

DECENTRALISATION AND REGIONAL DEVELOPMENT IN THE KYRGYZ REPUBLIC

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Chapter 1: Concept of Decentralisation

There are different types of decentralization, such as political, administrative, fiscal and market decentralization. This paper will focus on political, administrative and fiscal decentralization.

Political decentralisation is the transfer of authority to a regional body. Political decentralization is manifested through devolution. Devolution is defined as the transfer of authority for decision-making, finance and management to local governments.

Administrative decentralization is the redistribution of authority and responsibility for the planning, financing and management of certain public functions- from the central government and its agencies to field units, subordinate levels of government, regional authorities.

There are two ways to implement administrative decentralization, through deconcentration and delegation.

Deconcentration involves spreading the decision-making authority and financial and management responsibilities among different levels of the central government. Mostly used in unitary states, it is considered the weakest form of decentralization because it merely shifts responsibilities from one central government official to another central government official, such as one, who works in the regions.

Delegation is a more extensive form of decentralization. It involves the transfer of responsibility for decision-making and administration of public functions from the central government to semi-autonomous organizations, that are not wholly controlled by the central government, but are ultimately accountable to it. Governments delegate responsibilities when they create housing authorities, transportation authorities, special service districts, regional development corporations. These organizations usually have a great deal of discretion in decision-making. To make delegation successful, it is necessary to have qualified specialists in order they could carry out their functions and tasks in a proper way. In particular, it is necessary to develop a training system for training, retraining and upgrading civil servants, to have established systems for position entry, promotion, career development etc.

Fiscal decentralization transfers two things to local governments and private organizations: funds, to deliver decentralized functions and revenue-generating power and authority, to decide on expenditures. We can indicate five forms of fiscal decentralization:

- Self-financing or cost recovery through user charges;
- Co-financing through which the users participate in providing services and infrastructure through monetary or labour contributions;
- Expansion of local revenue through property or sales taxes or indirect charges;
- Intergovernmental transfers that shift general revenues from taxes collected by the central government to local governments for general or specific uses; and
- Authorization of municipal borrowing and the mobilization of either national or local government resources through loan guarantees.

It is worth paying attention to tax sharing between central and sub national governments, because the right use of taxes will be one of success to decentralization. Taxation is an old and tested technique of government. Taxes are used for raising revenues needed to support the public programs, and for relocating the national resources. The issues related to taxation will be discussed in this paper.

In fact, decentralization involves the management, by citizens and their elected officials, of matters that concern them the most. As it was mentioned above there are two ways to implement administrative decentralization, and one way is through deconcentration.

Deconcentration was seen at first as a more efficient way of organizing the work of public administrations, which would make it possible to appreciate the usefulness of each category of citizens. It was thus considered a condition for the efficient functioning of the state. During the 80s, and more intensely during the 90s, governments have tried to overcome the flaws of deconcentration by transferring decision-making powers, not to local levels of central government organs, or to semi-autonomous public agencies, but rather to elected officials of local jurisdictions, and to civil society organizations. Decentralization by devolution is therefore, the transfer of functions, resources and decision-making to citizens themselves, who would exercise the powers ceded to either their local government, or to their representative organizations. It is the most advanced yet the least generalized form of decentralization. It involves the transfer of power to a local institution or association with broad autonomy and legal status. Devolution involves participation and participation leads to the search of new forms of association or partnerships between local actors. Process of devolution usually involve the need for cooperation between many different levels of government.

The world practice shows that there are different types and forms of local self-governments. They depend on national traditions, culture, economic situation and many other facts. However, there is a general tendency for unitary states to be more centralised (France, Great Britain) than federal states (Germany, Canada). Usually local self-government is secured by the legislative bases nearly in all developed countries and stipulated in European Charter on local self-governments, German, Austrian Constitutions, some laws of Great Britain and USA and etc.

Chapter 2: Development of Decentralisation in the Kyrgyz Republic: Legal and Political reality

Each country selects its own unique opportunities for their solution issues connected with the development in local self-governments. The movement of the Kyrgyz Republic from the centralised command economy of the "Soviet" type towards a market economy was followed by the re-assessment and change of the planning role of the system in state regulation, its forms and methods of implementation. When the Kyrgyz Republic declared its independence in August 1991, the country's former command economy was completely collapsed. The key element of command economy along with the domination of social property of the output and means of production, was direct planning of a large number of socioeconomic development indices divided along the lines of branches of the economy, regions and enterprises. During a long period production plans were compulsory and rested on the super-centralized system of resource allocation. After getting independence in 1991 this system was broken. The Kyrgyz Republic chose a democratic way of the development. For the Republic it was a new challenge.

2.1 Principles of local government in the Kyrgyz Republic

The legal framework for local self-government in the Kyrgyz Republic presently includes 10 laws, 50 presidential decrees, over 30 government resolutions, and other legal documents. These documents regulate operational, legal, economic, and technical functioning of local self-governments. The new laws on Local self-government and Law on Communal Property adopted in 2002 gave additional impetus to development. These laws more accurately define the scope of competence of local self-government agencies and set preconditions for further decentralization of public administration.

The Constitution of the Kyrgyz Republic in Article 1 p.1 proclaims that the "The Kyrgyz Republic (Kyrgyzstan) shall be a sovereign, unitary, democratic Republic, and it shall be founded as a legal and secular state".¹ The Constitution also defines the role of local self-governments (Chapter 7). Law on Local self-government and state administration, adopted in January 2002 stipulates the main issues on the competence of local self-governments and local state administrations, functions and responsibilities.

According to the legal framework local self- governments and local state administrations implement their activities on the principles of:

- expression of the will of the people through Local Keneshes, organs of territorial public self- government and other forms of "direct" democracy,
- self-sufficiency, self-financing, and self-regulation,
- legality and social fairness ,
- openness and account of public opinion,
- coordination of local and state interests,
- election of Keneshes and organs of territorial public self- government, accountability to the population,
- open and free discussion for decision-making,

- independent and responsible resolution of issues by local self- governments within the limits of their competence.

2.2 Authorities and Responsibilities of local Keneshes

According to the Constitution of the Kyrgyz Republic local Keneshes are the basic local government organs created by the citizens. They are the main constitutional local government bodies. Deputies of local Keneshes are elected directly by secret popular vote within the relevant territory for a five-year term. Local Keneshes are new organs, established in the early 1990.

Local Keneshes are responsible for issuing basic legal documents of local communities, making decisions on main life-sustenance issues of local communities. They have a right for approving local budgets of their territories. Budgets are drafted by local state administrations and submitted to local Keneshes for submission. Local Keneshes are entitled to monitor its execution and control the right use of the funds. Local Keneshes are entitled to introduce local taxes and dues.

The bases of organisational and legal forms of performance of local Keneshes is a session. Sessions are convened once a quarter. According to analyses, the majority of issues discussed were on social economic development of territories (796 issues in 1998, 520 in the first half of 1999; and local budgeting (777 issues in 1998, 667 in the first half of 1999).

2.3 System of local government organization

There are 7 oblasts in Kyrgyzstan. They are the biggest administrative territorial units. There are 44 rayons. Primary administrative-territorial level is towns, villages and settlements. There are 22 towns and over 1800 settlements. Rural settlements are combined into 467 village, *aiyl okmotu* or keneshes.

If we take organizational development of the Kyrgyz Republic we can see that the territorial levels of Local Keneshes (representative bodies) and local State administrations (executive bodies) are established in the Republic in the following way:

- the primary territorial level (*ail*, village and town of rayon subordination -Local Keneshes,
- the rayon territorial level (towns of oblast subordination, Rayon Keneshes),
- the oblast territorial level (Oblast Keneshes and Bishkek city).

See Table (1) showing the system of local government in the Kyrgyz Republic.

The system of local government includes executive-administrative authorities. On the primary level executive-administrative and representative authorities are executed by local self-governments. On rayon and oblast levels the representative authorities are carried out by rayon and oblast Keneshes and executive authorities are carried out by local state administrations. Local keneshes and local state administrations of all levels are legal entities and may independently resolve the issues referred to their competence. In reality, the functions and authorities, as well as responsibilities between the bodies are not clearly defined. It is necessary to define the mechanisms for transfer of authorities and responsibilities. The existing legal documents do not fully provide the conditions for optimal decentralization. There are gaps in regard to municipal services and development of social mobilization. The organs of local self-governments do not get a sufficient support and decentralization of power is limited. There is no clear separation of the functions and responsibilities between central state organs and local organs. Decentralisation is understood in the Republic as the transfer of powers from the central government to the local government-what is perceived as de concentration in Europe

Nevertheless, in the Kyrgyz Republic, through the Constitution, Presidential Decrees and Government Regulations, a number of steps have been taken in furthering decentralization and local governments. This is particularly evident through the approval of policies and the initial laws to facilitate such actions. In 1996, a new institution of local state administration was established: the *aiyl okmotu* (primary level). This is the executive-administrative body of the *aiyl* (village), accountable to the *aiyl keneshes* (village level elected authority). This step was intended to increase the roles and responsibilities of local self-government. *Aiyl okmotu* deals with all activities on the regional level. It is responsible for economic, political development of the concrete region. In 2001, all localities of the Republic adopted principles of local self-government. There are now 487 village

¹ Constitution of the Kyrgyz Republic, dated 1998, Chapter 1

governments, city administrations and councils, and the same number of local councils throughout the Republic. The core of local self-government is to be found in the local councils that coordinate activities of public administrations, territorial self-government and private structures. A total of 8,184 deputies of various levels were elected throughout the country. The Law on Local Councils and other local self-government bodies has raised their role in the conduct of democratic government administration.

Several measures enhanced the status of people's conventions (*Kurultay*- meetings on local level) as one of the traditional forms of national democracy and encouraged activities of local self-government. But *Kurultay* is not a governmental body and therefore it is not eligible for controlling local *Keneshes*. *Kurultay* can make recommendations. The village and town heads and local representatives of national government administrations are accountable to local communities. The newly adopted Law on the Courts of the Elderly (*aksakals* courts) promotes their role, independence, and responsibility in addressing local issues. *Aksakals'* courts are established by decision of meeting people, local *Keneshes*, and other representative bodies of local governments. Judges of such courts are *aksakals* and other authoritative people. Courts of *aksakals* are not administrative courts; they consider cases mainly connected with property and family disputes. They are courts of honor.

2.4 Financial Base of local Government

Regional and local bodies of power are responsible for almost one third of all expenditures of the budget, and therefore, the success of the process of reforming in the state financial sector depends on the right choice of the policy in this area.

In the case of Kyrgyzstan our organs of local self-government are under supervision of national state organs, then report to *rayon* *akkimiats* of *oblast* administration, *aiyl okmotu* of *rayon* administration.

The main elements of the new financial relation system between the government bodies of different levels are:

- mechanism of distribution of receipts in accordance with fixed norms of distribution of receipts between central governance and all regions.
- mechanism of transfers in the system of governance, ensuring support of minimum necessary level of expenses for medical services and education and equalization tax budget opportunities in different regions;
- expansion of opportunities of local bodies for mobilization of their own.

Presently, a certain legal framework has been created in the country, which regulates approaches to the formation and execution of local budgets, secures revenue sources, defines expenditures, and approves the rights of local self-government bodies in the area of fiscal policy. However, the legal basis requires further improvement, additions, and amendments the objectives of which must be an increase in the commitment of local self-government bodies to increase the economic capacity of local communities.

For example, local self-government bodies at the present time do not have the right to introduce and then revoke certain types of taxes and duties. This is a prerogative of the Parliament of the country. As a result, local communities have limited opportunities to expand the revenue part of the budget. Problems of decreasing counter-current financial flows are also not settled. There is no sufficient stimulus for exceeding planned revenues collection and doing away with arrears. In this aspect, it is necessary to establish stable financial plans of local budgets. Moreover, it is required to get the local self-government bodies interested in over-fulfilment of the local budget plan.

Oblast and *rayon* *keneshes* decide how incomes, received from regulated tax, land tax and local tax will be divided among regions (in accordance with regional budgets and *aiyl okmoty*).

As a result, local administration of high top level takes a big share of incomes. Thus, local administration of initial level when financing its expenditures depend on equalization grants paid out from high top level of budget.

It will bring to instability of own incomes of local administration and local governance (*Aiyl okmotu*) as well as make obstacles to develop a middle-long budget strategy. Such a situation brings serious damages in the process of formation of budget at the initial level.

Local budget formation is supposed to establish strong regulated effective budget and directed to as a final stage improvement of level of people's life. For all that it is necessary to settle following:

-government, local state administration and local self-government should provide:

- unified budgetary-financial policy;
- budgets of local communities should be developed on the bases of indicators of indicative social economic development plans of relevant territories;
- budgets of local communities should be developed in the same way for 3 years period, being as disintegrated part of *rayon* and *oblast* forecast of budget.

Budgetary system of the Kyrgyz Republic is made up of independent national and local budgets, comprising the state (consolidated) budget of the Kyrgyz Republic.

Local budgets are, as follows: budgets of oblasts, of the city of Bishkek, rayons, towns and rayons within cities, of ail okmotu and village governments, in which the state power is exercised by local keneshes of respective territorial levels and ail okmotu. Budget of an oblast consists of the oblast budget, rayons' budgets and budgets of towns of oblast significance. Budget of a town consists of the municipal budget, and budgets of rayons within the town. Budget of a rayon consists of the rayon budget, budget of towns within the rayon and budgets of ail okmotu and villages.

Budgets are independent on the basis of their own sources of revenues at all levels of the budgetary system, as established by the legislation of the Kyrgyz Republic.

Revenues of the state budget are made up of, primarily, direct and indirect taxes and other revenues, established by the Tax Code and legislation of the Kyrgyz Republic. Direct taxes are the taxes paid directly over revenues or property of taxpayers.

Chapter 3: Problems identified in the decentralization process in the Kyrgyz Republic

Based on the analyses done, we can identify the following problems connected with decentralization process in the Republic.

Weak legal framework

It means that the existing legal documents do not fully provide the conditions for optimal decentralization. Effective management on the level of local authorities is yet to be developed. There are gaps in legislation in regard to municipal services and development of social mobilization. The functions, authorities, and responsibilities between the bodies are not clearly defined. The existing legal documents do not fully provide the conditions for optimal decentralization. The organs of local self-governments do not get a sufficient support and decentralization of power is limited. There is no clear separation of the functions and responsibilities between central state organs and local organs.

Insufficient state support to LSG, limited decentralization of power

As it was mentioned, the functions and authorities between local state administrations and local self-governments are not clearly defined. For that it is necessary to find mechanisms defining what power and responsibility should be transferred to LSG.

Delegating all the power to the hands of the council of the deputies coincided with the time of the USSR disintegration and with crisis, related to the collapse of the former economic relations. All the burden of social and economic problems has laid down on the shoulders of the councils, which are now the bodies of local self administration of the sovereign and independent republic. At this time, the market relations, which could help in development of self administration, were gradually developing. In simple words, there was no economic basis for successful decentralized development in the form of stable market-oriented institutions. Under these conditions the local councils were not quite able to cope with their duties.

The structure of local government has not undergone any substantial changes; it has remained the same as or very similar to that under the Soviet regime. It has three descending hierarchical levels- oblast, rayons, and towns and villages-where government offices are based to represent the president and the central government.

Ineffective financial budget regulation

Finances and local budget are still centralized and significantly constrained. The finance is dependent on national government. The local budget should be drawn from the bottom. Legal framework and other mechanisms of economic and financial decentralization are still limited. Transfer of appropriate financial resources does not accompany transfer of authority and functions.

Each level of LSG have some independence but they act under strict dependence of higher level. Moreover, partly they are financed from the public budget. Local self-governments should be independent financially and

cover their expenses from their own resources and funds. local administration of high top level takes a big share of incomes. Local administration of initial level, when financing its expenditures depends on equalisation grants paid out from high top level of budget. It brings to instability of own incomes of local administration and local governance (Ayal okmotu) as well as make obstacles to develop a middle-long budget strategy. Such a situation brings serious damages in the process of formation of budget at the initial level.

We cannot say about appropriate co operation between levels of the government. Inefficient mechanisms of financial and economic regulation-finance and local budgets are still centralized. There is no sufficient taxation base. Fund-raising opportunities of local governments are quite limited.

It is considered that restructuring of financial relation system between the governance of different levels is an important and integrated component of the reforms programs in tax budget sphere for the next stage of transition to the market economy of the Kyrgyz Republic.

Without restructuring mechanisms, determining structure of expenditures and incomes of the budget of regional and local governance and eliminating gaps of organisational structure of these bodies, demanded improvement of the state financial system as a whole and improvement of macro-economic situation is impossible.

Strengthening of the financial basis of local self-governments is indeed a very acute and crucial problem. Full formation of the foundation of the government, which is working to improve the well-being of local communities, depends on the resolution of this problem.

The problem of establishment of a stable financial base, sufficient for execution at the local level, by local bodies of governance, is a very important and difficult problem for the states.

The main source of revenues for local budgets is the taxation, including local taxes and some share of the state taxes, non tax based revenues as well as financial assistance from higher budgets. In the Kyrgyz Republic a feature for the structures of revenues is the insignificant share of proceeds from local taxes: share of local taxes in the Kyrgyz Republic during the last three years reached just below 10% (with some deviations in certain years).

A multi tier system of local government is also reflected in budget systems. Local budgets provide funding for pre school, elementary, and secondary education, as well as for social, cultural, and health programs. The financial instability of local government bodies presents a serious problem in term of policy implementation at the local level.

Inadequate professional level of municipal employees

In addition to the lack of appropriate legislative and institutional arrangements, public officials lack the skills and experience needed for sound local budget management. Further, many managers at the local level held executive positions during the Soviet era, and their work style is still marked by a predisposition for centralism. There is no legal bases for training and retraining civil servants. There is a need in the system for training, retraining, and qualification upgrading of local state administrations and Local Keneshes' employees, their motivation and social protection. The main objective of formation of training concept is the formation of framework for creating and the functioning civil service training system in the Kyrgyz Republic.

We have low-skilled municipal servants, lack of systematic personnel development policy. There is no Law on Municipal Service regulating systematic work with personnel of municipalities.

Academy of Management under the President of the Kyrgyz republic is the main institution responsible for training issues. At present Hanns Seidel Stiftung Fund assist the Academy in implementing these activities. The employees from local governments are being trained. There were conducted a number of workshop with the aim of evaluation of need assessment. Based on that appropriate work program was established.

In general, if we take personnel issues, one of the important conditions for the creation of process of training and retraining and raising of qualification of civil servants is the formation of concepts of civil servants that doesn't exist in the Republic. The main objective of formation of training concept is the formation of framework for creating and the functioning civil service training system in the Kyrgyz Republic. The more skilful civil servants we have the more trust they have from citizens. The effectiveness and efficiency of the activities of local governments fully depend on the capacity of the municipal servants.

There is a lack of informational, technical, and methodological support to local self-government staff.

Limited scope for social mobilization and development of human potential in the new conditions

Multiple resources need to be used to further various forms of social mobilization. People must actively participate in decision-making in local communities. They are passive in the process of making decisions aimed at improving their lives.

The view from below

There was made a social survey where we can see the effectiveness of governing in some Aiył Okmotu.

Dara Aiył Okmotu

The majority of local residents believe that the populations' opinions are taken into consideration when making serious economic decisions. According to the results of the opinion poll 70.9% of the population attends meetings conducted by the local administration. 61.7% of residents complain about an unprecedented level of bribery in administrative agencies.

Approximately half of all opinion poll respondents believe in the transparency of rayon, oblast, and state administrations' activities. (See Figure 1: Level of trust in different levels of government. Dara Aiył Okmotu)

Khalmion Aiył Okmotu

61% of opinion poll respondents believe that ordinary people participate in decision-making processes and an even higher 78% believe in the transparency of oblast administration activities. Furthermore, 80% assume that the Government's activities are widely publicised in the local mass media and 58.1% are aware of state development programs. Figure 2 reflects the public's level of trust in different levels of government. (See Figure 2: Level of trust in different levels of government. Khalmion Aiył Okmotu).

Batken Goruprava

Many opinion poll respondents expressed great discontent, regarding Government's activities in their oblast. In their opinion the Government often practices unfair distribution of aid and budgetary funds for Batken oblast. Public opinion poll revealed that due to peculiarities of local mentality, overwhelming majority of female population has no idea or interest in local administration activities. Goruprava's administration employs 39 people, only 8 of whom are women.

47.4% of all respondents believe that people do participate in decision-making process. 35.5% consider Goruprava's activities transparent, 43% assume transparency of rayon and state administration (Government) and 47.7% are optimistic about transparency of oblast administration. Figure 3 present level of public trust in oblast and state administrations. (See Figure 3: Level of trust in different levels of government. Batken Goruprava).

Source: UNDP Bul/97/004, Early Warning Report, June 1998

There were illustrated only 3 Aiył Okmotu. Analyses shows that less than half of the population assume transparency and trust to local administrations. Half of the population believe that they participate in decision-making process. Not all the citizens assume transparency of rayon and state administrations. Thus, we may analyze, that the activities undertaken towards decentralization, need to be improved. The survey shows that people participate in decision-making only partly. It shows a big level of bribery in administrative bodies. In general, the problem is that people do not trust local state bodies, and local self-governments did not get appropriate authorities and power to manage with all the local issues.

Chapter 4: Conclusions and Recommendations

Decentralization and development of modern local government systems are fundamental components of transition to democratic system. Local self-governments are considered to be as one of the most important institutions of the state which makes the links between the citizens and the state.

Legal bases of the local self-governments in the Kyrgyz Republic is foreseen in the Constitution, normative and legal acts of the Kyrgyz Republic regulating the issues of the local state administrations. According to the general legal bases organs of state power shall establish necessary legal, organizational and financial conditions for the development of local self-governments. In connection with this the reforming of the system of local organs and formation of local self-governments are the integral part of the whole strategy of the Republic.

In 1990 the Soviet Union adopted a law on the main principles of local government. The law served as a basis for the legislation of the Kyrgyz Republic but failed to provide actual safeguards (financial, organisational, or legal) to the local authorities, which made enforcement of the local self-government principles unfeasible. The Kyrgyz Republic still has a centralised culture, inherited from the past The structure of local government has not undergone any substantial changes; it has remained the same as or very similar to that under the Soviet regime.

A multi tier system of local government is also reflected in budget systems. The main sources of revenues for local budgets are tax revenues, non tax revenues, and financial assistance from higher budgets. Local budgets provide funding for pre school, elementary, and secondary education, as well as for social, cultural, and health

programs. The financial instability of local government bodies presents a serious problem in term of policy implementation at the local level.

In addition to the lack of appropriate legislative and institutional arrangements, public officials lack the skills and experience needed for sound local budget management. Furthermore, many managers at the local level held executive positions during the Soviet era, and their work style is still marked by a predisposition for centralism. Thus, civil service training system must be integral, permanent, dynamic, flexible and active in relation to the needs of the government; as well as an integral part of public training system.

Based on the above-mentioned, we can indicate the following prior objectives for deepening power decentralization and development of local self government:

- Reforming of the system of local self-government within the framework of the general strategy of the development of the Republic;
- Clarifying the division of powers between the state government and the local self-government at all levels;
- Strengthening financial management to sustain economic prosperity and ensure the efficient allocation of funds by developing local budget independently from higher-level budget;
- Additionally, it is necessary that local communities' budgets have a realistic possibility of using their own additional autonomous income sources, which they can manage at their discretion. Furthermore, it is very important that local communities will be able to direct considerable financial resources to priority areas of their territories;
- Increasing local sources of revenue, stabilizing spending responsibilities, and giving the authorities greater financial autonomy including less restrictive central control;
- Compilation and adoption of the budget shall be made from the bottom up ;
- Compilation of the indicative plan for social and economic development shall be made from the bottom up, taking into account the products actually manufactured;
- Local state governments shall be allowed to address the personnel issues in accordance with the status of the budget. It would be advisable to keep or transfer a part of the income to the local budgets in order to support material and financial status of local self governments;
- It is necessary to provide financial assistance to territorial communal local self governments (block, residential area and village committees);
- Involving citizens in decision making and policy planning;
- In all rayons and cities territorial local self government councils should be established. Presidium for their work between the sessions shall be set up in all the city and oblast councils;
- Developing sustainable capacities to promote professionalism among local government officials;
- It is necessary to arrange on-going training courses of skill enhancement for the employees of local self governments within the Government of the Kyrgyz Republic in order to increase their skills and to train them, because it is one of the urgent and strategic targets of the government. Creation of the effective and efficient public governing system without formation of highly skilled, competent and stable personnel in civil service is one of the main issues.

Finally, I would like to say, that the reform of the local self administration is not just a target. Implementation of the real working system of decentralization is a very complex process. It is impossible to complete it within a short and limited period of time.

It is worth mentioning that there is no a model of decentralization in the world practice and which could be recommended to all countries and could be applied in any cases. In fact, the ways of developing decentralization depend on each concrete state, its peculiarities. The final goal of the reforms of decentralization is to create such institutions of the local power, the general economic impact of which could promote growth and flourishing of the entire economy of the Kyrgyz Republic, oblasts, rayons, cities, towns and villages, which will finally lead to increase of the living standards of the whole people in the country.

In order to achieve it, it is necessary to extend the social basis of the reforms considerably, to publicize their goals and ways of their implementation to the people. Unfortunately, the traditions of paternalism provided by the state are still very strong in the Kyrgyz Republic, and the civil society is still being formed.

At the same time, the decisive condition for the successes in the reforms is their wide and firm support by ordinary people, by local communities. This is why the reform of the local self government is a sort of a revolution within public administration.

Table 1
System of Local Self-Government in the Kyrgyz Republic

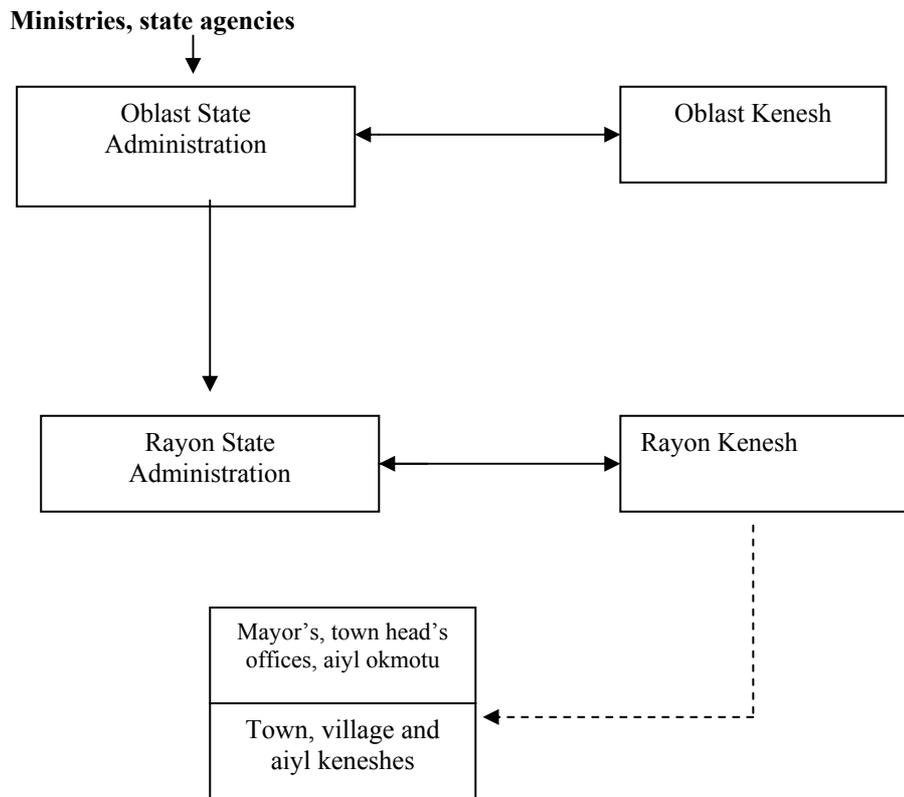


Figure 1
Level of trust in different levels of government.
Dara Aiyl Okmotu

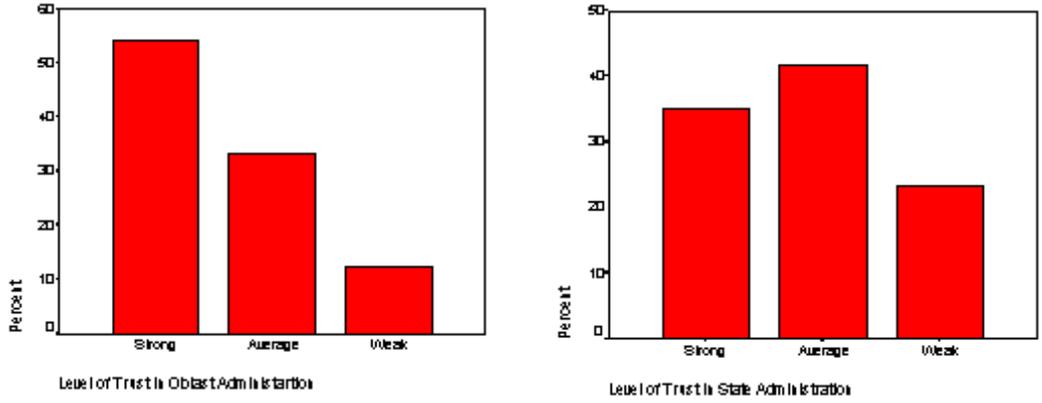
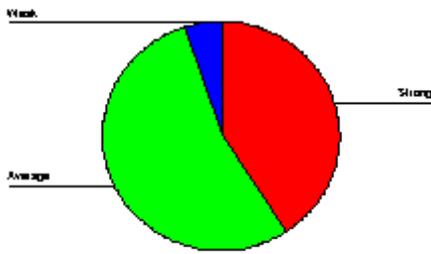


Figure 2
Level of trust in different levels of government.
Khalmion Aiyl Okmotu

Level of Public Trust in Rayon Administration



Level of Public Trust in Oblast Administration

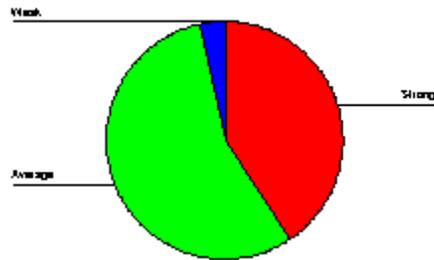
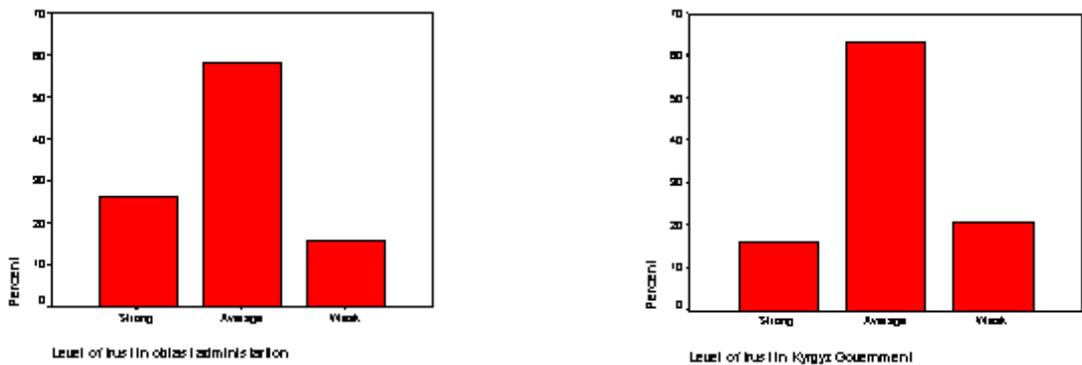


Figure 3
Level of trust in different levels of government.
Batken Goruprava



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