

6. A New Way of Working

Community participation in local budgeting in Georgia



Budget-monitoring group draw a map to highlight problems in a nearby village

The collapse of the Soviet Union led to difficult times for the independent state of Georgia, as it made the transition from a centralised to a market economy, and from a communist to a democratic system. People had no experience of making decisions, even at local level, or of participating actively in local government. Since 2002, Oxfam GB has worked with the Association of Disabled Women and Mothers of Disabled Children with initial support from the Association of Young Economists of Georgia, to implement budget-monitoring projects in Zugdidi District, one of the poorest regions of the country. This paper shows how this process helped communities build the confidence to work directly with local government officials to build a new kind of civil society.

Introduction

Georgia is a nation of some 4.6 million people and it lies between the Black and the Caspian Seas. Like many other states or former Soviet republics, it became independent after the collapse of the Soviet Union in 1991. This meant moving from a centralised to a market economy, and from a communist to a democratic system. The result was a political and economic crisis, during which many people became impoverished. In addition, civil war and the internal conflicts of the early 1990s created more than 300,000 internally displaced people (IDPs) from two breakaway regions: Abkhazia and South Ossetia.¹

By the mid 1990s the government had managed to restore stability and peace. The economy started to pick up and there appeared to be hope for a brighter future. However, the government led by the former Soviet minister of foreign affairs – President Eduard Shevardnadze – proved to be too corrupt, ineffective, and inept at setting the country on course towards building a just, equal, and prosperous society. At the dawn of the twenty-first century, Georgia, often dubbed a ‘failing state’, found itself on the verge of the utter disintegration of its political and socio-economic fabric.

In November 2003, tens of thousands of demonstrators took to the streets in a peaceful protest known as the Rose Revolution. The beleaguered regime of President Shevardnadze was toppled. Since then, a number of positive changes have taken place in the country. One of the most obvious is an improved and rehabilitated infrastructure. However, other problems remain, for example inflation is high. Corruption was a major problem in the Soviet system. The government announced a crackdown in 2005 and managed to significantly reduce the level of administrative or so-called ‘petty’ corruption. However, it remains a problem. In 2007, Georgia was ranked 79th in Transparency International’s Corruption Perception Index, with a score of 2.8 out of 10 (where 10 means no evidence of corruption). Social inequality is increasing – there is practically no middle class in Georgian society, and large numbers of people are unemployed.² The needs of poor people continue to be ignored. Growing discontent led to mass protests and upheaval in November 2007. This resulted in the government announcing an emergency situation and a call for new presidential elections, which were held in January 2008, followed by the parliamentary elections in May 2008.

In August 2008, armed conflict between Russia and Georgia broke out over Georgia’s breakaway regions of Abkhazia and South Ossetia. Heavy fighting resulted in large numbers of ethnic Georgians being forced to leave their homes, thus turning them into IDPs within Georgia. Russian forces carved out the so-called security

zones within Georgia, having occupied strategic places inside the country. The conflict left many civilian casualties. As of October 2008, Russian troops withdrew from the undisputed Georgian territories, but they still remain inside Abkhazia and South Ossetia, which Russia now recognises as independent states.³

This recent conflict and unrest has not helped with Georgia's efforts to reduce poverty, as the country's resources have been focused on the conflict and those who have lost their homes and health as a result. On re-election in May, the president and his government proclaimed poverty reduction as its priority. However, this may prove much harder than expected in the light of recent events. The re-elected government brought some new, educated, and energetic people to lead the reform process aimed at poverty alleviation. Many of these people often lack experience and the knowledge of poor people's needs and priorities. But this aspiration of lifting the country out of poverty is where the interests of the political leadership and the interests of development-oriented international and local agencies converge. Interference and public criticism by international agencies and donors provokes strong reactions from politicians, but the government is keen to impress the international community with its commitment to neo-liberalism and reform. So the international community can significantly influence decision-making at all levels. This is the area in which Oxfam and its partner civil-society organisations strive to bring about change.

Changing attitudes: local self-governance

In 1998, the government attempted a decentralisation process through local government reforms, which gave more power to elected representatives of the local self-governance body, the *Sakrebulo*. The role of these bodies is to listen to what people have to say at local level, monitor what is happening, and make proposals for change. These proposals are then taken to the *Gamgeoba*, the executive branch of local self-governance, and if necessary to central government. Resources can then flow back to the villages and municipalities.

However, political turmoil meant that it was not possible to carry out proper reforms or real decentralisation. As a result, self-governance remained weak and the local population disengaged. This meant that the interests of the local population, especially the most vulnerable, were still not reflected in local decision-making processes.

This was the context when Oxfam GB started mobilising local communities in 2002 to engage with local representatives. Changing attitudes to participation was not going to be an easy task, so Oxfam ran a pilot project to empower local communities. Through participation in budget monitoring and budget formation, people

would become engaged in the decisions taken in their communities and begin to feel that their active participation could change things.

Between 2002 and 2004, Oxfam GB worked with the Association of Disabled Women and Mothers of Disabled Children (DEA) and the Association of Young Economists of Georgia (AYEG)⁴ to implement budget-monitoring projects in Zugdidi, one of the poorest areas in Georgia with many displaced people from neighbouring Abkhazia. While DEA carried out the local work, AYEG worked more at national level.

DEA was originally set up by Madonna Kharebava (a disabled woman) with the aim of ensuring that disabled people had a voice in local decisions. The organisation started by focusing on social spending and how the budget was being used for disabled people, and gradually expanded to include other areas of government spending. As capacity grew, DEA extended its scope to include all local people in the creation of local community groups to monitor budgets, which resulted in the birth of the Local Budget Monitoring project.

Raising awareness and building trust: the Local Budget Monitoring project

Between 2006 to 2008, DEA ran the Local Budget Monitoring project, which aimed to institutionalise the participation of civil society in local government in Zugdidi, a municipality in western Georgia comprising more than 30 villages. The objectives were to:

- Improve the skills and raise the awareness of local government representatives
- Introduce participatory attitudes and principles into budgetary processes
- Conduct budget monitoring of the budget of Zugdidi municipality in 2007 and part of 2008
- Raise public awareness about budgetary processes and budget monitoring.

DEA worked closely with both the *Sakrebulo* and the *Gamgeoba*. With the elected representatives, DEA focused mainly on capacity-building, training, and making the representatives more aware of the laws and functions they can work with. With the *Gamgeoba*, the focus was more on lobbying for the correct use of the budget and trying to ensure that they prioritise local demands.

During the two years of the project, DEA mobilised the local population in all 30 villages, and established interest groups in each, made up of ten to 15 socially active villagers. Interest groups were groups of local people who wanted to get together to either influence,

or participate in, the developments of their community. However, they did not have the skills or practical experience to participate in local budget monitoring, and so groups of committed individuals formed community committees.

DEA assisted these committees to develop statutes, co-ordinated twice-monthly meetings, and, together with AYESG,⁵ conducted local budget-monitoring training. AYESG's role at the start of the project was very important in providing capacity-building training and training in grassroots advocacy and lobbying, as well as assisting DEA in analysing the budget data they managed to collect. The goal was to develop the skills and abilities of committee members on budgetary process issues, as well as helping them to understand both organs of local self-governance, and to undertake advocacy and lobbying. The committees prepared their suggestions, recommendations, and initiatives and submitted these to the *Gamgeoba*.

The idea was to build a new kind of civil society, where each member would feel responsible for the community's budget and be capable of participating in its formation, based on the needs of a particular community.

Believing in budgets

An 18-year-old woman, Lana Korshia, who is a member of the local budget-monitoring group in the village of Tsaishi, said: 'Gradually, I became so interested in budgetary processes that I could not refrain from discussing our local budget with my peers. This obsession looked weird for someone of my age, in the beginning my counterparts and friends were not interested, but now I have interested them so much that they themselves ask questions about local and national budgets. I am very proud'.

Lia, a member of the committee from the village of Akhalsopeli, Zugdidi District, says: 'I would be lying to you if I said that the community liked or trusted budget monitoring from the beginning, many of them even questioned what one villager can do in such a chaos where a *Sakrebulo* member is not able to address the problem. Information obtained during the past years made us believe that we can stand up for our interests and take steps in order to tackle specific problems'.

As a result of the mobilisation and inclusion of villagers in the budget-monitoring work, as well as the capacity-building they received, people grew more confident and felt more empowered. The community groups were very successful in working directly with local government. Since 2005, 85 per cent of recommendations from the committees have been taken on board. The relationships between local self-governance representatives and communities improved, and there was increased transparency in the budgetary process. People have started to have more trust in their local government. Members of the Local Budget Monitoring project have even been offered some office space in the Zugdidi local self-governance building, to set up a resource centre that will provide the population

with information on the new tax code, budgetary processes, and other enquiries. This is clear evidence that the local government is satisfied with the project.

The new law on local self-governance

On 16 December 2005, Georgia's Parliament adopted a new law on local self-governance, which defines the legal, economic, and financial basis of local self-governance, as well as state guarantees, rules for the establishment of local self-governance, and their responsibilities and relations with state authorities. On the basis of the new law, on 5 October 2006, local elections were held for people to choose their self-governance representatives.

The reform changed the structure of the local self-governance system, removing the lowest administrative division and effectively abolishing local self-governance in communities, annulling community budgets.

The new arrangement gives each Georgian city and its surrounding villages municipality status, with local self-governance. The only exceptions are Tbilisi, the capital, Batumi, the capital of the Autonomous Republic of Adjara, and other major cities like Poti, Rustavi, and Kutaisi.

This change had its positive side, which was to make the system more flexible to manage, but at the same time it has negative ones – it is possible that local authorities will become further isolated and detached from the local population. However, the new law obliges municipalities to ensure the active participation of society, seek ways of co-operation with them, and ensure transparency, accountability, socio-economic development, civil participation, and improvement of living standards, especially for vulnerable people.

However, adopting new laws, making changes to the existing imperfect legislation, and giving people the opportunity to participate in elections, is not enough to strengthen local self-governance. The whole style of self-governance needs to change, and modern management methods introduced. This means increasing the effectiveness of local government, which can be achieved partly through the promotion of an active civil society.

After the reforms

In Zugdidi, before the new law, each of the 30 villages had its own local self-governance unit. After 2006, the city of Zugdidi and its villages became a single municipality. There was now only one budget for the whole municipality rather than one for each village.

The Local Budget Monitoring project therefore decided to transform all local community groups and community committees into one

public municipality committee that would monitor the Zugdidi municipality budget. People of different ages, professions, districts, and social strata (among them vulnerable people and IDPs) were involved.

In consultation with the community, the public municipality committee developed its own statute. It keeps the community informed and has divided itself into six thematic monitoring groups. These are:

- 1 The rule of law
- 2 Education, culture, and sports
- 3 The social sphere
- 4 Property and privatisation
- 5 Infrastructure
- 6 Gender budget monitoring.

These groups correspond to the committees in the Zugdidi municipality, the *Gamgeoba*, and the *Sakrebulo*, except for the gender budget monitoring committee, which is unique to the project. There are up to 13 members in each group, involving approximately 75 people. Each thematic group has its own strategy, on the basis of which action plans are developed. Thematic group members submit priorities to the *Gamgeoba* and the *Sakrebulo*.

After the local elections in 2006, DEA conducted a survey targeting representatives of Zugdidi municipality *Sakrebulo* and society as a whole. The results showed that many newly elected members lacked the experience and skills needed to undertake their work and to co-operate with civil society. They were also hampered by the fact that legislation is spread through many legal documents and so is difficult to access and interpret. This leaves local people at a disadvantage.

The survey showed that there were three specific needs that were within the capacity and reach of DEA's work: raising awareness; increasing the competence of local representatives; and participatory budgeting as a key to increasing accountability.

Raising awareness

DEA and the public committee found several ways of disseminating information to civil society. These included:

- Quarterly bulletins highlighting the results of the Zugdidi municipality budget monitoring, as well as information in easily understandable language and explanations about self-governance issues and *Sakrebulo* decisions. The bulletin includes space for legal advice. It is disseminated among local organisations working on similar issues, and to all nine municipalities in the

Samegrelo region and the main library of the Samegrelo-Zemo Svaneti region.

- Radio programmes broadcast twice a month by local radio station *Atinati*, which covers the whole of western Georgia including Sokhumi, the capital of the breakaway republic of Abkhazia.
- DEA uses its own publication – the newspaper *Natlis Sveti*, to disseminate the results of the public discussions and budget monitoring.

Ordinary villagers find it very useful to be able to access such information.

Seeing for myself

Geronti, a 64-year-old man from the village of Akhalabastumani, says: 'Earlier I was not interested in these issues, I did not even know what the amount of the district budget was. Now, I take an interest in budgetary processes; moreover, I know where to find the information. We receive quarterly bulletins on a regular basis, which clearly reflect the issues of self-governance and budgetary processes, legislative changes. Along with other participants I took part in the radio programme "Community and Budget" and saw for myself the feedback from our broadcasts, as well as live discussions about acute problems in our communities'.

Increasing the competence of local representatives

Members of the public committee are trained in self-governance issues, including budgeting and issues relating to property and the privatisation of agricultural lands, which is a key problem in 2008. Land-privatisation issues are very important for the population of Zugdidi, because agricultural land is the only surviving resource against a backdrop of high unemployment. Lack of agricultural land is one of the reasons for migration of young people from the region, which means that there are fewer people to work in the villages and on the land. Land privatisation, which was meant to be a public and transparent process, was not carried out in Zugdidi in a transparent manner. Therefore, the population were eager to get more information and capacity-building resources in order to feel more confident and able to fully engage in the process.

Valeri (a middle-aged man) from the village of Urta, a member of the public monitoring committee on land-privatisation issues, says: 'The privatisation process taking place in Zugdidi municipality is very faulty indeed. All of us know that this is not going to be a painless process, therefore it is doubly important to inform the villagers on these issues. Information is not accessible to them, helpless peasants and farmers are not aware of the rights they have to the agricultural land. In such circumstances public monitoring is the only effective way to protect the interests of the population and their lawful rights. We, as members of the public monitoring group, should have all the answers not only to the legal aspects of the privatisation, but also

should be informed of the steps taken by the local self-governance. Although obtaining relevant and precise information is getting more and more difficult, the population of Zugdidi villages of Anaklia, Chkhorla, and Chitatskari are expressing their dissatisfaction regarding Italian investors who want to buy all the agricultural land belonging to these villages. Local authorities, in their turn, point fingers at the Ministry of Economic Development. We believe that the solution is very simple: no one should hide information that is supposed to be public'.

Tengiz, a member of the public committee and a resident of the village of Didinedzi, says: 'If not for the information received about the issues of land privatisation within the project, our community residents would not be able to get involved in the land privatisation process, and accordingly we would have remained beyond the whole process of privatisation'.

Training was also conducted for representatives of the *Sakrebulo* and *Gamgeoba*. Topics were selected, taking members' opinions into consideration. As a result of the training, members' skills and knowledge about budgetary and monitoring processes, self-governance, preparing project proposals, advocacy and lobbying, privatisation of state-owned agricultural lands, as well as issues concerning state purchases, were improved.

Participatory budgeting as a key to increasing accountability

One of the reasons why the needs of poor people are not part of budget formation and programme planning is the fact that they themselves are not aware of their rights. The participation of the local population in budgeting engages civil society, especially vulnerable people, in local government. This then has a positive effect on poverty reduction, and stimulates civil society to participate in addressing the country's problems.

DEA involved women in the budget-monitoring work at community level and ensured that the impact of public expenditures on women and men was analysed. Georgian women traditionally play an active part in society; one of the successes of the project has been that more women are becoming engaged in these local budget issues; out of 56 individuals on the eight public committees, 34 are women.

An evaluation showed that the government was positive about the project, and that the attitudes of local authorities towards public participation are changing. A memorandum of mutual understanding was developed between the public committee and Zugdidi municipality representatives, stipulating that the *Gamgeoba*, the *Sakrebulo*, and DEA would co-operate to further develop the self-governance system and ensure public participation.

As Petre Antia, a member of Zugdidi municipality *Sakrebulo*, said: 'Our first contact with civil committees assured us that we dealt with

people who are well aware of the situation and have definitely thought about the problems faced by communities. We welcome the goodwill of DEA to facilitate the active participation of society’.

This sort of attitude is quite unusual for the representatives of the local authorities in other parts of Georgia, where they are mostly isolated, have little contact with the grassroots, and take decisions unilaterally, without including the local population in decision-making processes.

Bridging the gap: community social projects

Another area of work that has great potential for the project is involving the communities in micro social projects such as fixing village roads; restoring green areas or forests; or removing waste and cleaning up villages. This encourages community involvement and builds skills such as the ability to prioritise and identify resources. It also builds involvement with, and understanding of, the local self-governance structures.

The members of the public committee represent their village and bring these problems to the committee. Together they developed a ‘problems map’ for all 30 villages of Zugdidi region and then prioritised how to solve these problems with the help of resources requested from local authorities and the village community itself. The public committee and the ‘problems map’ serve as a link between the grassroots and the local authorities, thus representing the voices of the most vulnerable people in that society. At the same time, the villagers realise that it is not effective to sit and wait until their problems are solved from the top. Instead, they come forward with specific solutions, lobby for their projects, and show their own solutions to the problems, which can then be solved.

Building roads and bridges

In the village of Narazeni, a 3km stretch of the road over the river Umpa was badly damaged. It was difficult to use even on foot, and practically impossible in a vehicle. Maka Kalichava and Nato Todua, two women members of the public committee who lived in the village, noted that because of this the village was isolated from the rest of the world, since the road over the bridge is the only means to get to the city of Zugdidi and other villages. This was causing especially severe problems for 28 schoolchildren living in the area because it meant they could not use public transport but had to walk several kilometres to get to school. The community expressed their willingness to help. The committee members proposed that local authorities should provide resources for construction vehicles and fuel, as well as permission to extract crushed rock from the bottom of another river to fill and patch the gaps. This was agreed and as a result the road-construction work began.

The public committee, together with DEA, prepared a number of these community projects, successfully bringing the needs of the community, and what they are prepared to contribute, to the

attention of the municipality. Communities are now starting to believe they can change things in this way if they are willing to work towards a common goal.

Nazi Aronia, an ex-Member of Parliament from the ruling party, was invited to the public committee discussion. She was impressed with the power and perseverance of the group, saying: 'We were pleasantly surprised about the level of the public committee's awareness, their views of the problems, the suggestions and recommendations they provided, and their sense of reality, all of which were revealed during the meeting. Consultation and suggestions of such people will positively influence our common activities'.

Conclusion and lessons learned

The Local Budget Monitoring project is very new for people in Georgia, where it has always been difficult to introduce principles of transparency and accountability in communities. The project had many successes, both large and small. Here we concentrate on some of the major ones.

Probably the most important success had to do with attitudinal change; ensuring that people moved from the passive expectation that everything would be done for them from the top, to believing that they could have an active say in the decisions that affected their lives. The project has resulted in obvious changes in people's attitudes and approaches, and they have a greater sense of responsibility towards the needs of their communities.

Information and training were key to the success of the project. Communities were given a chance to get acquainted with local and district budgets before the changes to the self-governance system, and later, after the reform in 2006, with the Zugdidi District municipal budget. They were given regular information on budgets by experts. The local population now knows what the duties and responsibilities of the community and local government are in budgetary processes.

As a result of all these factors, for the first time, communities in Zugdidi were able to participate in the monitoring of municipal budgets. Negative expectations and suspicion were replaced with co-operation between communities and public municipality committees, building a whole new way of working. The process of changing civil society can be slow and difficult, but this project demonstrated that it can be done.

In terms of future plans, the mobilised public monitoring committee will continue budget-monitoring activities. The goal is to engage more people, especially young people, in local budgetary issues, and to continue capacity-building for local authorities in order to improve

their accountability and transparency. In 2008, a youth centre project was established within the Municipalities Building in the centre of Zugdidi. However, during the war, Russian soldiers occupied this building and therefore for security reasons it was decided to move the youth centre to the premises of DEA. An empowered local population (in particular, young people) will play a crucial role in rebuilding broken Georgia.

Notes

¹ Note that after the August 2008 war, IDP numbers increased by around 190,000. See Internal Displacement Monitoring Centre, 'Georgia', [www.internal-displacement.org/idmc/website/countries.nsf/\(httpEnvelopes\)/234CB919545031A9C12571D2004E4F73?OpenDocument#sources](http://www.internal-displacement.org/idmc/website/countries.nsf/(httpEnvelopes)/234CB919545031A9C12571D2004E4F73?OpenDocument#sources) (last accessed September 2008). Some 300,000 people fled conflicts in or were expelled from Abkhazia and South Ossetia in the early 1990s. Some 45,000 of them returned to Gali, Abkhazia a few years ago. Since then, the number of IDPs has not decreased, as children of IDPs are also counted as IDPs. In 2004–2005 the Ministry of Refugees and Accommodation (MRA), with the support of UNHCR and of the Swiss government, undertook a verification exercise to update the number of IDPs. Some 221,000 people were verified, but this number has not been endorsed by Georgian authorities, who used the estimate of 247,000 as of early 2007. Also, the Georgian government has started registering some of the hundreds of Georgian citizens recently deported from Russia as IDPs. See also Government of Georgia (2007) 'Decree # 47', [www.internal-displacement.org/8025708F004CE90B/\(httpDocuments\)/0860F04B3162B38CC12572950056DBED/\\$file/State+Strategy+for+IDP++ENG.pdf](http://www.internal-displacement.org/8025708F004CE90B/(httpDocuments)/0860F04B3162B38CC12572950056DBED/$file/State+Strategy+for+IDP++ENG.pdf) (last accessed September 2008).

² According to official statistics the number of unemployed people in Georgia is 274,500 (13.6 per cent). However, unofficial statistics vary: experts place it as high as 25 per cent. See www.parliament.ge/index.php?lang_id=ENG&sec_id=327 and Ministry of Economic Development of Georgia (2007) 'Statistical Yearbook of Georgia 2007', page 328: www.statistics.ge/_files/yearbook/Yearbook_2007.pdf (both last accessed September 2008).

³ BBC News Website – <http://news.bbc.co.uk/1/hi/world/europe/7658385.stm> (last accessed October 2008)

⁴ Note that AYEG were only involved in the budget-monitoring project in the early stages.

⁵ AYEG is currently conducting participatory monitoring of state social policy. It works in collaboration with state agencies to help reveal the challenges of the state social-assistance programme and the Social Subsidies Agency allocation, and to try to ensure the process is participatory and transparent. Oxfam has been involved in this project since 2005. The project comprises monitoring of programme implementation; conducting qualitative, quantitative, and panel surveys throughout the project year; and developing recommendations which are then communicated to the Agency.

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