

EXPANSION OF CAPACITY DEVELOPMENT OF LOCAL SELF-GOVERNMENT IN GEORGIA

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Abstract

The article identifies and analyzes the problems of local self-government bodies of the Samegrelo-Upper Svaneti region of Georgia. The main problems of local authorities are: low financial opportunities, distrust of the population to the authorities, a narrow base of their own income and a very weak connection with the local population.

Purpose of the study is to identify opportunities and ways to solve the problems of local self-government to ensure the successful socio-economic development of the Samegrelo-Upper Svaneti region.

The research method is based on the use of the conclusions of the installation Theory of Set (attitude) (D. Uznadze, 1949). To identify opportunities for expanding the self-government's own income, the following surveys, interviews and questionnaires were conducted with the local population in 08. 2018-08. 2019. The results were processed by the SPSS computer program. 402 local residents of cities and villages of the Samegrelo-Upper Svaneti region participated in the survey and questionnaire. Analyzing the data obtained, we were able to draw the following conclusions: public confidence in the institution of local self-government of the is very low. This leads to unsatisfactory self-organization of the population. Population activity could ensure citizens' participation in solving local development problems, but this is not happening yet: despite mistrust of local authorities, the population nevertheless showed a willingness to pay local taxes: we are considering the possibility of collecting payments (within reasonable limits) as a way to stimulate communication population with local government. To increase confidence in the municipal government, it is necessary to stimulate the attitude of citizens towards control over local self-government, which will also ensure self-organization of the population.

Assistance in the development of forms of self-organization of the population and tools for managing local self-government should become an important part of the regional economic policy of the state. In this regard, it is necessary to expand and clarify the motivation of the local population of the Samegrelo-Upper Svaneti region.

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A survey of the local population of Samegrelo-Upper Svaneti showed that the majority of citizens are willing to pay in order to increase local incomes. In the interests of local authorities and the entire population and, if possible, to control the purposefulness of the use of payments, citizens are ready to participate in the economic development of the region. The highest level of willingness to pay for services is observed in cities, where the living standards and incomes of the population are much higher than in villages, where the same indicators are lower: there is a positive relationship between the willingness to pay local taxes and payments depending on age, level of education, employment and permanent residence: the highest level of willingness to pay contributions is found by those respondents who, if they turn to local authorities for help, are satisfied with the assistance they provide. This once again shows how important it is to motivate the population to communicate with local authorities in order to build trust in them.

The study was conducted before the pandemic, however, the data coming from the Samegrelo-Upper Svaneti region allow us to conclude that holding democratic local elections is of particular importance for strengthening self-organization of control and trust in local authorities: The problems associated with the COVID 19 pandemic have strengthened communication with local self-government, but also created new forms of confrontation related to the refusal of vaccination. The effective work of local self-government in the Samegrelo-Upper Svaneti region depends on the process of reducing the confrontation, holding democratic local elections and improving the well-being of the region.

Keywords: Local self-government, Georgia, Samegrelo-Upper Svaneti region, income from self-government.

JEL classification codes: H70, H71

Introduction

Research and development of the potential for effective functioning of local self-government bodies are important both for the region and for the population living in it, as well as for the whole country. Historically, Georgia has had different characteristics and approaches to describing the population of cities and villages. The description concerned only men, because women (with the exception of women headed by aristocratic families) were not taxed (did not pay a state fee). It is important to note that the church and church property also described in the diagrams (Javakhishvili Iv., 1930, 5-48).

From 1917 to 1921, Georgia granted independence, but during this period, self-government could not get together. After the loss and independence of Georgia in 1921, centralized rule of the Communist Party established throughout Georgia, leading to the collapse of the Soviet Union until 1991. In 1991, local self-government bodies (villages and cities) disbanded, and from the beginning of the transition period until 2000, local self-government did not function (Decentralization strategy 2020-2025).

The restoration of Georgian statehood, the restoration of local self-government began, but until the end of the twentieth century, this process characterized by contradictions and conflicts and was ineffective. An important event for the creation of local self-government was the accession on May 23, 2002, to the European Charter of Self-Government, ratified by Resolution 515 - II of the Parliament of Georgia dated October 26, 2004 (Local and...). It is noteworthy that the search for a simple way to solve this problem and the introduction of models of self-government in developed European countries cannot give the desired result. In European countries, self-governments arose naturally in an evolutionary way with the institutional formation of self-organization of the population. The situation in Georgia is radically different. The formation and reform of self-government has always been at the center of attention of the secretaries of the emperors, the central committees of the communist parties and the presidents, while adopting legislative acts and amendments to them.

Legal basis of self-government begins with the Organic Law on Local Self-Government and Governance, which was adopted on November 11, 1997. The Organic Law on Local Government was passed in 2005. Amendments to subsequent years limited the real power of self-government and increased means of influence from the state. (Local Government ... 2015, p. 11).

The Organic Law on Local Self-Government “The Code of Local Self-Government” is the basis for the functioning of local self-government in the current period, the latest version of which was adopted by the Parliament of Georgia on July 29, 2017. Georgia’s location is asymmetrical it includes 2 autonomous republics and 79 municipalities. Five municipalities are self-governing cities (Tbilisi, Batumi, Poti, Rustavi and Kutaisi) and 74 self-governing communities.

The purpose of the study is to identify and analyze the possibilities of enhancing the self-organization of the population through the implementation of fees for the interest of the population in the activities of local government and increase income for its development.

The research methodology based on the direction of establishing communication between citizens and local government. This approach is especially relevant because the involvement of citizens in the implementation of local self-government has been low for many years, since it did not exist in the beginning, and now people have low motivation (especially in villages). Forms of citizen involvement in the management process (such as the creation of public councils and petitions) are not new; however, the effectiveness of the New Self-Government Code (novelty for the village community) will be revealed in practice.

At this stage, we can say that the complexity of the first meeting lies in the complexity of the procedure for calling meetings. Especially in light of the initiative of citizens who are suspicious of local government. Some of the studies carried out (research by the NDI organization) show that examples of successful cooperation between citizens and municipalities are very rare. The main reason for the passivity of the population, along with the lack of information, is the feeling of community members that they cannot influence decisions in any way, and, as a result, citizens are indifferent to cooperation. (Public Attitudes in Georgia...).

Therefore, it is necessary to encourage, activate and raise awareness of people so that their interests are more involved in solving local problems. The problem is that it is impossible to achieve this through agitation and propaganda (using communist methods). The study uses an approach based on the theory of Set (attitudes) of the scientist psychologist D. Uznadze (1949) who explained that set (attitude) expresses a person's readiness for action (for example, for work, for cooperation, for control, etc.). The nature of the subject's choice of actions is usually determined by the needs of the subject. However, proceeding from the attitude, the subject himself brings his needs and objective reality into conformity, defining the goals of his activity. In the presence of a certain attitude (attitude), the subject will manifest will only where there is an idea of the inconsistency of the activity with the logic of the subject, where the task is to bring them into line, direct the activity in the right direction for purposefulness. Proceeding from the attitude, the arising function of the will can take place only when the subject's field of activity is revealed as a set of circumstances that do not depend on him. To overcome the inertia and mistrust of citizens in self-government, as well as to establish communication between citizens of settlements and employees of municipal bodies, it is recommended to create the prerequisites for the emergence set (attitude) of control. For the formation set (attitude) of a control, an effective prerequisite may be to levy a low tax or payments to cover certain services provided by the local government. At this stage, local government revenues do not cover even half of the region's relatively low costs. It is for this purpose (to increase the income of local government) that small fees can be levied (taking into account the low income of the population) needs of residents. After that, the population will have an intention to control the purposefulness of the use of the funds paid by them (that is, the population will have a desire to check how the local government uses these funds). The set (attitude) resulting from payment should be seen as the best motivation for strengthening ties with local authorities, increasing, or decreasing trust in them, as well as an interest in self-organization and self-government. In this process, democracy manifests itself as a methodological norm, the connection between residents and self-government bodies of the region is strengthened and developed.

In the course of the study, we used quantitative (survey - direct survey, questionnaire developed taking into account the objectives of the study) and qualitative (focus groups) methods. To obtain a representative sample, residents of all municipalities equally participated in the study. The quantitative results were processed with the SPSS computer program. Qualitative data was processed by the method of content analysis.

The survey was conducted in 9 municipalities and 30 settlements of the Samegrelo-Upper Svaneti region of Georgia (including the city of Zugdidi), during which 402 residents were interviewed, including 182 men and 220 women. The duration of the study was 2 months (July- August 2018 and July- August 2019).

Establishment of local self-government in the region of Georgia in Samegrelo-Upper Svaneti

Georgia's desire to integrate into the economic sphere of the European Union is directly aimed at the implementation of the reform of the subnational fiscal agreement in the country, which provides fiscal autonomy for local governments. One of the main

objectives of the reform is to bring the local government system in line with the principles of the European regional development policy (I. Gagnidze, 2016; R. Gvelesiani, I. Gogorishvili, 2014; M. Jibuti, 2020; E. Sepashvili, 2020).

The creation of local self-government in the regions of Georgia (including Samegrelo-Upper Svaneti) began in 1997. The participation of citizens over the years has been low in the implementation of local self-government (since self-governments were not, and now citizens less motivated). Especially in the villages. Forms of citizen participation, such as creating community councils and petitions, are not new. Under the new code of self-government innovation is the general assembly of the settlement, the effectiveness of which will be revealed in practice.

At this stage, we can say that the complexity of the first meeting lies in the complexity of the procedure for calling the meeting. Especially considering the initiative of citizens and their trust in local governments, since it is quite low. Some of the studies carried out (studies conducted by the NDI organization) show that examples of successful cooperation between citizens and municipalities are very rare. The main reason for the passivity of the population, along with the lack of information, is the feeling of community members that they cannot influence decisions, and, as a result, citizens are indifferent to cooperation (Public Attitudes...).

To implement effective self-regulatory policies, it is necessary to work on raising public awareness. It is necessary to encourage, activate and raise awareness of the local population so that people show interest in more active participation in solving local problems. To achieve this goal, it is necessary to use small fees for specific needs. This will be followed by monitoring, which will be carried out by the population to control the use of the funds raised by them. We believe that the best motivation (for strengthening self-organization and control over the work of local self-government) will be the creation of a certain conflict between the population and self-government bodies based on small payments and an interest in monitoring the funds. As for the meetings, they will contribute to this cause as instruments of self-government policy.

In Georgia, local governments are so limited in their means that they cannot perform even those functions that are vital for the local population. In Georgia (as well as in other countries), there is often a need to quickly and efficiently resolve issues that are important for the population, but their solution is not the responsibility of local authorities. Research on the topic of so-called unfunded mandates is devoted the works of scientists (Peter Friedrich, Janno Reiljan, 2015; Steytler, Visser, R. Williams, 2012; Beth, Dilger, 2013). According to scientists, situations associated with unfunded mandates arise quite often in developed countries. In Georgia, such situations are associated with problems that arise especially during natural disasters or unforeseen circumstances. The solution of such problems is still dealt with by the central and not the local authorities, although there is a certain vagueness in the legislative field around the corresponding solutions. Due to the problems of unfunded mandates (Steytler, Visser, R. Williams, 2012; Beth, Dilger, 2013), local governments need to have a good connection with the local population. Such a connection in the Georgian regions can only arise if there is a positive set (attitude) towards local authorities, which will ensure the possibility of successfully collecting additional funds for local self-government and

solving unforeseen problems. As for the councils, they will be instrumental in this case. One of the main economic arguments for decentralization is that decentralized fiscal arrangements are more efficient, since the local government is close to the population, has more information than the central government and provides the services of its needs.

According to the researchers (E. Sepashvili, D. Slavata, O. Dymchenko, 2021; Sepashvili E., 2019), in Georgia (as in Ukraine and other developing countries), a number of practical problems have arisen during the reform of fiscal decentralization. Most of them are related to the goal of the reform. This implies more rational and informed planning and service delivery for the local population than the central government could do. Nevertheless, often the minimum costs for local self-government should be covered not only by the population, but also for the realization of the economic interests of local self-government.

It should also be noted that fiscal systems do not serve to eliminate inequality between the levels of development of regions and local governments. In addition, there is no possibility of internal competition between regions in the country, where the efficiency of resource use can be ensured only through migration of factors.

Of course, the taxpayer can decide whether to settle in a given region or live in another economically safer region, but since the labor market does not function effectively in any region, it is unlikely that the population will move to another part where conditions will be better. In addition, a locally elected government faces the practical challenge of implementing its policies and promises due to the difference between promised expenditures and actual revenues. Therefore, they do not fulfill most of the promises for objective reasons.

It should also be noted that in most cases local authorities do not have the relevant knowledge, experience, and qualifications. Discussions can also be accompanied by a reckless decentralization reform. This is a budget deficit, a lack of effective decision-making at the local level, corruption, pressure from influential groups on local governments and regional inequality, which, in turn, inhibits economic development. One of the main problems of the decentralization introduced in Georgia is the optimal distribution of taxes and expenses. In the current period, the basis of fiscal autonomy in Georgia is the prevailing property tax or the formation of local revenues mainly through property taxes. As for costs, the real (very limited) possibilities of covering them are so low that the local population is suspicious of the development of self-government activities.

There are nine municipalities in the Samegrelo-Upper Svaneti region (Poti, Khobi, Tsalenjikha, Zugdidi, Martvili, Chkhorotsku, Senaki, Abasha and Mestia). The area of the district is 7441 km²; the population is 466 thousand people. There are 491 villages in the region.

The area of the region is 10.6% of the territory of Georgia. The Samegrelo-Upper Svaneti region is the second largest region among the regions of Georgia. The level of economic development differs significantly from the seaside (Poti, Khobi), in the central (Zugdidi, Senaki) and mountainous regions (Mestia). Poti is the "main sea gate" connecting Georgia with other countries. Trade with them constitutes a significant part

of the country's trade turnover. The economic recovery of the region largely depends on the settlement of political relations with the Abkhazeti (occupied by the Russian military) side.

Local (own) income in the Samegrelo-Upper Svaneti region is property tax, car tax and 19% of VAT, which are aimed at covering the established cost of local services. In practice, there are several categories of charges: charges established for basic needs such as utilities; costs of improving the quality of life, such as the use of parks and recreational facilities; and administrative and regulatory costs such as license and permitting fees. As a rule, local authorities have full autonomy in the use of local services in accordance with the legislation of Georgia, although in practice they do not use this opportunity. Until 2019, the local (own) income in the Samegrelo-Upper Svaneti region (as in all regions of Georgia) was equalization translation, real estate tax, car tax, a small part of income tax (meaning personal income tax). It was aimed at covering the established cost of local services. From 2019 to 2023, the Georgian government decided to replace the equalization transfer and a small part of the income tax with a 19% parts of the VAT. This decision according to researchers (Jibuti M., 2020, 32) was the wrong decision in connection with the pandemic COVID-19 caused a significant reduction in municipal revenue. Moreover, this decision has also impeded the implementation of the country's financial equalization policy in accordance with the European Charter of Local Self-Government.

Selection of Samegrelo-Upper Svaneti region was determined by its geographical location (it is bordering Georgia's occupied region of Abkhazeti). The results of the survey can be extended to other regions of Georgia, as the specific legislation is only autonomous republics of Abkhazeti and Adjara. The research was important in terms of expanding contacts with the local population (in order to activate the interest of self-organizers in nihilistic individuals). Priority of the Problems (Figure 1). Based on the survey of the population, we set out a list of problematic issues that are disturbing the population of the region. As there is a significant problem, the lack of hospitals is present. Most of them are partially demolished and unsurpassed. The population also seen as a significant problem for the lack of cultural institutions and low quality of roads. Most of the problems of power supply and transport solved.

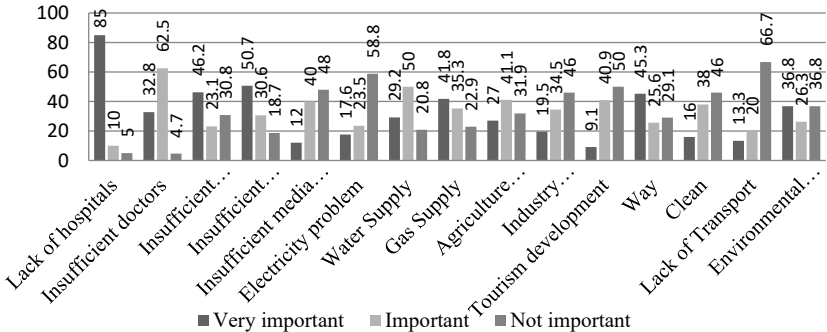


Figure 1. Priority problems in percentage

The survey was equally involved in all municipalities. The survey was conducted in 9 municipalities and 30 villages. Because of the survey, we have received the following data on the population of Samegrelo-Upper Svaneti:

1. Average age of respondents was 43.5 years (SD = 13,5; Min.-17, Max-81). The percentage distribution of respondents according to age is given in Table 1:

Table 1. Age Groups of respondents in percentage

№	Age Groups	%
1	17-25	11,4
2	26-34	16,2
3	35-43	22,9
4	44-52	20,4
5	53-61	19,7
6	62-81	9,5
All		100

Among the respondents, the number of urban and rural residents is 65.4% and 34.6 %, respectively.

2. The family status of the respondents is given in Table 2.

Table 2. The family status in percentage

Family Status	Statistics
Married	69%
To Marry	25,4%
Divorced	1%
Widow(ear)	4,6%

3. The structure of the population according to the level of education is given in Figure 2.

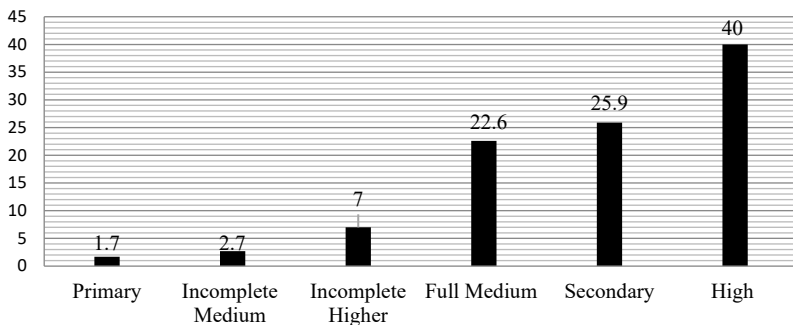


Figure 2. Education statistics in percentage

4. Figure 3. provides employment of the population according to the areas of activity. From the chart, we see that more than 35% of the region's population is employed in trade. At the same time, it is noteworthy that their vast majority are self-employed and have small businesses.

5. Part of Samegrelo-Upper Svaneti population assesses the level of life (Figure 3).

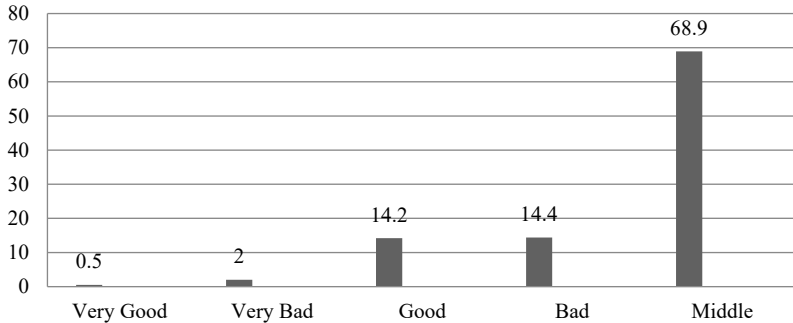


Figure 3. Assessment of the Economic Situation

6. The income of the respondents' families is given in Table 3.

Table 3. Income of respondent's families

Income (GEL)	More than 2000	1000-2000	400-1000	200-400	Up to 200
percentage	4,6	19,3	23,1	16,5	12,2

7. The awareness and involvement of local self-government and its activities are given in the following charts (Table 4, Figure 4, 5,)

Table 4.

Respondent's knowledge of the name of Head of Municipality	(%)
Yes	75.9
No	24.1
Respondent's knowledge of successful projects implemented by local self-government	
Yes	40.3
No	59.7
Use of events organized by local self-government	
Yes	12.5
No	87.5

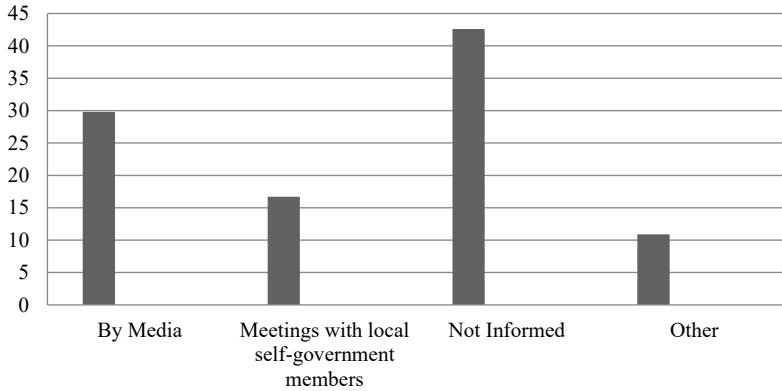


Figure 4. Information about the events organized by the Local government (%)

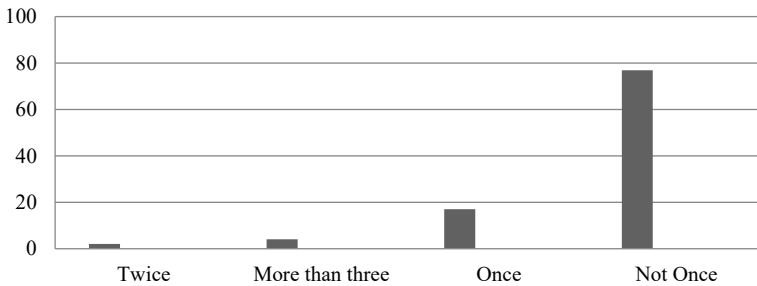


Figure 5. Apply for Assistance to Local Self-Government (%)

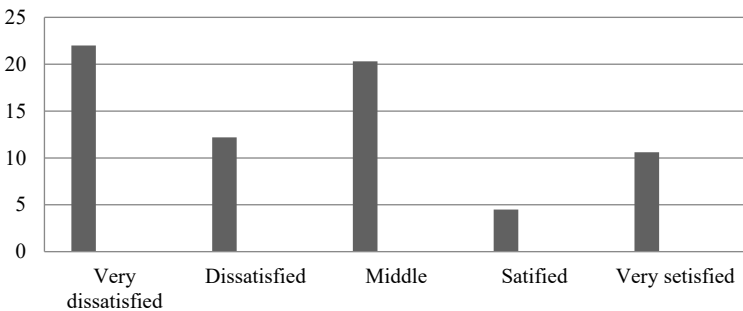


Figure 6. Satisfaction with received help %

8. Involvement of the population in local self-government and participation in decision-making processes (Figure 7, 8, 9, 10; Table 6.) in the process of resolving important issues.

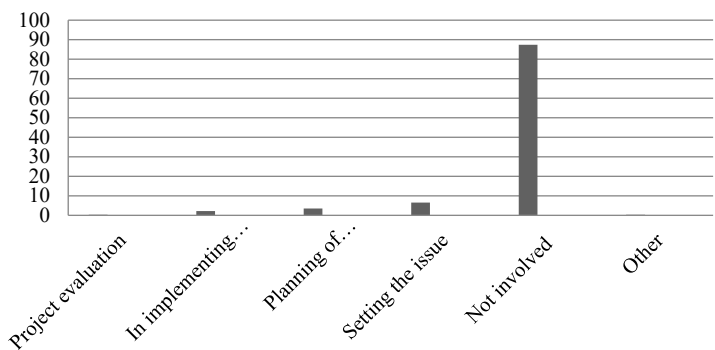


Figure 7. Engage in decision making process together with local self-government (%)

Table 6. Other kinds of Involvement

The reasons for not having cooperation with the local self-government	%
I did not have information about the possible cooperation with local self-government	10,2
Unwilling to cooperate	59,6
I wanted to cooperate, but I did not know how to cooperate.	6,3
I express my cooperation initiative, but local self-government do not.	0,6
Self-government employees are not allowed initiative of cooperation	12,7
Other	10,5
All	100

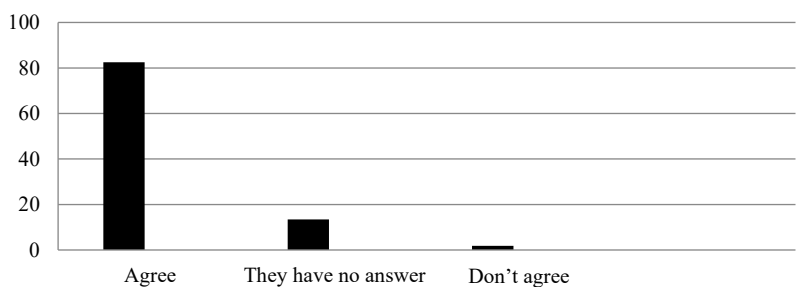


Figure 8. The existence of local self-government is necessary for socio-economic development of my city / village (%)

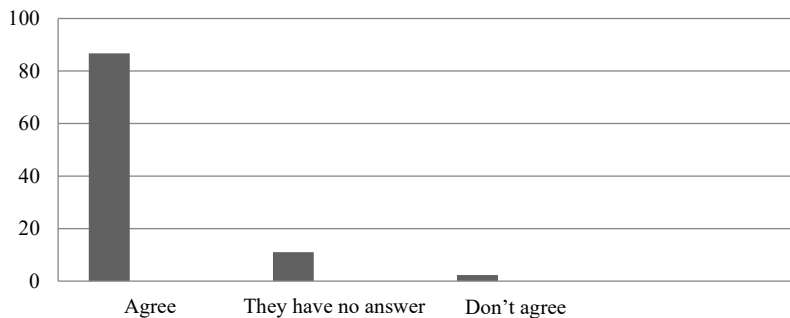


Figure 9. Citizens' involvement in the implementation of local self-government (%) is important

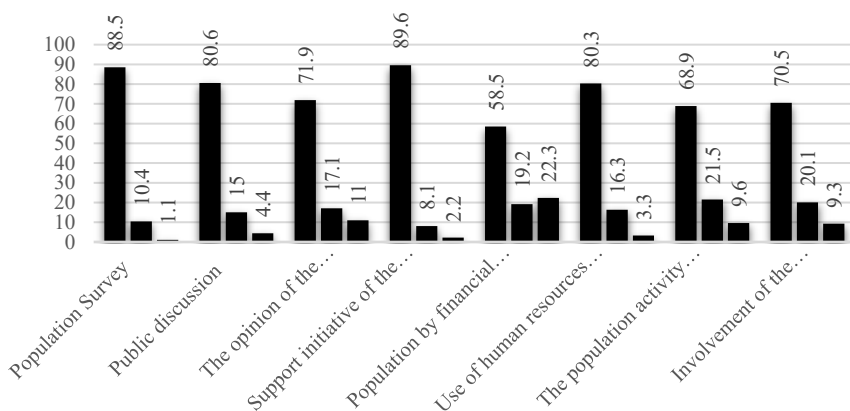


Figure 10. What forms of involvement of citizens in local self-governance are preferred by respondents:

9. The use of projects by organized local authorities and the difference between them in connection with gender data (Figure 11.).

Statistically, significant differences are distributed by the local self-governmental data on projects. χ^2 (one, $N = 375$) = 16.1 $p = 0.00$. In particular, men are more likely to benefit from local self-government projects than women are. This state is mainly due to the high distrust of women in local self-government, but at the same time, they believe that participation in self-government is beneficial for them (Table 7.).

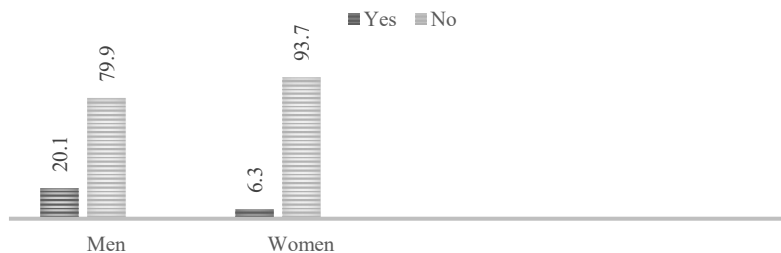


Figure 11. Use of projects in percentage (gender position)

10. Willingness to participate in self-government (Figure 12.). Readiness for self-government is shown in Figure 12, which shows that the number of respondents who agree and do not agree to participate in self-government is almost the same (willingness to participate is 0.3% more than those who refuse). This again means that part of the population is indifferent and nihilistic towards self-government.

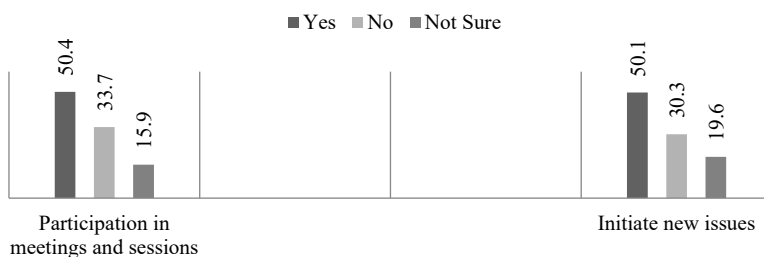


Figure 12. Willingness to involve self-government in percentage

Table 7. The quality of residents' trust in self-government

Quality of trust	Men	Women
Trust	35%	29%
I do not trust at all	20%	17%
Hard to answer	15%	9%
Do not trust	30%	45%

11. The statistically significant connection between X2 (four, N = 399) = 44.6; the number of citizens involved in local self-governance for the social and economic development of the city/village has been significantly considered and willing to pay the amount payable to the local self-government; $p = 0.00$. 67.3% of respondents agree that the involvement of citizens in the local self-government is important for the social and economic development of the city/village and it is obliged to make money for local self-governance (Table 8).

Table 8.

Preparing the amount of money	Importance of citizens involvement in self-government		
	Do not agree	Hard to answer	Agree
Yes	55.6%	20.5%	67.3%
No	33.3%	54.5%	15.9%
Not sure	11.1%	25.0%	16.8%
All	100.0%	100.0%	100.0%

12. A statistically positive relationship between the willingness of the population to pay for local government is defined as a significant positive relationship X^2 (four, $N = 359$) = 14.9; $p = 0.005$. (Table 9).

Table 9.

Willingness to pay for local payments	Financial support from the population		
	Significant	Middle	Insignificant
Yes	70.0%	53.6%	57.5%
No	11.0%	26.1%	26.3%
Not sure	19.0%	20.3%	16.3%
All	100.0%	100.0%	100.0%

13. There is a high level of connection between the willingness to pay local payments and the willingness to control the purposefulness of the use of payments, local government, X^2 (four, $N = 401$) = 280.9; $p = 0.00$. (Table 10).

Table 10.

Ready to pay	Willingness to control the purposefulness of the use of payments		
	Yes	No	Not sure
Yes	93.1%	4.7%	6.2%
No	3.3%	88.9%	13.9%
Not sure	3.6%	6.4%	79.9%
All	100.0%	100.0%	100.0%

14. Statistically, significant link is shown by the readiness of the payment of local fees/taxes by the respondents and the consideration of citizens' involvement in the local

self-government for socio-economic development of the town/village X2 (four, N = 399) = 62.6; p = 0.00 (Table 11.).

Table 11.

Pay local fees	Importance of citizens involvement in local self-government		
	Do not agree	Hard to answer	Agree
Yes	33,3%	31,8%	75,1%
No	55,6%	59,1%	13,0%
Not sure	11,1%	9,1%	11,8%
All	100.0%	100.0%	100.0%

The feedback was of some interest, in particular, in the case of trust in local self-government, how many percent of respondents are willing to pay and control the purposefulness of local payments. The data presented in the table below (Table 12.) showed that 93.5% of respondents who trust local government agree and are ready: to pay local taxes and control the purposefulness of their use (to solve various problems).

Table 12.

Willingness to pay a small amount to self-government and control its purposefulness	Trust in self-government		
	Yes	No	Not sure
Yes	93,5%	4,5%	9,3%
No	3,6%	82,3%	11,3%
Not sure	2,8%	13,3%	49,4%
All	100.0%	100.0%	100.0%

15. A statistically significant relationship exists between trust in the institution of self-government and the number (in %) of respondents who have expressed a desire to participate in self-government. X2 (eight, N = 398) = 98.2; p = 0.00. (Table 13).

Table 13.

Desire to participate in self-government	Trust in self-government				
	I do not trust at all	I do not trust	Hard to answer	Trust	I trust completely
Yes	48.3%	38.9%	54.5%	75.2%	93.3%
No	44.8%	50.0%	11.4%	12.0%	0.0%

Not sure	6.9%	11.1%	34.1%	12.8%	6.7%
All	100.0%	100.0%	100.0%	100.0%	100.0%

As shown in the table, the positive response to willingness to participate in self-government increases with the quality of trust in it.

16. Residents of different cities in the Samegrelo-Upper Svaneti region are willing to pay in different ways. The relationship between the type of city and the willingness to pay is statistically significant $X^2(16, N = 317) = 56.7, p = 0.00$. (Table 14).

Table 14.

Preparing the amount of money	City								
	Zugdidi	Khobi	Poti	Abasha	Chkhorotsku	Walensjika	Mar-tvili	Senaki	Mestia
Yes	53.8%	66.7%	73.0%	51.5%	75.6%	70.5%	60.0%	52.4%	50.0%
No	41.0%	9.5%	16.2%	45.5%	2.2%	13.6%	40.0%	11.9%	26.1%
Not sure	5.1%	23.8%	10.8%	3.0%	22.2%	15.9%	0.0%	35.7%	23.9%
All	100	100	100	100	100	100	100	100	100

The highest level of consent to payments is 75.6% in Chkhorotskh and the lowest in Mestia. The differences are mainly related to the income of the population. Residents of Mestia live in the Caucasus Mountains (relatively poor), and most Chkhorotsku residents receive transfers (remittances) from family members working abroad.

17. Local payment readiness and related factors:

A statistically positive inverse relationship was found between the willingness to pay local payments and the level of education received from $X^2(10, N = 401) = 30.7; p = 0.001$ (Table 15). The highest level of willingness to pay the local fee (46.4%) is also shown in the case of higher education.

Table 15.

Level of Education	Prepare local payment			all
	Yes	No	Not sure	
Primary	1,1%	95,7%	2,2%	99%
Full secondary	51,6%	22,4%	26,0%	100%
Average technical	46,6%	22,1%	28,3%	97%
Incomplete secondary	55,6%	16,7%	23,7%	96%
High	76,4%	18,8%	5,0%	98,4%

18. Local payment readiness and related factors:

A statistically positive inverse relationship was revealed between the willingness to pay payments and the level of education received $X^2(10, N = 401) = 30.7; p = 0.001$ (Figure 29). The highest level of willingness to carry out local fees (46.4%) was also registered in the case of persons with higher education.

19. Positive responses were found between respondents' willingness to pay local payments and their age $X^2(10, N = 401) = 20.4 p = 0.026$ (Table 16). As you can see from the table, the willingness to pay local fees increases with age. Positive feedback revealed the readiness of payment of local taxes on the respondents and their ages between $X^2(10, N = 401) = 20.4 p = 0.026$ (Table 16). As shown from the table, the readiness of payment for local fees increases with age.

Table 16.

Prepare local payment	Age groups					
	17-25	26-34	35-43	44-52	53-61	62 and up
Yes	60,9%	67,7%	67,4%	72,0%	71,8%	76,3%
No	17,4%	29,2%	25,0%	12,2%	15,4%	13,2%
Not sure	21,7%	3,1%	7,6%	15,9%	12,8%	10,5%
All	100	100	100	100	100	100

20. A positive relationship was found between respondents' willingness to pay the local tax and their employment status $X^2(\text{eight}, N = 384) = 22.5, p = 0.004$. (Table 17)

Interestingly, most retirees and self-employed (freelancers) are willing to pay taxes and fees.

Table 17.

Prepare local payment	Employment status				
	Unemployed	Self-employed	Hired	Pensioner (unemployed)	Student (unemployed)
Yes	51,5%	73,8%	71,3%	85,7%	55,6%
No	27,3%	13,1%	22,9%	0,0%	22,2%
Not sure	21,2%	13,1%	5,7%	14,3%	22,2%
All	100	100	100	100	100

21. For solving local problems, there is a statistically important relationship between the willingness to pay the size of the fee and the number of family members, $X^2(4, N = 396) = 13.5; p = 0.00$. (Table 18). In particular, the consent to make payments decreases with the increase in the number of family members. 69.9% of families of one to three people are willing to pay for local problems. However, as the number of family

members' increases, residents are less likely to agree to pay for self-government. It is noteworthy that numerous families (mainly refugees who were deported by Russia from Abkhazeti) who receive state aid are the least inclined to pay.

Table 18.

Number of family members	Willingness to pay the fee			All
	Yes	No	Not sure	
1-3	69,9%	17,1%	13,0%	100
4-6	59,7%	19,3%	21,0%	100
7-11	45,7%	40,0%	14,3%	100

22. There is a positive relationship between the respondents' willingness to pay local payments / taxes and satisfaction with the help provided by the local government, $X^2(4, N = 123) = 14.9; p = .005.9$ (Table 19). In particular, the answers of the respondents show that the highest level of willingness to pay local payments is shown by citizens who are satisfied with the help received earlier from the local government.

Table 19.

Prepare local payment	Quality of satisfaction with self-help		
	Unsatisfied	Middle	Satisfied
Yes	59,5%	48,0%	69,6%
No	19,0%	48,0%	26,8%
Not sure	21,4%	4,0%	3,6%
All	100	100	100

23. Statistically significant difference in the residential city is revealed in the use of local population in projects organized by local self-government / $X^2(9, N = 299) = 43.3; p = 0.00$. (Figure 13). Most of Mestia residents enjoy the projects organized by the local self-government, the least of which is Poti. The least use of local government projects is in the city of Poti. The reason for these differences is their geographic location. Poti is a port city that is more than 26 centuries old (see: <https://en.wikipedia.org/wiki/Poti>). The Poti Sea Port (7.7 million tons per annum) is operational. The railway to Tbilisi makes this a more useful port than the natural harbor at Batumi. In Poti, the standard of living of the population is much higher than in other cities of the Samegrelo-Upper Svaneti region. The city of Mestia is located in the Caucasus Mountains where the climate is harsh, and the infrastructure is undeveloped. Therefore, the population living here needs much more support and material assistance, which strengthens the connection with local authorities.

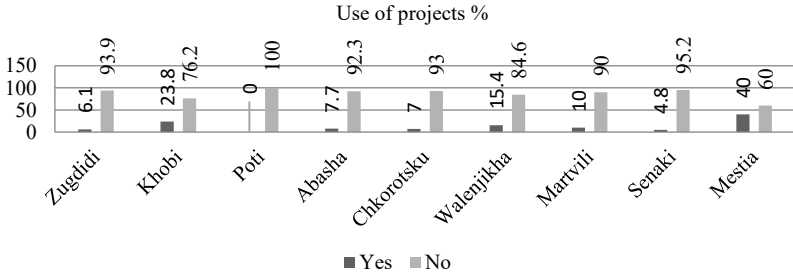


Figure 13. Use of projects in percentage

Statistically significant differences in the use of projects implemented by the local self-government not been identified by the age and employment status variables.

24. Contacting local authorities for help is statistically significant at the place of residence of the respondents. X^2 (nine, $N = 315$) = 23.4, $p = 0.005$ (Figure 14.). The highest level of demand and provision of assistance was established in Mestia - 37.2%, the lowest - in Poti - 2.7%.

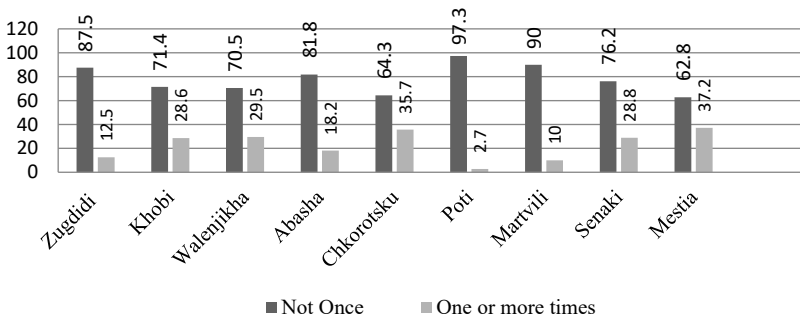


Figure 14. Apply for Help

For the successful functioning and development of local self-government, it is of great importance to establish a stable connection between local self-government bodies and higher educational institutions. Research carried out by Dominichi, G., Gagnidze, I. (2021); Vesperi V., Gagnidze I. (2019) characterized the latest trends and roles of international and entrepreneurial universities. Comprehension and use of the new opportunities of the higher education environment makes it possible to identify the latest trends in the development of the region, even in poor developing countries. The study and use by the local authorities of the Samegrelo-Upper Svanetia region of the latest research in the field of development and changes occurring in the global and national economy, in people's behavior and economic interests, will allow the population and local authorities to strengthen and develop on a mutually beneficial basis for the benefit of both parties.

Conclusion

At this stage of development of self-government, it is impossible to completely abolish equalizing transfers, although their role should have gradually decreased. Since 2019, the Georgian government has replaced equalization transfers and a small portion of the income tax left to the region by 19% of VAT. This decision seems to us incorrect. Due to the COVID 19 pandemic, the already poor local government and population almost lost state support. Unfortunately, on this basis, other unforeseen early unfavorable processes may arise (such as: bribery, political conflicts, separatism, etc.). Although we believe that this is a temporary problem and government policy will solve it.

Assistance in the development of forms of self-organization of the population and tools of local self-government should be an important component of the regional economic policy of the state. In this regard, it is necessary to expand and clarify the motivation of the local population of the Samegrelo-Upper Svaneti region;

A survey of the local population of Samegrelo- Upper Svaneti showed that most of the citizens agree to pay to expand local incomes. In the interests of local authorities and the entire population, citizens are ready to participate in the economic development of the region.

The study showed that: Public confidence in the institution of local self-government is very low. This leads to unsatisfactory self-organization of the population. Population activity could ensure citizens' participation in solving local development problems, but so far, this is not happening. Despite the distrust of the local authorities, the population showed a willingness to pay local authorities.

Since the Law on Local Self-Government and the Budget Code of Georgia does not deny the imposition of certain taxes and fees by the local government to supplement local income, we consider the possibility of collecting payments (within reasonable limits) as a way to stimulate communication between the population and local self-government. At the same time, in order to increase confidence in the municipal government, it is necessary to stimulate the citizens' attitude to control local self-government, which will also ensure the self-organization of the population.

The highest level of willingness to pay for services is observed in the cities of Chkhorotsku, Poti and Khobi, and the lowest in Mestia (the city is located in the Upper Svaneti mountains).

Willingness to pay local dues or tax dues is positively associated with age, educational attainment, employment and place of permanent residence. The highest level of willingness to pay a fee is revealed by respondents who, in the case of seeking help from the local government, are satisfied with the help they provide.

Our research did not cover the subjects working in the municipality. In the process of interviewing and communicating with the population, respondents often showed distrust and wariness, especially in cities. In villages, people were more interested in communication and willingly answered questions, especially women actively discussed them.

In the settlements of Upper Svaneti, the population, according to mountain traditions, treated the survey more politely, freely and in an organized manner. We would like to emphasize that the connection of citizens with local self-government is stronger and there is more trust in it. This is partly due to the harsh living conditions in the Caucasus mountains and the assistance provided to the population by highly qualified municipal workers.

In conclusion, it should be noted that despite the serious difficulties encountered in the process of the formation and development of self-government in the Samegrelo-upper Svaneti region, the activation of self-organization of the population (through collection of payments and the development of new projects with the participation of local citizens) will increase the efficiency of local self-government activities.

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