PARTICIPATION OF NON-STATE ACTORS IN THE PROCESS OF REGIONAL POLICY DEVELOPMENT

Tamar Koberidze¹, Nino Dolidze²

Abstract

Participation of the non-state actors in policy development is of particular importance. The level of involvement of different stakeholders, such as NGO sector, business representatives, various population groups, individual experts, as well as academic institutions in decision-making processes determines level of democracy in the country. The presented research was aimed at studying how these actors engage in the regional policy development and implementation, how they affect the process and how their interests are taken into account by the central, regional and local governmental bodies.

The study was based on the qualitative method, 24 respondents were interviewed, which included central and local government bodies and sub-agencies, NGOs, business associations and SMEs, beneficiaries of different nation-scale social projects, and experts from regional universities. The cycle of the regional policy development was defined as the formation, implementation and monitoring and evaluation of the policy, while the participation of the actors was assessed by the outcome-based categories.

The main findings of the research were as follows:

The level of engagement of non-state actors in the process of the regional policy development and interaction with the authorities is significantly determined by the scope and specificities of their activities, which is stipulated by the historical and political heritage of the country.

The state, being unanimous decision-maker for decades, is naturally faced with the challenge of involving other stakeholders. This is intensified under the circumstances, when universities are largely performing only educational function, private sector serves only private interests, the citizens' participation is low and the activities of the NGOs are dramatically depended on the donor-funded projects. Consequently, for the balanced cooperation of stakeholders, it is important to have relevant regulatory legislation and to determine the role, functions and obligations of all the involved parties, which is well accepted by all "players".

Decentralization of the decision-making power, delegation of the authority to local and regional bodies are key for effective policy implementation. Efficiency of the decentralization process greatly depends on the well-developed institutional mechanisms, proper coordination and consistency of policy implementation across the central, regional and local agencies, and well-performed monitoring and evaluation of the policy process by the external stakeholders.

Key Words

Policy Development, Regional Policy, Non-State Actors, Participation

1. Introduction

Public policy is the effort of the government to reconcile the complexity of social, economic, cultural and political factors (Dawes et al n/d). Participation of the non-state actors (NSA) in policy-making is of particular importance; especially considering the role, functions and interactions of the stakeholders on the regional policy level. The balanced interests of the regional players determine and regulate the scope of their activities and the level of impact they make on the policy process (Blazek & Hample, 2009).

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The presented study aimed at investigating existing mechanisms and practices of the non-state actors involvement in Georgia. Business community, regional universities, individual experts and civil society organizations are considered as non-state actors or the major stakeholders of the process.

2. Methodology

The study was based on the qualitative method. Up to 30 documents, including policy papers, strategies, legislation, reports and others were examined which affect Georgia’s regional development in the context of NSA participation. The in-depth interviews were conducted with 24 respondents, representatives of the central and local government bodies and their executive agencies, civil society organizations, business associations, beneficiaries of the nation-scale social projects, Georgian small and medium businesses, as well as regional universities to evaluate the cooperation efforts from the government and involvement of the NSAs in the process of policy development and setting policy goals and priorities. The respondents were selected through non-random method, based on their activity scale in the regions and potential benefits from regional policy processes.

The regional policy-making cycle was defined as the development, implementation and evaluation of the policy, and the participation of the actors was evaluated using the frame of the outcome-based categories, as the five-level system of participation and involvement, from the less desirable to the most intensive involvement.

The components identified for the analysis are presented in Table 1

Table 1. Forms and mechanisms of NSA participation

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<th>Civil Organizations</th>
<th>Society</th>
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<td>Public-Private Partnership (PPP)</td>
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<td>Dialogue with the stakeholders</td>
<td>Private Sector Participation (PSP)</td>
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3. Discussion of findings

3.1. European Integration as a driving factor for NSA participation

Involvement of the non-state actors by the government in policy-making processes is by large required by the EU funded and supported projects, regulated under the European Union Association Agreement (AA). Although the AA does not directly speak on the distribution of functions, it clearly states, that “The Parties shall encourage the involvement of all relevant stakeholders, including civil society organisations and in particular social partners, in policy development and reforms.” (EU-Georgia 2014). The AA underlines importance of the NSA participation

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3 This implies Mode 2 “New Production of Knowledge” (NPK) approach, as challenge to Mode 1: “Knowledge Generation”
through “open, transparent and regular dialogue between the public institutions and representative associations and civil society” (Art 370) and requires the establishment of communication channels and strengthening the exchange of information and experience between social and economic actors and civil society, as well as "consolidation of the partnership between all the parties involved in regional development” (Art 372). Common European framework in the context of regional policy development also affects the EU Cohesion Policy Framework 2014-2020, which is the EU's main investment policy and is targeted at all EU regions to create economic growth, sustainable development and improvement of citizens' quality of life (EC 2014).

In its Statement on the Eastern Partnership from December 2008 the European Commission referred specifically to the Cohesion Policy, pointing out that "some partners have structural problems stemming from sharp economic and social disparities between their regions” (EC n/d). Consequently, the Statement underlined that the EU proposed to conduct a regional policy dialogue with the partners and to cooperate with them on the Pilot Regional Development Programmes (PRDP) modelled on EU Cohesion Policy (EC n/d). In 2011 a financial agreement between Georgia and the European Union (phase 1) was signed, while in 2014 - the second phase of the cooperation.

Application of the Cohesion Policy instruments enables adoption of the best practices of the EU member states aiming to “strengthen economic and social cohesion by reducing disparities in the level of development between regions”, and focuses on the zones affected by industrial transformation, mountainous regions and others (Article 174, EC 2014). Although the policy document itself only examines sectoral and financial directions and does not define the participation of civil actors, the Guideline of the European Regional Development Fund and Cohesion Fund for the Monitoring & Evaluation issued in 2014 and the impact evaluation guidelines widely use so-called “participation indicators”, which include tools such as administrative data analysis, case studies, surveys, participatory evaluation, contribution analysis etc.

3.2. Normative Base of Participation

NSA participation in the regional policy process as well as their interaction with the authorities is significantly affected by the scope of the power of all stakeholders and the specifics of their activities, which is, in turn, determined by the historical and political heritage of the country. The state, which historically was a sole decision maker for decades, is naturally faced with the challenge of participative democracy, namely involvement of other stakeholders. Especially considering that due to the same historical experience, the universities mostly accomplish only the educational function, the private sector serves only private interests, the citizens' engagement is low and the activities of their CSOs are dramatically determined by donor funded projects. Consequently, existence of relevant regulatory legislation in the country is important for the balanced cooperation between stakeholders, determining the role, functions and obligations of all the players.

The main actors of the regional policy process in Georgia are representatives of the public sector at both national and local level. Moreover, under the existing legislation, regional policy is being mostly developed at national level. There are two types of the projects focused on the regional development, where local (regional and municipal) authorities are engaged at various scales:

1) national projects funded mostly by the Municipal Development Fund and Regional Development Fund (large infrastructure projects such as construction, rehabilitation, water supply, melioration, etc.) imply only indirect involvement of local authorities; and

2) regional projects, which are carried out directly by municipalities, by the Governor’s office and the Ministry of Regional Development and Infrastructure, where the local government is very much involved (at planning, development, implementation and monitoring stages).

Since the state declares large infrastructural projects as a priority, a significant portion of the regional fund is intended for them. This establishes a certain limitations and does not allow the regular "customer" to come up with different initiatives and apply for the appropriate funding. The regional administration does not elaborate strategies and does not have a relevant program budget for co-financing. It merely acts as a mediator and provides recommendations to local and central authorities, municipalities, businesses and other stakeholders.
On the other hand, the law empowers the municipalities to elaborate the strategy and they have program budgets – nevertheless, the process is completely centralized. Discussion and approval of projects considered as priority and initiated at the local level are carried out at national level. Accordingly, regional action plans cover 2-3-year projects and directly respond to budgetary categories of the State Regional Development Fund. If the potential categories of the supplied budget are not in full compliance with the national budget, the initiative is not financed. This directly affects participation in the regional policy making, as the region administration/self-governance and civil actors have only a conditional impact.

The statements on stakeholders’ cooperation and engagement have been recently amended to the legal documents regulating regional policy processes, including international agreements, laws, strategic documents etc. Nevertheless, the existing documents unequally recognize civil actors and define their role, functions and powers. There is no definite mechanism for involving NSA in the process of policy making at the national level. Although the Association Agreement, as one of the main framework agreements of Georgia’s European aspiration, makes it legally binding to involve “interested party, including civil society organizations and especially social partners in the process of policy development and reform” (EU-Georgia 2014). Besides, it is more likely to see non-governmental organizations and, in particular cases, business associations as players in policy planning and implementation, rather than academia.

Particular mechanisms of participation, as such, are defined only by the Local Government Code (2014), although some documents (mostly the strategies and action plans) recognize the private sector as a potential economic partner, with delegated (now or in the future) policy implementation and monitoring functions. At the same time, the university is still the least recognized "player".

In May 2018 the Parliament of Georgia adopted the law on Public Private Partnerships. The PPP policy document was developed already in 2016 and expressed the will of the Government of Georgia to implement necessary legal and economic reforms, for creating an attractive environment for private sector engagement and investments, using of private sector experience, technological development, innovation and efficiency.

The PPP policy aims at the following

- promoting cooperation between private investors and financial institutions on one hand and the state on the other and support implementation of PPP projects by the Government of Georgia
- determining basic principles of public and private cooperation and
- defining institutional frames for effective implementation of public and private cooperation projects, as well as protection of public interests.

The document does not limit the spheres of public-private partnership and obliges the State to support PPP projects by direct budgetary financing and co-financing, with budgetary and non-budgetary guarantees, as well as co-financing by various non-budgetary funds and/or state agencies. Based on the policy document, the law obliges the government to make an informed decision on the participation of relevant public agencies. It regulates the rights and functions of the contracting parties, creates of a joint action framework and aims at elimination and prevention of any flaws based on the experience of already implemented projects.

It is noteworthy that not only the central government, but municipalities, executive agencies and state enterprises will have the power to initiate the PPP projects and act as participating parties. Besides, the law states the procedure for selection of a private partner, ensuring equal competition, predictable implementation and financial liabilities for the private sector. The law clearly outlines the role of the public agencies and the government as a whole, as of a party responsible for assessing fiscal risks and financial sustainability related to all PPP projects. The law outlines several successive stages of the project implementation, which include the basis for determining the priority sphere and assessment of alternatives, identification of the private sector interest and cost-benefit analysis, assessment and feasibility study as well as monitoring and evaluation of the selected projects. The government is also a final decision maker on the concrete project implementation.
The need for the legislative regulation was clearly induced by the large-scale projects of regional importance, with large investments and involvement of large business players. Although, it should be noted, that participation of the private sector in the PPP policy development stage was limited to consultations with the international financial institutions (EBRD, ADB, IMF), an international legal firm, and a Georgian legal company, which were counted as representatives of business sector. Although consultations or information meetings with the larger business community was not provided at any stage. According to one of the respondents of the study, this decision was based on the fact that there are only a couple of private companies in Georgia, which have the capacity and expertise of implementing PPP projects. Thus the law defines involvement of private players only at the stage of the selection process, and during negotiations with the public sector on specific technical details.

3.3. Participation at the Policy Development Stage

Identification of stakeholders in the process of policy developing and/or strategic planning on regional level is very sporadic; consequently, it results in the lack of NSA involvement in drafting the relevant policy documents. It should be noted that the individual sectoral experts are more involved in the process than the representatives of CSO and business sectors. Participation of the business is limited to membership in certain institutional councils, while the activity of the NGO sector is based on donor funded policies advocacy projects.

The main motivation for the involvement of stakeholders by the state agencies is the EU technical and financial assistance, and to some extent, the general regulations of the Association Agreement. Consequently, institutional forms of cooperation (councils, consultation/working groups and etc.) are emerging at national level for policy development, which on paper implies NSAs as well. Nevertheless, the real involvement of NSAs often takes place only post factum, at the final stage of the developing of policy document; generally, these relationships can be characterized as "introspective", or informative, rather than effective partnership, thus lessening to a great extent the impact of NSAs. The sectoral agencies of the local government identify key NS actors according to their own mandates. Although, there has not been conducted a thorough stakeholder analysis, including the level of their field of expertise, priorities, functions, recourses, specific interests, influence as well as the purpose and value of their engagement, by which they could be separated from so-called non-interested parties.

The dialogue at the national level is limited to informing of players, and rarely involves them in full partnership or cooperation. The need for policy is not assessed based on any surveys, focus groups or others. In this regards the potential of the universities are also totally lost. In some cases, research and statistics carried out by international partners might be the only source to identify needs and determine the priority directions of future projects.

Although some of the CSOs are actively involved in dissemination of information about the existing strategies to the local population. For example, the non-governamental organization CIDA, in the frames of the project "Strengthening Community Knowledge and Involvement of CSOs in Regional Planning", released the action plans of the Regional Development Strategy for Six Regions of Georgia in 2015-2017, preceded by consultations with the UNDP and the Ministry of Regional Development and Infrastructure.

The involvement of CSOs is largely affected by the donor funding. In most cases, participation of civil actors is intensive at the stage of policy development if the specific project is financed by the international donor and the activities of "engagement" or "consultation" are dictated by the project. This, in part, is natural, because the activity is related to both human and material resources, however, it prevents establishment of sustainable institutional cooperation with relevant public agencies and determines the sphere of activities and priorities according to specific donor interests. The immediate assistance of international partners also affects participation and engagement, as can be seen from the following two cases:

1) The development and implementation of the 2013-2017 Regional Development Program is in compliance with current and planned cooperation between the EU and Georgia, including the EU Budgetary and Sectoral Assistance
Program. Consequently, at the stage of program development, the international partners provided all relevant mechanisms of inter-agency coordination, as well as involvement of sectoral CSOs and experts. An integral part of this process was working on the regional strategies, which would more or less reflect the interests of NSAs. As the CSO representatives reported in the interviews, the regional communities became involved only at the final stage, again not without the encouragement and pushing by the donors.

2) The European Union is sponsoring all stages of development and implementation of the Rural Development Strategy and Action Plan for 2017-2020, developed within the framework of the ENPARD Project. The strategy is based on the EU model and aims to develop a European institutional framework for development, including EU embedded obligations on the involvement of stakeholders. The Strategy and Action Plan were developed by sectoral experts, agricultural academy, farmers and small businesses. Despite the above, the CSOs became involved only at the final (adoption) stage of the Strategy development, when, by the request of the donors, the representatives of the civil society network conducted two consultative meetings with the participation of farmers, NGOs, self-governments and other organizations in Tbilisi and Kutaisi. The consultation meetings resulted in the "Rural Development Strategy Consultation Document", which reflected the views and opinions of the participants. With the help of EU partners (FAO, CARE, UNDP, etc.) before the project implementation started, large-scaled information campaigns were also conducted in municipalities. In parallel with the Strategy Development, the Local Action Groups (LAG) were created in the pilot municipalities, based on the principles of LEADER approach, which implies mobilization of active people in the region to address local problems.

3.4. Participation at the Policy Implementation Stage

As mentioned above, the state defines large infrastructure projects as a policy priority in the regions. Thus, there is little need for the NSA involvement in the decision making or implementation processes. Besides, in the case of so-called local projects, the representatives of non-governmental sector are specifically active within the donor funded regional projects.

At the national level so-called Advisory Councils are created by the aid of international partners. For instance, the Public Hall established under the National Food Agency of the Ministry of Agriculture, was founded to regulate more than 250 legal acts within the Deep and Comprehensive Free Trade Area Agreement (DCFTA) with the European Union related to the food safety. It serves as a dialogue platform for the field experts, producers and business associations. Another examples are: the Advisory Board on the SME Development Strategy at the Ministry of Economy and Sustainable Development of Georgia, created to deepen the cooperation between public and private sectors; the Vocational Education and Training Coordination Council at the Ministry of Education and Science; Advisory Board at the Ministry of Environment Protection and Natural Resources 4; Committee on Tourism and Related Services at the National Agency for Standards and Meteorology and others.

Despite the participation forms and mechanism defined by the Local Government Code, the problem of their actual implementation is clearly revealed at the local level. It includes limited and formalized authority of the councils, their depended role on Sakrebullo (the representative organ of the local government), corruptive practices of electing particular persons in the councils, and low activity of the population in general. In addition to the above-mentioned councils, at the local level the number of different civic advisory bodies (existing or planned) has been identified, which should potentially contribute to or encourage local community participation. Nevertheless, these councils (“Rural Councils,” “Farmers’ Councils” etc.), part of which are created under the Local Government Code, various strategic documents, and/or with support of the EU or other international partners cannot be envisaged as part of the unified policy aiming at specific goals. They act sporadically, have temporary functions and scope and as a rule, most of them seize functioning after termination of a particular project. Furthermore, the prospect of further

4 In 2017-18 the large scaled structural reforms in central government resulted in the merge of several ministries, including the Ministry of Environment Protection and Natural Resources with the Ministry of Agriculture, and the Ministry of Education and Science with the Ministries of Culture and Sport and Youth Affairs. Thus, the functions of the semi-formal advisory units under the new structures have become even more questionable.
financing of EU-supported advisory units is unclear. Often the donors, and relevantly the state, create these similar bodies, which after a while turn into a formalistic, ineffective untrustworthy structures and either dissolve or remain useless. Therefore, it is necessary to synchronize and coordinate donor-to-state and donor-to-donor activities and provide consistent and unified approach to establishing and implementing public participation mechanisms.

As for the involvement of private sector in regional development at local level, it is definitely stipulated by a clear and specific business interest in a particular project. In such cases the partnership between business and the government can be very efficient; that is why, the local government has more clear vision of the economic cooperation, both in large infrastructural as well as small local projects.

One of the most convenient forms of partnership with business is a social partnership projects, such as Advisory Board at the Vocational Education Development Department of the Ministry of Education and Science, which includes the parties recognized by the International Labor Organization (ILO); these are employers' associations, trade unions, small and medium businesses association. It should also be noted that the Council does not include large business representatives who are actively involved in the development of vocational education colleges in the regions. The similar councils have been created at the Agricultural Cooperative Development Agency and the Tourism Department; however, these actors are not directly involved in the development of the policies (programs and/or projects) but are only invited at informational meetings where the public agencies share the strategies.

Despite that the NSAs provide certain recommendations to be considered by the government, as a rule, only the comments of technical nature are taken into account, while the new ideas, or alternative ways of policy development remain out of the sight. Thus, the impact of NSAs on the policy at this stage is also very limited. A separate case is the Agriculture Grant Commission, in which one of the business associations is actively involved and really influences which projects should be selected for implementation in the region. The private sector, on its own, addresses the authorities mainly in relation to the projects, which are directly related to their particular interests.

In general, communication with the association as a form of organization is more convenient for the public sector, rather than interaction with single business representatives. In this regards, as the respondents from SME mention, there is a question of access to public services and information for those businesses who are not members of any associations. For example, the Farmers Association, initiated by the so-called "Farmers' Parliament", is a consultative body whose members are elected by farmers and who have the opportunity to reach the relevant public agency. However, individual farmers do not consider the Association and the Farmers' Parliament to be a sufficiently effective and flexible mechanism for communication with the public sector.

The ineffectiveness of the existing councils and other bodies can be interpreted in various ways. Civil actors speak of lack of qualifications or political will, which negatively affect the interests of stakeholders, while the state representatives underline excessive expectations of the civil actors, lack of activity and their unwillingness to take any financial obligations.

In spite of the above, there are successful examples of cooperation. For example, when the Georgian hazelnut was recognized as the No1 export product to the EU, the "Hazelnut Council" was created at the Ministry of Agriculture, comprised by the representatives of the Ministry and the relevant business entity "Hazelnut Association". By the initiative of the Association, related to the quality of the product and food safety regulations, the exporters were required to introduce and meet HACCP standards.

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5 HACCP (Hazard Analysis and Critical Control Point) is a system which requires food producers to follow certain procedures of the Food Standard Agency, ensuring food safety. The standard is not compulsory for the European countries, although in Georgia it contributes to the reputational gain of the exporter and competitive price of the product.
The involvement of the private sector by the government is more focused on economic cooperation on local level. For example, implementation of so-called extension system initiated by the Ministry of Agriculture, which suggests cooperation between the state and successful farmers (education, creation of practical demonstration plots and use of training practices etc.); creation and implementation of the melioration associations, or “Water Associations” initiated by the Ministry of Agriculture. While the state retains only the regulatory and monitoring function, these associations will become a major decision makers on water distribution and tariffs and will take care of the amelioration system.

It should be noted that the cooperation is far more fruitful and effective, when the civil sector sees the positive results of its engagement, such as successful cooperation between the Vocational Education Development Department and private actors, as well as the Agency of Agricultural Cooperatives and large businesses. The business clearly sees the benefits of investing in education so that it is not only actively involved in the development of the strategy but also makes financial contribution to establish a vocational education college. Moreover, it becomes involved in the educational process of the qualified personnel, providing opportunities for the practical skills development; the good examples are the School of Adventure Tourism, Gudauri and Zestaponi Construction College, BP Training Center, Batumi Construction College, and others. At present, regional universities still maintain only educational/informational functions, although the local authorities have already started to utilize the capabilities of the local colleges and universities. Although the involvement of regional education institutions in the regional policy process, in most cases, is not because of recognizing their role as local players. Representatives of regional universities note that they are more often addressed by the local media than the local government, which is reflected in the frequent visits of the representatives of the academia to local TV stations. The involvement of the university in the implementation of regional policy is deeply depended on the informal connections of the municipal/regional government representatives with universities or particular experts. For example, Kutaisi and Batumi municipalities are mostly staffed by the former or current professors of the universities that facilitate links between the university and the local government. Nevertheless, these links are more of consultative rather than cooperative character. Some experts might be members of local councils; some universities are engaged in organizing conferences or citizens forums and discussions on the regional strategies. In most cases, the universities follow the traditional way of conducting projects and researches in tourism, agriculture, professional development and other fields and disseminating the results to the government and general public.

Although in some of the regions we can speak about a tendency of establishing collaborative or entrepreneurial university models. In particular municipalities, there are rare examples of so-called commercial application of knowledge. For example, the Kakheti region (East Georgia), which is traditionally the wine-making area, the local university (Telavi State University) is involved in research projects related to the quality assessment and development of modern technologies of winemaking. Besides, the university collaborated with the Ministry of Education and Science, in developing educational programs in agriculture and wine industry. The university is planning to create a system that will facilitate the utilization of Kakheti agriculture and winemaking potential, use of scientific approach, educate qualified staff and enabling experimental farms.

Another successful example of university involvement is the cooperation of the Agricultural Cooperative Development Agency with the Gori University in the framework of the Milk Producer Agricultural Cooperative Program, where the university runs an educational program in cheese production technology and the appropriate academic personnel is involved in the development of the business companies by providing relevant expertise.

3.5. Participation at the Monitoring and Evaluation Stage

The national strategies do not provide for or involve regional policy monitoring and evaluation (M&E) indicators. Neither they define NSA participation at this stage of the policy process. The same is true in regards to the local (regional and municipal) strategies. Particular cases of M&E are related to the donor funded projects implemented by international and local CSOs. Although a rare success story can be outlined: the project implemented by the
Georgian government "Enterprise Georgia", where management, as well as monitoring and evaluation is delegated to intermediate private or civil society organizations.

Overall, the absence of a systematic approach to the M&E, as well as the lack of institutionalized processes, has a negative effect on the involvement of civil actors at this stage.

Another step forward is creation of various web-sites, platforms and electronic resources, initiated by the government, such as the petitions portal ichange.gov.ge; the monitoring platform for the DCFTA implementation, e-forms for public information request, direct e-communication mechanisms, etc. Many of these are provided by international partners. Although, due to the lack of coordinated communication among the donor funded projects and involved governmental agencies, the abundance of the similar platforms can be considered as a problem resulting in their poor efficiency and low user activity.

4. Recommendations

Decentralization: Effective steps towards administrative and financial decentralization in the country, delegation of real policy making power to the local level in order to improve the regional policy process with attributing a significant role to the non-state actors.

Institutional mechanisms: The obligation under the Association Agreement on NSA participation should be sufficient for ensuring relevant activities from the governmental agencies. Nevertheless, taking into account the historical-cultural heritage, it will be valid:

A) Introduction of the mechanism of stakeholders’ participation in the policy process at national level

B) Improve/optimize existing mechanisms and their execution at the local level

In both cases, the mechanism should reflect the relevant means for systematic identification and coordination of different interests, competences, qualifications and goals of the stakeholders of the regional policy process.

Both at national and local levels it is important to implement and provide means and mechanisms of bilateral and trilateral institutional cooperation with the private sector and regional universities (government-business, government-university, business-university), where:

A) the state will better estimate the private sector as a regional policy player and will implement economic cooperation projects with both large corporations and flexible micro-financial institutions as well as small and medium businesses

B) regional universities will be given an opportunity to investigate specific sectoral issues to better meet the needs at regional level; for this the state should recognize and utilize local universities as targeted tools for regional development.

Intergovernmental coordination and coherence: The process of regional policy making is inclusive and cooperative; if the concrete policy is in a line with the priorities of international partners or donors, it is necessary to improve intergovernmental, donor-to-donor and donor-to-government coordination, in order to synchronize administrative and financial and functional implementation of the projects. Besides, to ensure continuity of projects and mechanisms supported by international partners, it is important to apply long-term financing mechanisms.

Monitoring and Evaluation: Ensuring effective and efficient monitoring and evaluation of projects in the process of policy implementation, including involvement of independent stakeholders.

It is important to evaluate successful examples of M&E (such as "Enterprise Georgia” Small Grants Program) and implement these models as the best practices.
The state should systematically evaluate particular cases of economic cooperation with the private sector, develop the best practices of existing public-private cooperation and widely disseminate information about them. It is important to improve donor-to-donor as well as donor-to-state communication to effectively develop and apply software platforms, web-sites and other e-government tools for public participation. This also implies dissemination of information on existing tools with all potentially interested parties.

5. Conclusion

For the developing countries with their aggravated cultural and historical heritage the EU aspiration and the Association Agreement in particular have played a stimulating role for revealing political will of NSA participation in policy processes. Despite it, many of the tools that are introduced, are ineffective and formalized, thus unable to have any positive impact on regional policy making. The guild can be pledged both by government as well as NSAs. As the study revealed, it is necessary for both sides to fully realize the benefits of effective participation especially since the rare but successful cases of mutually beneficial cooperation between the local government and business, as well as the local government and the universities. The situation with CSOs is aggravated by their dependence on donor funds; but in this case it is the state that shall reveal a strong political will to support involvement of the NGOs and appropriately use their expertise.

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