Urban Development regulates the process of preparing, harmonizing and adopting community urban development plans and establishes the right of communities to give their consent to any developments on their territory and to oversee their implementation.

The Law on Transport defines the rights of the state and local self-government bodies in the sphere of transport services. One of its main provisions is the establishment of community ownership of transport enterprises providing urban passenger transport services, except in the city of Yerevan.

Overall, the legislation covers the implementation of the following elements of decentralization:

- · **Decentralization of power**. Local governments are in charge of utilities, urban development planning, kindergartens, schools, libraries, sports arenas, housing maintenance services and so on.

·   **Decentralization of fiscal resources** and their sovereign use: 100 per cent of land and real-estate taxes flow into community budgets, and the national budget provides a mandatory subsidy to communities of no less than 4 per cent of the national central budget.

·   **Decentralization of tax policy**. Communities have the right to approve the categories of local fees and duties, as well as their amount.

·   **Decentralization of ownership**. Communities have been granted ownership rights in areas that are within their sphere of competence.

·   **Decentralization of human resources policy**. Communities have the right to recruit staff independently in all the structures of local government.

Clearly, Armenia has developed a comprehensive legislative base with over 20 government regulations establishing all the necessary prerequisites for the current and future development of local self-government. However, there is a lack of enforcement discipline, national government agencies continue to intervene in community affairs and judicial protection is inadequate. These are major obstacles to the effective functioning of local government in the country. An enforcement mechanism should be established and the necessary measures taken to address the gap between the communities' tasks and responsibilities, on the one hand, and the financial resources necessary to carry them out, on the other. Other areas that require the attention of legislators include provisions to make the decentralization process irreversible, the establishment of a second level in local self-governance (i.e. regions), and the right of communities to follow independent tax policies. Importantly, communities should be recognized as subjects entitled to bring claims before the Constitutional Court.

If implemented, these measures will give local communities a strong impulse for further development towards a more effective and efficient style of governance.

## 3. Local Elections

In 1996 the National Assembly (Parliament) of Armenia devised and adopted a new Law on Local Self-Government and a Law on Elections to Local Self-Government Authorities. On the basis of these laws, the first elections of local authorities were held in November 1996 and the first genuinely democratic local governments were formed subsequently.

According to the constitution, the community mayors and the members of community councils are to be elected directly by the voters on the basis of the Electoral Code of Armenia. Electoral commissions are to be formed by the President and the parties represented in the National Assembly. This regulation leaves some room for manipulation by the national government and pro-government parties in appointing their supporters to the electoral commissions.

Among the positive provisions is the right of each candidate to have his/her proxy in the polling stations, alongside representatives of non-governmental organizations (NGOs). Moreover, candidates' proxies have the right to receive a protocol on the election results in the particular polling station, which is signed by the members of the electoral commission and bears the official seal.

Overall, the regulations and legislation governing the conduct of elections guarantee the establishment of democratic standards. However, the problem of enforcement mentioned earlier seriously undermines the positive potential of the electoral laws.

Another factor that has hitherto prevented free, fair and transparent elections in Armenia from becoming a reality rather than a future prospect is public apathy. The reasons for this apathy are the low levels of citizens' awareness of their rights, insufficient communication between local government and the public, and the absence of mechanisms for monitoring elected officials. Indeed, citizens' involvement and participation in the local governance process in Armenia do face obstacles as well as opportunities. These are considered below.

## 4. Direct Public Participation in Local Governance

Three fundamental conditions are necessary for successful public participation in local government:

1.  an appropriate legislative environment, that is, the laws governing the relations between these structures and the public at different levels;

2.  an adequate institutional environment, that is, political and social structures and institutions which invigorate the democratic political system; and

3.  the willingness and capacity of the local government and the community to put the laws into practice.

### 4.1. The Legislative Environment

As stated above, significant steps have been taken towards establishing a legal basis for public participation in Armenia in the past 11 years. Its foundation is laid by the constitution, and the laws on local self-government (2002), non-profit organizations (2001), political parties (2002), professional associations (2001), and others. International treaties and conventions signed by Armenia—including the Universal Declaration of Human Rights and the European Charter of Local Self-Government—have played a significant role in establishing a context and standards for the relevant legislation. Overall, formal legislative provisions have been established to ensure and promote citizen participation in local governance.

### 4.2. The Institutional Environment

There are now political and social structures and institutions that empower the Armenian political system. They include more than 100 registered political parties; nearly 3,000 non-profit organizations and foundations; 26 professional unions with affiliated branches; the mass media in the form of more than 120 printed publications, 20 television channels and 12 creative unions in radio; more than 50 registered religious organizations; the offices and representatives of international organizations; and many others. These statistics reflect the situation in the urban communities rather than rural communities. In the latter the presence and activities of these institutions are on a low level or even non-existent.

The Armenian political field is not yet fully developed. Observing the dynamics of political party registration, it is fair to say that in 1991–4 the process of the emergence of political parties was comparatively democratic and open. By contrast, in 1994–5 parties started to form not on the basis of ideology or political preferences but rather on the basis of the personal goals of their founders. In many cases such formally political organizations were aiming to gain populist support at the next elections in order to establish their protégés in office. They have no ideological basis.

Another important component of the institutional environment is a range of civil society organizations (CSOs). At present nearly all Armenian interest groups, including professional associations, are registered as non-profit organizations. NGOs' activities are primarily focused on providing social services and aiding the socially disadvantaged sections of the population rather than on stimulating democratic processes or protecting human rights. For the most part, they are financed by and act on behalf of funding sources that emanate from international or foreign organizations and foundations and, by virtue of this fact, tend to act as the agents of these foreign organizations. Few of them manage to maintain their independence or ability to act in accordance with their missions. Indeed, many CSOs fail to identify and address the true needs of their communities. Similarly, very few recognize their important role and responsibilities in the overall context of governance. As a result, there is little trust in or support for these organizations from the general public. An inadequate political culture and limited experience with democratic processes contribute further to a prevailingly negative or ignorant perception of NGOs among Armenian citizens.

In Armenia, opportunities and rights for citizen participation in social and political life are guaranteed in the constitution and the respective laws. Particular forms of participation may vary from referendums

to question and answer sessions to public hearings and participation in the budget planning process. However, only a few opportunities from a great variety of forms of participation are used. The few positive examples of participatory processes that are used in Armenia include public discussion of the three-year community plans and budget hearings. But even these attract and involve only a few interested citizens rather than the whole community. The overwhelming majority of the population sees no relationship between involvement in participatory process (e.g. budget discussion) and their own well-being.

### 4.3. Openness of Local Government

Information gathering and sharing is a basic and essential form of citizen participation and involvement in local governance. It gives citizens an opportunity to voice their concerns, express preferences and receive essential information on different aspects of their community life. Openness of local government is vital in ensuring an uninterrupted flow of information to and from citizens.

The legal requirements and procedures for open and transparent municipal government are provided in the Law on Legal Acts (2002) and the Law on Local Self-Government. The former states the procedures for official publication of local government legal acts and their entry into force, and the latter requires the publication of a report on community development and the annual budget. However, communities often fail to publish these reports and decisions because their financial resources are not sufficient. Legislators should consider allocating adequate financial means to ensure a proper implementation and application of legislative acts.

Another obstacle to effective information sharing and gathering is the insufficient capacity and willingness of local governments to engage in an open dialogue with their citizens. Local government institutions often fail to recognize their responsibility for informing the public of local community affairs. The scarce information exchanges that do take place are often too formal and bureaucracy-driven to be trusted by the citizens.

## 5. Conclusion

Overall, a solid basis for the successful development of local self-government in Armenia is already established. Armenian law recognizes the right of local governments to assume responsibility for local affairs and assigns the responsibilities necessary for the proper exercise of this right. The recent elections to local government bodies (October 2002) and the Law on Local Self-Government (2002) established the legal environment in which local government bodies operate. The legislative base has broadened the scope of authority for local council members, particularly in the areas of developing three-year community plans, approval of budgets and collection of local taxes. It is important that significant efforts are made in order to make these legislative and constitutional provisions operational rather than merely declaratory.

One of the most important factors in translating legislative provisions into a more democratic and effective system of local governance is a professional municipal staff. Indeed, the implementation of an appropriate personnel policy is very important in making local self-government function effectively. At present there are more than 7,000 full-time municipal employees in Armenia. Many of them do not have adequate professional training in their respective fields and they have very little experience in managing a modern urban centre. One way to address these problems would be to establish mechanisms for staff rotation and selection, qualifications, training and other matters. Serious attention should be paid to personnel training and educational standards and programmes, as well as adequate funding of these activities.

Although slow and cumbersome, the progress of the local self-government system in Armenia is becoming more and more evident. Public knowledge and awareness of democratic prospects are growing and citizens are seeking more opportunities to become involved in community affairs. As the essential provisions for public participation in local governance have already been made by the constitution and the laws, it is now the responsibility of local governments to take the lead and transform themselves from closed bureaucracies into professional, transparent, accountable, responsible and participatory governing bodies effectively managing the diverse communities of Armenia.

# Case Study 2: The First Local Elections in Azerbaijan: An Overview and Evaluation

*Rufat Garagezli*

## 1. Introduction

In 1991, after its declaration of independence, Azerbaijan set out on a course of reforms aimed at establishing a democratic society and a free market economy. During the first ten years of independence the country encountered a number of complex problems related to the consolidation of civil society, a multiparty political system, freedom of speech, human rights practices and a market economy. While its achievements, particularly in the areas of freedom of speech and the press, and free enterprise, have to be acknowledged, it also has to be recognized that Azerbaijan has failed to carry out truly free and fair elections to the supreme executive and legislative state bodies, although they have been constituted pro forma.

On 12 December 1999 Azerbaijan went through another test—the first elections to the bodies of local self-government. Local elections took place in 59 municipalities, of which 16 had their results declared invalid by the Central Electoral Commission (CEC). By-elections in these municipalities were held on 26 March and 25 June 2000.

Following the announcement of the results by the CEC, 2,666 municipalities were formed for a term of five years with about 21,000 members. The CEC declared the election valid as 52.6 per cent of voters had taken part: the required quorum was 25 per cent. However, reports of independent observers and experts suggested a different state of affairs. According to independent international and local observers, the actual voter turnout did not exceed 11–12 per cent. The opposition parties also stated that the elections could not be considered valid.

The by-elections which took place on 26 March 2000 were an important step forward in comparison with those held the previous December. A delegation of the Council of Europe's Congress of Local and Regional Authorities (CLRAE) which observed the by-elections noted a remarkable improvement in the voting and counting procedures. According to the delegation, although some technical irregularities had been observed relating to names which seemed to have been added to the voter lists, the quorum had been reached in 74 municipalities out of 75.

However, independent reports of a low voter turnout at the first elections indicate the diminishing confidence of citizens in the institutions of local government and their subsequent reluctance to be part of the governance process. To understand the roots of this problem, we need to analyse the legislative environment, the conditions in the country prior to the election, and the voting and post-election processes.

## 2. The Legal Basis and Structure of Local Authorities

The right of citizens to form local self-government bodies is stated in the constitution of Azerbaijan. In addition, the Parliament has passed more than 20 laws related to the local self-governments. Two fundamental laws which regulate the formation and functioning of local self-government are those On Elections to Municipalities and On the Status of Municipalities. Other laws, although not as crucial, provide further regulations for the effective and efficient functioning of the municipalities.

According to the constitution, Azerbaijan is a unitary state. Municipalities are formed on the basis of rural or urban settings, and each municipality is an independent legal entity. The two largest cities, Baku

and Ganja, are exceptions from the system as their territory is divided into districts whose administrative (executive) bodies are subordinate to a city-level executive authority. However, the relationship and the division of responsibilities between the bodies of local self-government and the executive authorities are not clearly defined or prescribed in legislation. In some cases areas of responsibility are assigned to both the executive authority and the local self-government, while in others a vague definition leaves enough room for both sides to claim legitimacy for their actions. This obscurity creates confusion and is a breeding ground for conflicts. For example, in accordance with the laws On Municipal Finance and On Advertising, revenues accruing from street advertisements are to be paid into the local self-government budget, but under a decree of the Chief Executive Authority of Baku these revenues are collected for the benefit of Baku's executive authority.

Lack of clarity in the division of responsibilities also affects the subject of municipal property, which is crucial to the functioning and development of local communities. According to the Law on Transferring Assets to Municipal Property, the right to define the type of assets being transferred, the rules and the timing for transferring assets belongs to the executive authorities, which are often ineffective and undemocratic. It would be rational to define these issues clearly in the law itself. Although the constitution of Azerbaijan entitles the municipalities to own, make charges on and use their property, in practice the real power belongs to the executive authorities. In turn, the executive authorities are not interested in the development of local self-governments because they feel that they are their rivals and can restrict their own, hitherto unrestricted, power. A conflict of interest between the local self-governments and the executive authorities has thus been created from the very beginning, that is, at the level of legislation. This appears to be the main reason why the majority of municipalities do not have their own assets and finance, which they need if they are to accomplish their objectives. Again, it is the inconsistency of the laws that does not allow a clear definition of the powers, responsibilities and spheres of influence of the bodies of local self-government and the executive authorities.

## 3. The Election System

The draft law On Elections to Municipalities was extensively debated among the authorities and the opposition. The pro-government parties argued for the adoption of a majoritarian system on the basis that a majoritarian system allows more independent candidates to participate in elections and prevents competition between the political parties from dominating elections. The opposition suggested that at least some of the future municipalities should be elected on the basis of party lists. Finally, Parliament legislated for the majoritarian system to be used, and each candidate is allowed to indicate his or her party affiliation on the ballot. This compromise decision was reached with the assistance of international experts.

It can be argued that organizing elections at least partly on the basis of proportional representation (PR) would help to foster the development of political parties in Azerbaijan. Their participation in the political competition would help to strengthen the multiparty system which is an essential element of a democratic society. Moreover, a PR system can encourage the competing political parties to consider local problems and challenges more closely. It can also have a positive impact on the development of local branches of political parties and improve their internal policy-formulation and decision-making processes. Since there is no tradition of internal debate within the political parties, motivating and mobilizing local party members could be a significant contribution to the growth of internal party democracy for many of the political parties of Azerbaijan.

## 4. Organization and Implementation of the Pre-election Campaign

The registration of candidates from opposition parties for the first municipal elections in Azerbaijan was not entirely fair. Many candidates believed that they were refused registration because of affiliation with the opposition. However, the leading opposition parties decided to participate in the mu-

nicipal elections and nominated candidates in almost all the regions of the country. Overall, however, only 25 per cent of all candidates nominated by the leading opposition party, the Musavat Party, were registered.

Voter education and election campaigns and programmes were launched and run by both opposition and pro-government parties. However, it can be argued that those run by the authorities were intended mostly for constituencies outside the country—foreign governments and donors, and the international organizations—rather than voters in Azerbaijan. The authorities were aiming to project a positive image of the country and ensure that the elections were seen as legitimate from abroad. In fact, many educational programmes started only a few days before the elections and there was very little chance for them to make any substantial impact. Powerful rhetoric from government officials about the importance of elections and their commitment to conduct them in a fair and transparent manner was undermined by multiple violations on polling day.

The government officials' hypocrisy had a negative impact on voters' attitudes to and perceptions of municipal elections and local government in general. It left many citizens apathetic or even negative towards the municipal elections, while others were still not aware of their voting rights or the procedures.

## 5. Public Perceptions of Elections and Local Authorities

Public attitudes towards local authorities in general and municipal elections in particular have been the subject of several public opinion surveys. One of these, conducted by the ADAM Center for Social Research on the eve of the municipal elections in Baku, offered interesting results:

| Figure 4: | Question 1. 'What does the establishment of local self-government mean for you personally?' |
|---|---|



Some
21%

Very Important
9%

None
40%

Don't know
30%
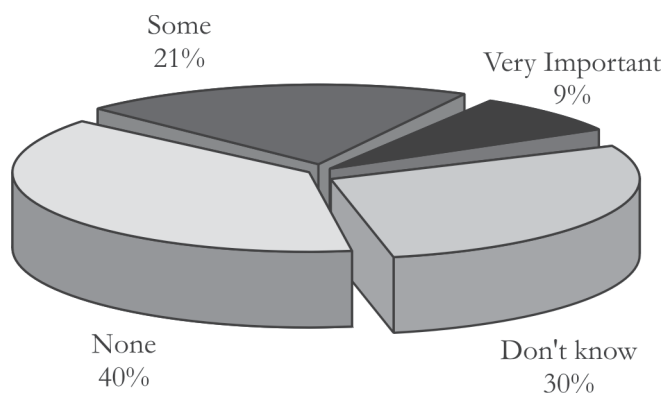
**Figure 5:** **Question 2.**
*'In your opinion, will the future bodies of self-government be able to do any real work?'*

To some extent
15%

Yes
10%

No
38%

Don't know
37%
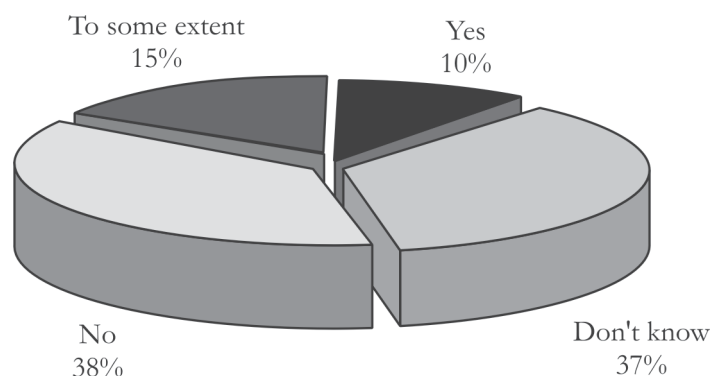
The responses to these questions clearly display apathy, distrust and citizens' lack of confidence in both the municipal elections and the whole system of local government. In fact, many people wondered why they should vote at all if their vote cannot change anything. As mentioned above, this negative or apathetic public attitude towards local government was partly the result of the ineffective and often hypocritical conduct of both national and local authorities.

Another factor which shaped the general public's perceptions was lack of knowledge about and experience with local governance itself. Before independence, Azerbaijan's citizens had almost no experience with local self-governance. The word 'self-governance' itself was practically alien to them. For several decades of authoritarian Soviet rule the notions of the supremacy of government authorities and obedience on the part of the public were the accepted norm. Erasing such deeply-rooted perceptions takes a long time and major effort. The process of establishing democratic local governance therefore includes an educational component which will help citizens to realize their new roles and rights.

## 6. Evaluation of the 1999 Municipal Elections

During the voting on 12 December 1999 there were a number of violations in various regions across the country. They included interference by the police and the executive authorities in the voting process, observers being expelled from the polling stations and manipulation of the ballot papers, to name only a few. The statement issued by the CLRAE delegation of observers established that serious violations had taken place. According to information from the opposition Musavat Party, the most common violations were failure to issue protocols to the members of electoral commissions and action to prevent observers and members of electoral commissions from observing the vote-counting. For example, in a number of districts, after the closing of the polls, ballot boxes were sealed without observers and electoral commission members being present, and for several hours observers were not allowed to enter the polling stations. Those observers who protested against violations of the law were expelled from the polling stations. In violation of the law, in some polling stations ballot boxes were not opened but were taken to the Territorial Electoral Commissions (TEC) and opened the next day.

Despite the numerous reports of violations and strong protests from the opposition, the results were declared valid. As a result, the majority of municipalities' local self-government bodies were formed from pro-government candidates. Overall, violations of the law and falsification of the results of the municipal elections led to votes being redistributed in favour of pro-government candidates and popular disillusionment with pre-election promises and assurances.

## 7. Conclusion

The 1999 municipal elections in Azerbaijan were largely pro forma: there was very little fair competition among the candidates and even less public involvement in the process. The social and political atmosphere in the country prior to the elections did not give the public confidence that the elections would be held in a free and democratic atmosphere. This was one of the main reasons for the low voter turnout. Even worse, votes cast were manipulated. Many believed that the elections were just window-dressing meant for external (Western) consumption rather than part of a deliberate course towards a more democratic society. At the same time the government was formally expressing its commitment to democratic principles. The result of this deceptive rhetoric was citizens' apathy towards the whole process of local governance.

This passive attitude on the part of the public towards municipal affairs in general and elections in particular is also the result of a low level of awareness and knowledge of the self-government system. Decades of totalitarian rule and a lack of tradition of local self-government created a serious social and psychological obstacle to the development of a democratic public mind. People do not know enough about the institutions of self-government, which is one of the main instruments for the development of the society in democratic conditions. That is why persistent and continuing efforts to educate citizens are needed. It is evident from the first local elections in Azerbaijan that propaganda, educational efforts and initiatives of government and non-governmental organizations (NGOs), political parties and the mass media were not enough to encourage citizens to participate. There is a need to develop and implement a multidimensional system of popular education and encourage civic initiatives which would include training, seminars, and the distribution of literature and popular films on television which demonstrate positive examples of democratic local self-government in other regions and countries. It would also be useful to include the basics of the local self-government system in school and university programmes. These efforts should be implemented not only by national but also by local organizations, both government and non-governmental.

The proponents of democracy must realize that introducing principles of democratic governance is a difficult and long-term process. It includes the development of and support for local institutions, an appropriate legislative environment, and the development of the capacity and interest of all the parties concerned, from local authorities to NGOs to ordinary citizens.

So far many laws and statutes which regulate the status and functioning of local self-government in Azerbaijan have been passed, but some of their provisions are contradictory and need to be improved. The contradictory nature of some legislative provisions and the unclear separation of powers between the bodies of local self-government and the executive authorities are obstacles to efficient and effective municipal management.

Indeed, the current state of municipal management leaves much room for improvement. Although there is some anecdotal evidence of citizens occasionally being involved in local governance, public participatory practices are largely unknown in Azerbaijan. An enhanced capacity of local self-government along with an increased awareness on the part of ordinary citizens about their role in community development could make a truly democratic system of decision making a reality in Azerbaijan.

# CASE STUDY 3: GROWING ELECTORAL ACTIVITY OF THE GEORGIAN PUBLIC: THE 2002 MUNICIPAL ELECTIONS

*David Losaberidze*

## 1. Introduction

A decade ago Georgia declared its independence. The transformation of the post-communist society into one that is oriented towards democratic and liberal values has been very difficult. It has become obvious that at present Georgian society lacks both a strong political will for and experience in democratic governance. Furthermore, the government bodies are often unable to solve or inefficient in their attempts to solve a whole range of problems. Georgian society's expectations that the disintegration of the Soviet Union and Georgia's declaration of independence would give birth to a free and prosperous state have not yet been realized.

The nomenklatura widely employs classical clientelist methods, whether by intimidation or by offering economic rewards (e.g. paying salaries and pensions, distributing food products, repairing roads) in order to win elections. It would be naive to think that society understands nothing; the post-Soviet style of voting in which many people vote against the government rather than for a candidate proves this point. However, few citizens believe that their votes will really influence the results of elections, as the decline in voter turnout since 1990 indicates.

In contrast to the countries of Central Europe and the Baltic states, in Georgia neither the intellectual nor the newly emerging political elites had any consistent concept of nation-building. The ultimate goal was Georgia's independence from the USSR and recognition of this fact by the international community. As for the construction of the state, it was based on mythological grounds—the might of Georgia in the Antique and Feudal periods, the prevailing pro-Western orientation domestically and so on—but the image was far from the reality.

All these factors posed a number of acute problems for the newly emerging state, including:

- the breaking up of the integrated Soviet economic system and the consequent economic collapse;

- the essentially ethnocentric nature of the Georgian national movement and its inability to find a common language with the ethnic minorities living in the country and constituting about 30 per cent of the population;

- the beginning of armed struggle by the ethnic autonomies that had emerged in the Soviet period, in the Autonomous Republic of Abkhazia and the Autonomous District of South Ossetia, for the establishment of independent mono-ethnic states in their territories;

- the ruling power was taken up by a symbiosis of dissidents and the former Soviet nomenklatura, which failed to develop a model of democratic development, leading the country into a coup d'état in 1991 and a civil war; and

- the strong patriarchal mentality among the general public, which facilitated the development and strengthening of political and economic 'clans' inside the ruling elite.

The modern Georgian state is also challenged by increasing public apathy and distrust of the state authorities: social surveys and public opinion polls demonstrate that public trust in government institutions has fallen drastically from 80 per cent in the early 1990s to a meagre 20 per cent currently.

## 2. Factors Influencing the Development of the Local Government System

The development of a democratic state is inconceivable without decentralization of power and authority. The establishment of an efficient and effective system of local self-governance is therefore particularly important in post-communist countries.

Unfortunately, in this sphere the situation in Georgia is more difficult than in other areas of public life. The process of shaping self-governance structures in Georgia is complicated by frequent changes in priorities, reversals of achievements, and the occasional re-emergence of comparatively conservative systems, as demonstrated by the parliamentary debates on amending the Law on Local Self-Governance and Government (2001).

In addition to these general reasons, which are fairly typical of the social processes in Georgia, the cumbersome development of local government has its own particular causes, including the following.

**Lack of a tradition of self-governance.** Georgia does not have experience in the area of self-governance, except for the existence of a commune in Tbilisi in the Middle Ages and the more or less successful functioning of municipalities in the country in 1919–21 during the short period of independence (1918–21).

**Ethnic cause.** Considering that ethnic enclaves are mostly located near the borders of the country, both the political elite and a significant part of the public are suspicious of decentralization and see it as potentially weakening for the political unity of the state. For example, Southern Georgia, which has borders with Armenia and Azerbaijan, is densely populated with Armenians and Azeris. Any demands from the population of Javakheti (a large Armenian-populated enclave inside Georgia) concerning the protection of their rights are perceived by the central government and the mass media as an expression of ethnic separatism.

**Economic crisis.** The acute deterioration of the quality of life caused by the destruction of the Soviet economy, the unprecedented growth of unemployment, the tremendous shrinking of the monetary base and the chronic budget deficit have resulted in a situation in which municipal bodies, even if broadly empowered, will not be able to address even the basic needs of their local communities. In some cases the incomes of the smaller municipalities are not even enough to pay minimum wages to their employees.

**Undervaluing the importance of local self-governance.** For the whole period of Georgia's independence, the issue of developing municipalities and local democracy has been considered a problem of secondary importance. Political forces assumed that other problems facing the country, such as external politics and the resolution of ethnic conflicts, were more urgent and important.

**Lack of a common development strategy.** For more than ten years after independence, the state authorities and the intellectual elite of the country failed to develop a comprehensive long-term concept of municipal development and decentralization. Some concepts were presented by independent institutions and individual experts, but none were discussed or considered publicly.

**The prevalence of political bargaining.** The establishment of self-governance is not approached in terms of its own merits but is treated as a matter for bargaining like a commercial deal in the most negative sense: the problem is often raised by certain political forces, but once they have achieved their specific deals the issue is forgotten again.

**The old style of governance.** For the Georgian bureaucracy, which consists mostly of the old

communist nomenklatura, a democratic style of governance is unknown and unacceptable. This is especially true in the regions, where the bureaucracy, under the influence of the old traditions, waits for Tbilisi (the central government) to issue orders even in cases when the local government should make decisions independently.

As a rule, the level of competence of bureaucrats is very low; there is no effective system of control by the state and the general public, and corruption is widespread. Corruption is both a cause and a consequence of the general situation.

## 3. The Functioning of the Self-Governance System

**Structure.** The self-governance system in Georgia consists of two layers.

The first layer is the municipalities—villages, communities, settlements and towns—in which governance is by the locally elected council. As a rule, the chairman of the council is also the head of the local administration: this is the case in more than 90 per cent of the total of 956 units. In two cities—Tbilisi, the capital, and Poti—the heads of the executive bodies (mayors) are appointed by the President of Georgia. The second layer of self-governance includes the regions (districts) and the cities of republican subordination. The councils of the cities are elected by the population, while the council of a region (district) comprises heads of municipalities in the given region/district (a total of 65 units).

**Legislative base.** Although the Law on Local Self-Governance and Government (2001) defines the competences and responsibilities of local self-government and central government, much of the legislation that should define and enforce the mechanisms for establishing the local authorities that are supposed to exist is not yet in place. Those regulatory acts that have been passed—most often in a form of a presidential or ministerial decree, on local budgets, municipal property and government subsidies—are frequently amended, and often contradict other legislation or the constitution, and even contain internal discrepancies.

**Local property and finance.** Local municipal property in the classic sense does not exist in Georgia. Companies or other organizations located in the territory of a given municipality are either privatized or under dual subordination. As a rule, they are concurrently subordinate to an institution of central government (a ministry) and the head of the local administration, who is appointed by the President. There is no clarity in the sources of local revenue or the distribution of expenditure. Local taxes constitute at most 10 per cent of the municipal budget. Local budgets are substantively supplemented by the portion of national taxes collected locally and by targeted subsidies. As a rule, 80–90 per cent of local expenditure is predetermined by the national authorities through territorial bodies under the Ministry of Finance. In this process the role of the municipal councils is virtually always only formal. In these circumstances, local governments are denied any independence in the municipal budgeting process.

**The governance process.** In the process of routine governance, informal contacts play an important role in the way public servants do their jobs. These contacts are expressed in the form of patriarchal relations and fill the gaps that exist in the legislation. Starting from the elections, the public apparatus carries out discretionary governance. The only effective guarantee for the activities of local authorities is the existence of friendly or 'patron–client' relations with bureaucrats of central government (ministers, heads of government departments, and representatives of the economic clans, including senior public officials and their relatives). At the lower levels of the bureaucracy, and especially in the regions, there are frequent cases of officials not knowing their rights and responsibilities but

managing to maintain control over the community due to the low level of civic activity and the application of force by the authorities.

## 4. Agents / Constituencies

In these processes there are several agents or constituencies which have their particular mandates and interests.

**The central government** is responsible for mapping the overall direction of the development of local communities and its implementation through specific policies. Its activities are often influenced by the struggle of lobby groups to defend their clan interests. This can take the form of parliamentary or intra-governmental battles.

**Political parties.** The political parties of Georgia can be divided into two types:

· Political groups united around a certain ideology. Many of these groups are experiencing a gradual decline in influence, rating and overall activity. Often they lack a well-conceived plan or strategy and resort to populist rhetoric in an attempt to attract more votes.

· Restricted groups of people, often called clans, hiding behind the veil of political parties. These groups often consist of representatives of the nomenklatura and wealthy businessmen, as well as mafia-type individuals. They have the financial resources to 'buy' votes and even exercise some control over the governmental structures.

**Civil society organizations.** Civil society in Georgia is represented mostly by non-governmental organizations (NGOs). Currently up to 4,000 NGOs have been registered but only 10 per cent of them are active. Community organizations are still a rarity, and other unions set up with the goal of protecting particular public interests (including trade unions) are often controlled by the authorities. Overall, the impact of the civil society sector on policy making is very insignificant. Its influence over and support from the public remain weak and many NGOs therefore rely on support and assistance from international donors.

**The private sector.** Local businesses remain weak in Georgia. The unfavourable political and economic environment does not support the attraction of significant inward investment. Some experts believe that a large group of wealthy businessmen in Georgia have been able to accumulate substantial capital through questionable privatization and financial schemes. Often successful businesses are backed up by a strong 'sponsor' such as a senior public official. The businessmen who do not have such 'support' often decide to enter politics themselves in order to ensure more 'favourable' treatment of their businesses than the law would stipulate.

Small and medium-sized businesses in the regions often find themselves in even more complicated situations. As a consequence of questionable and sometimes unlawful privatization, a certain social layer of owners emerged in the regions. As a rule, these people are former or current heads of the local administration and their friends and relatives (or members of their clans). Contracts for many public and municipal services are let not on the basis of open and fair tender but rather to members of their clans. Many of these businesses are not functional because of a lack or even complete absence of investment. The few enterprises that continue to function typically have quite low standards of service and ask high prices.

**The mass media.** The development of independent mass media in Georgia was comparatively quick in the early 1990s, but a certain part of the mass media is now controlled by oligarchs and

political groups. Other sections of the media that do not have financial support and investment resort to populist methods or even publishing scandalous information and are gradually turning into a 'yellow press'. There are very few cases of the mass media providing professional and thoughtful insight into a problem or situation. Complex subjects, including issues of municipal governance and decentralization, are therefore rarely addressed in the Georgian media.

**International and foreign organizations.** The role of external factors has become particularly important in Georgia since the internal impulse necessary for restructuring and development is insufficient. Many foreign and international organizations and donors have contributed to efforts to restructure the system of governance. Their contributions range from technical assistance and training courses to financial support for local NGOs. It is important to acknowledge that this assistance has only been partially successful. One of the reasons for this is that insufficient attention has been paid to local context and conditions. In some cases experiences that had proved positive elsewhere were automatically projected onto the Georgian reality without proper consideration being given to their applicability, with failure as the result. On the positive side, however, many foreign and international organizations have been able to identify these drawbacks and adjust their activities to suit the unique features of the Georgian situation. Foreign consultants have started to work together with or even been replaced by local experts who have provided much-needed knowledge and expertise on the country. The activities of different organizations are also better coordinated now, which helps to avoid duplication of effort and ensures efficient allocation and utilization of resources.

## 5. Public Attitudes

Society is meant to be the major beneficiary of the transformations in the country and is therefore the main evaluator of the performance of the authorities and other agents. However, in current conditions, the majority of people do not feel that their interests are catered for by the authorities and are therefore reluctant to be a part of the governance process.

As mentioned above, the prevailing negative public attitude towards the authorities can be partly attributed to a 70-year period of authoritarian rule and, as a consequence, lack of knowledge or experience of local self-governance. Another important factor is the local authorities' perceptions of their relationship with citizens. Rather than being providers of services to their communities, local authorities take a paternalistic—and often superior—position towards their citizens.

However, more and more positive examples of citizen involvement are appearing across the country. This is partly thanks to the educational efforts of local and national NGOs, as well as the emergence of new generations of citizens who did not experience the burden of totalitarian rule. The public has become more and more interested in and concerned with the progress of reforms, the performance of the political and administrative structures of the state, and the problems in their local communities. One example of the growing political and social activity of the Georgian public is the events of November 2001, when the police raided the independent Rustavi-2 television station, a regular critic of the President. Mass protests lasting two days paralysed downtown Tbilisi, and the country faced the imminent threat of a civil conflict. The situation was resolved by the resignations of senior officials, including the Prosecutor General and the Minister for Security.

The involvement of citizens in local and national governance processes is still in its infancy. Major efforts need to be made to improve the situation in the areas of both participatory and representative democracy.

# 6. The Municipal Elections in 2002

The establishment of a sound system of local government, in addition to improving the quality of public services and enhancing the administrative system, has another equally important objective, namely to ensure public participation in the process of governance by expanding and improving representative democracy.

Unfortunately, the scepticism with which the public currently views the activities of central government applies to the local level as well. The lack of professionalism of municipal officers and widespread corruption undermine the importance of local elections. Even when elections are fair, it is highly unlikely that the functioning of the self-government system will improve. With the current legal and actual shortcomings, it is impossible to secure the sound and independent functioning of local municipalities. This was one of the reasons why the majority of the public have treated the issue of participation in local government elections with great distrust.

However, certain efforts have been made by civil society and citizens themselves, as well as some progressive officials and politicians, to overcome the apathy that has characterized the past decade, particularly the late 1990s. These efforts contributed to create a greater awareness and interest among citizens in the municipal elections in 2002 and the comparatively high voter turnout then.

The 2002 municipal elections were an important milestone in the development of Georgian society. They demonstrated a growing activity of political parties and civil society, as well as ordinary citizens. There was much less government interference with the voting and counting process, and the overall administration of elections was more transparent and fair.

Indeed, the 2002 elections differ from earlier ones in several important ways.

## 6.1. Negative Aspects

**Poor preparation for and administration of the elections.** In contrast to other elections in the recent past (the parliamentary elections of 1995 and 1999, the municipal elections of 1998 and the presidential election of 2000), the municipal elections of 2002 were rather poorly organized in terms of administration. In particular the voter lists were incomplete, with a significant number of voters not being registered at all, while a number of so-called 'ghost voters'—people who had died or left the country—were included in the voter lists. Ballot papers were not printed and distributed in time. The process of counting and publishing the results took longer than expected and the public became suspicious about possible falsification of voting results by the authorities. The Electoral Commission has explained these shortcomings by lack of finance and the imperfect electoral legislation.

**Violence prior to and during voting.** Local and international observers noted a number of instances of violent interference during campaigning and voting. For example, some candidates received threats of physical violence before and even on election day; and armed groups interfered with the voting and observation processes by entering polling stations and forcing out proxies and observers under the threat of violence. A group of armed people stopped a vehicle transporting ballot papers, disarmed the guards and seized all the documents. As a result, the elections in the city of Rustavi (150,000 inhabitants) were postponed for several days.

Typically enough, the authorities did very little to prevent or stop such violence except for making a few public statements.

**Unethical behaviour of candidates and falsification.** Some candidates and their supporters

resorted to unethical forms of competition, mostly by disseminating spurious derogatory information about their opponents. A few went even further and attempted to influence the results of the voting by resorting to unlawful practices, including so-called 'round-tripping' when groups of allies of a given party or candidate would move from one polling station to another in an organized manner and vote several times in each.

## 6.2. Positive Aspects

Notwithstanding these problems, some new positive patterns took shape at the 2002 elections.

**Government impartiality.** Central government did not exert explicit influence over the voting and counting processes. In contrast to previous elections, when the government machinery—and particularly the police and security forces—were mobilized to falsify the election results, in the 2002 municipal elections it was mostly the local nomenklatura who attempted to apply pressure on their political opponents and voters. This did not amount to a consolidated, targeted plan of action for the benefit of a given political force such as had been seen before.

**Political parties.** The vast majority of the political parties organized their election campaigns better than they had done in previous elections. Many of them developed and presented their programmes—a feature that was unknown just a few years ago. The activities of various political groups show that Georgia is now undergoing a process of development of genuine political groups in whose programmes the interests of clans and charismatic leaders will be subsumed.

**Observation.** In comparison with the 1999 and 2000 elections, the monitoring and observation process experienced more active involvement by civil society organizations. Although still far from perfect, this development represents substantial progress in the quality of observation, as well as an increased awareness and knowledge on the part of civil society about representative democracy.

## 6.3. Review of the Municipal Elections

The most significant difference between the 2002 municipal elections and previous elections was a notable increase in voter activity. Even though this applied only to a section of the public, it is still a clear sign of progress. The results of parallel counts by independent experts concluded that more than 60 per cent of voters took part in the elections. During the presidential election of 2000, when the polling stations were virtually empty on voting day, the official assertion that two-thirds of the population had voted was obviously false; this time, however, the official data on voter turnout at the municipal 2002 elections were closer to reality. Even though many tens of thousands of voters were unable to exercise their voting rights because of shortfalls and inaccuracies in the voter lists, and even though a large number of votes were declared null and void due to the incompetence of the electoral administrations, there was still an apparent growth in activity. Despite the bad weather on election day, the polling stations were still crowded. Some thousands of citizens, having discovered that they were not registered anywhere, spent hours arguing with the representatives of the election administration and demanding to be included in the voter lists. There were cases of polling stations opening several hours later than planned, but the voters were waiting in the streets and, despite the rain, would not go home because they wished to vote for their candidates.

Understandably, voter activity was not equally high in all parts of the country. The level of activity that was reported in the late 1980s during the period of the National Movement was not replicated, but considering the ubiquitous apathy of the 1990s this was still a great improvement in public interest.

This progress can be attributed to a number of factors.

**The declining popularity of the ruling party.** The electorate was voting for parties that were harshly critical of and opposed to the authorities. It should be noted that the Union of Georgian Citizens, the ruling party, which had dominated most elections at all levels—presidential, parliamentary and municipal—since 1995, often attracting more than 50 per cent of all votes, got barely 2 per cent of the votes in the 2002 municipal elections.

**Diminishing apathy and nihilism.** The pessimistic outlook and nihilism that prevailed in the public mentality in the 1990s are gradually decreasing. Concurrently, there is an emerging threat that, as a consequence of the passivity or misconduct of the authorities, the pent-up public energy may take the form of ultra-left radical movements.

**Fairer competition.** It is equally important that during the 2002 municipal elections several political parties were competing for office with more or less equal chances of winning. In previous elections the situation was quite different, and total falsification of the results and violations of the electoral legislation by the authorities and candidates alike were the norm rather than the exception.

## 7. Conclusion

While recognizing all the positive aspects of the 2002 municipal elections, it must be acknowledged that there have not been matching advances in the political and administrative processes in Georgia. Many municipal bureaucrats still have very little knowledge of and experience with effective local governance and even less aspiration to introduce a more democratic, professional and transparent style of governance.

The authorities, because of their clan-oriented mentality, are still often a force impeding the process of democratization, while the public is becoming increasingly active in demanding reforms. There is a good case for saying that the overall situation in Georgia is beginning to show a certain resemblance to the situation in Central and Eastern Europe in the 1990s.

Against the background of these developments, two of the main priorities of the domestic politics of Georgia are strengthening representation-based democracy and effective support for public participation in political processes.

Each agent's role in these processes should be clearly defined.

The **central government** should pay more attention to the issue of decentralization. It should delegate more responsibility to local self-governments and develop a legislative base to expand the rights of the municipalities, draw a clear line between local and central property, and clearly specify the rights and responsibilities of local self-governments. With regard to representative democracy, the central government should establish guarantees for fair and democratic elections, including those at the local level.

The role of the **local self-governments** is particularly important in democratic governance at the local level. A positive tendency that emerged after the 2002 municipal elections is an increasing demand by the municipalities for more rights and their growing dissatisfaction with interference by the central government in local affairs. The main reason for this progress is the elected self-government bodies' growing awareness of their accountability not to the central authority but to voters in their communities.

**Civil society** is gradually consolidating its forces in order to solve common problems in the country.

This process involves primarily political parties, NGOs and the mass media. They should educate the public about democracy and its forms and means, and collect public views in order to bring them to the attention of both local and national authorities.

**Foreign and international organizations** and agencies play a significant role in nurturing the fragile institutions of democracy in the country. While the central government is only acting apathetically to further democratize Georgian society, foreign and international constituencies have the capacity to exert strong pressure to demand that formal declarations be translated into actual implementation of democratic policies. It is equally important that foreign and international organizations continue to support Georgian civil society. Given the central authorities' complete ignorance of the civil sector, many NGOs are heavily dependent on external support and assistance. At the same time, such assistance should give a closer consideration of local conditions and contexts, and be as transparent as possible.

In general, the processes going on in Georgia are typical of newly emerged democracies, and an outside observer could find many similarities with the neighbouring countries. Yet many unique aspects of Georgia and its society require a distinctive strategy for advancing the emerging forms of democratic governance. The development and implementation of such a strategy should bring together the resources of all the constituencies—national and local authorities, NGOs, political parties and ordinary citizens. A collective contribution and commitment to democratization will ultimately result in the greater security and prosperity of the Georgian state and society.

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# APPENDIX:
## The 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 realizing 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 decentralization 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 fulfillment,

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 recognized 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 equalization 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 recognized 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 authorized 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.

### European Charter of Local Self-Government
### Status as of July 2003

| State | Date of signature | Date of ratification | Date of entry into force |
|---|---|---|---|
| Armenia | 11 May 2001 | 25 January 2002 | 1 May 2002 |
| Azerbaijan | 21 December 2001 | 15 April 2002 | 1 August 2002 |
| Georgia | 29 May 2002 | – | – |

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# INTERNATIONAL IDEA IN THE SOUTH CAUCASUS: CHALLENGES TOWARDS SUSTAINABLE DEMOCRACY

International IDEA plays a crucial role in supporting and advocating home-bred, participatory democratic processes in the South Caucasus. Being an international, intergovernmental organization, it has proven to be impartial and was able to engage in a short period of time a wide network of reform-oriented thinkers and practitioners from different regions of the South Caucasus in a dialogue process about the challenges facing in the region. This process-oriented and participatory assessment of the challenges of democracy constitutes an important tool for domestic actors to put their concerns on the political agenda and advocate political change.

Beyond fostering participation and debates, International IDEA's intervention in the South Caucasus addresses the needs of political institutions, in particular at local level. IDEA's services focus on building the capacities of relevant state administration, non-governmental organizations and political institutions. Assistance to institutional reform is being supplied as the outcome of the assessment, in particular in the areas of election administration, through the Bridge South Caucasus Project, and of local government, through the Democracy at the Local Level: A Guide for the South Caucasus" Project. On the regional level, relevant people from the three countries increasingly participate in IDEA activities, thereby exchanging lessons learned between them and creating more solid regional co-operation among democracy actors.

The *"Pomegranate – Journal of Democracy for the South Caucasus"* has been initiated and supported by International IDEA in November 2002 with its partners in Armenia, Azerbaijan and Georgia as a platform of refection and exchange between the thinkers, activists and policy makers within a regional cooperation development perspective.

In September 2003 International IDEA launched a democracy assessment debate entitled Building Democracy in Georgia through advocacy and discussion of its recently published 12 Discussion Papers and Agenda for Debate. The publication is an outcome of the first stage of the Democracy Assessment Process, which will be concluded with the publication of a comprehensive document including the democracy assessment and a policy agenda for Georgia in 2005.

Building on the successful completion of the first phase, especially on the outcomes of the assessment process in Georgia and the initial reflection process in the South Caucasus, IDEA will continue to work closely with Georgia, Armenia and Azerbaijan, as well as the other regional and international partners.

For more information on the programme and its activities, please contact the IDEA South Caucasus Programme team and consult the programme's information web site, which provides an overview and up-to-date information on the programme as well as a library of links to relevant documents and resources: <http://www.idea.int/southcaucasus>.

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## ABOUT INTERNATIONAL IDEA

Founded in 1995, the International Institute for Democracy and Electoral Assistance (IDEA) is an intergovernmental organization that seeks to promote and develop sustainable democracy world-wide.

### IDEA aims to:

- Help countries build capacity to develop and strengthen democratic institutions.
- Provide a forum for dialogue between academics, policy-makers and democracy practitioners around the world.
- Synthesize research and field experience, and develop practical tools to assist in improving democratic processes.
- Promote transparency, accountability, efficiency and professionalism in election management.
- Facilitate in-country democracy assessment, monitoring and promotion by local citizens and interested parties.

### IDEA's current areas of activity include:

- Electoral systems and management
- Political participation, including women in politics
- Political parties, management and financing
- Post-conflict democracy building and dialogue
- Democracy at the local level
- Democracy indicators and assessment

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