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# Causes of the Intra-party Democracy Deficit in Georgia

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## Executive summary

Democracy faces considerable challenges in Georgia and one of such challenges is the lack of intra-party democracy within political parties. The problem is exacerbated by the fact that this issue, like many other political science topics, was not widely studied in Georgia until very recently (exceptions are research studies on intra-party democracy by Nodia & Skoltbach and by Tsutskiridze).

Intra-party democracy is not a priority for political parties either. During our research, we observed that party elites avoid discussing the issue and resist promoting it. Therefore, one should not expect any tangible changes in this regard. This research is an attempt to identify and study the causes and reasons of deficit of intra-party democracy in Georgia.

The findings highlight the impact of various factors on intra-party democracy, including funding, party leaderships, electoral system, national legislation and internal organizational structure.

There is no single cause for the lack of internal democracy within Georgian political parties. It is a complex phenomenon influenced by all the factors listed above, which combined create a virtually insurmountable barrier to the development of intra-party democracy. Independent Georgia has existed under these conditions for 30 years now.

## Chapter I

### I.1. Literature review

Political parties began to occupy a key place in the evolution of democratic systems in Western countries in the 19<sup>th</sup> century. The first attempts to study the phenomenon of political parties took place in the early 20<sup>th</sup> century. Researcher Robert Michels was a pioneer in the field and is famous for his political theory known as the “iron law of oligarchy.” Michels believed that internal democracy could not be achieved even in these organizations, which were committed to democratic ideals, because power was concentrated in the hands of an elite few, who he named the “oligarchy” (Michels, 1911).

Michels’ theory about the impossibility of ensuring internal democracy within party organizations remained dominant in academic circles for many years. As noted by Alan Ware, the proposition that intra-party democracy was incompatible with the workings of parliamentary government and adversely affected inter-party competition was considered almost axiomatic in the 1950s (Ware, 1979). Academics believed that it was democracy between parties, not within parties, that created an environment for free and fair competition. The benevolent influence of intra-party democracy on the democracy of a state was questioned by Giovanni Sartori too, who believed that democracy on a large scale was not the sum of many little democracies (Sartori, 1965).

It was not until the 1960s that intra-party democracy, its characteristics and influences became a subject of intensive debates. Legitimate questions were raised about the then dominant opinion regarding the presumed negative impacts of intra-party democracy. Researchers with keen interest in this topic got down to carrying out in-depth analysis. According

to Balceré, the academic debates, launched decades ago, related to two broad questions about the intra-party democracy: (1) Can a viable democracy exist with political parties that are internally undemocratic? and (2) How much do internal democratic decision-making practices within a party affect the competitiveness of that party? (Balceré, 2017).

The decline of political parties, which began in the second half of the 20<sup>th</sup> century due to eroding links between political parties and society, nudged parties in Western democracies to become more open and focus on the development of intra-party democracy. According to Ignazi, the process of democratization in mainstream parties took place in two ways: (1) with the direct involvement of party members in the selection and nomination processes of party officials and candidates; and (2) to a lesser extent, with the increased involvement of party members in the definition of some party policies (Ignazi, 2018). In Ignazi's view, four main elements are key to intra-party democracy. He called them the four knights of intra-party democracy: (1) inclusion – the involvement of party members in decision-making; (2) deliberation – the involvement of party members in the elaboration of party policies; (3) pluralism – the guarantee of minority rights within the party; and (4) diffusion – the diffusion of decision-making power among different intra-party actors and members (Ignazi, 2018).

Growing interest in political parties since the second half of the 20<sup>th</sup> century was not limited to academic circles alone. A process known as constitutionalization of political parties began after World War II, which meant making references to political parties in the constitutions of European countries. One of the goals of party constitutionalization was to support intra-party democracy in countries transitioning from authoritarianism to representative democracy. According to Gabriela Borz, one of the factors that justify the constitutional regulation of political parties is that it helps prevent the misuse of power and corrupt activities by political parties. These regulations are aimed at ensuring a higher degree of accountability of political parties as well as the transparency and publicity of their activities (Borz, 2016). In the opinion of Ingrid van Biezen, the process of party constitutionalization that began after WWII concerns the party system –



in terms of inter-party competition, as well as the individual party organization — in terms of intra-party democracy. These constitutions may have important consequences for the party system and the functioning of the parties (Van Biezen, 2012).

Researchers interested in Georgian party politics and intra-party democracy should study party constitutionalization in Central, Eastern and Southern Europe as the process took place during the transition from authoritarian rule to democratic governance. The post-war Federal Republic of Germany and Italy were among the first to go through the process. References made to political parties in the 1949 constitution of the Federal Republic of Germany emphasize that the internal organization of political parties must conform to democratic principles (Basic Law for the Federal Republic of Germany, Article 21).

In her 2003 book, *“Political Parties in New Democracies: Party Organization in Southern and East-Central Europe,”* Van Biezen also discusses the difficulties of intra-party democracy in new democracies. She says political parties that emerged during a transition from undemocratic to democratic rule do not have an organizational structure or, if they have one, it is flawed (Van Biezen, 2003). In the same book, she offers an interesting interpretation regarding budget financing; when elaborating on Angelo Panebianco’s opinion that centralized allocation of state subsidies increases the centralization of power in political parties, Biezen concludes that strong financial dependence on the state leads to the “oligarchization” of political parties (Van Biezen, 2003).

When discussing intra-party democracy, Yigal Mersel focuses on relations between the party members, structure and institutions of a political party. He notes the following characteristics: the ability of party members to elect the party leadership or recall it, including the ability to elect the party’s nominees to public positions; equal and proportional representation of intra-party minorities and majority-rule voting; the ability of members to influence the party platform and agenda; protection of party members’ basic rights, including the right not to be expelled without a fair proceeding; transparency of party management, especially its fiscal

accountability; and freedom of speech and association within the party (Mersel, 2006). According to Mersel, intra-party democracy is of the utmost importance to protect a country's democracy; he believes that in the long run, the nondemocratic nature of a party will influence the party's external attitudes and activities.

One of the integral elements of intra-party democracy is the inclusiveness of the policy elaboration process. Some researchers have found that while democratization is less intensive in this area, policy elaboration has been affected by the process of democratization that began within political parties in the 20<sup>th</sup> century. Gauja believes that three potential factors affect membership participation in the elaboration of policies within political parties and then, the interpretation and implementation of those policies by legislators: the national context, such as an electoral system; ideologies of political parties; and the status and importance of political parties on the legislative level (Gauja, 2013). In her work, *The Politics of Party Policy: From Members to Legislators*, Gauja identifies four modes of membership participation in the elaboration of policies: (1) direct; (2) delegation — members acting in accordance with the desires of those who nominated them; (3) representation — in contrast to delegation, members can make decisions based on their own wishes; and (4) consultation — members may submit their proposals and consult working groups and commissions during the process of policy elaboration (Gauja, 2013).

The rules to nominate candidates for public offices and elect party leadership and governing bodies are critical to intra-party democracy concerns. Alan Ware was among the first researchers to dedicate a substantive work to that topic. According to Ware, the more open the process of nomination, the more attainable intra-party democracy seems. In Ware's opinion, that process must include an effective control mechanism, which can be carried out if three conditions are met: the nomination process takes place in a defined short period of time; party activists exercise full control over the selection of nominees for primaries; and all sides are given an opportunity to express their positions in primary elections (Ware, 1979).

According to Scarrow, every political party has its own organizational structure, which can be assessed by inclusiveness, centralization, institutionalization, procedure of selecting candidates and leaders and elaborating party policies (Scarrow, 2007).

A comprehensive analysis of selection of candidates has been provided by Hazan & Rahat who evaluate selection methods from four perspectives: candidacy; selectorate; decentralization; and appointment and voting systems. Depending on who is eligible to present themselves as candidates, the authors propose three scenarios ranging from inclusiveness to exclusiveness. In the most inclusive case, every citizen may nominate themselves as a candidate, regardless of whether or not they are a party member. Under moderate inclusiveness, any party member is eligible to present themselves as a candidate; whereas in case of exclusiveness, party membership alone is not enough and additional requirements must be met (Hazan & Rahat, 2010). The selectorate is a body of individuals that selects candidates. In this regard, the authors distinguish five methods: (1) the most inclusive selectorates, where voters select candidates; (2) highly inclusive selectorates, where party members select candidates; (3) in-between selectorates, where delegates select candidates; (4) highly exclusive selectorates, where the selection is made by the party elite; and (5) the most exclusive selectorates, where decisions to nominate are made by a single leader. At the end of the day, the higher the number of people participating in the selection process, the more inclusive the selection process is, and the stronger the intra-party democracy is.

Schumacher & Giger focus on the selection of leaders and distinguish six variations of leadership selection: membership, delegates, party council, party parliamentary group, the party leader and a combination of those five. The most common system is the direct selection of a leader by party members; selection by delegates is also a frequent method whereas the selection of leaders by the party council and party parliamentary group is rarer (Schumacher & Giger, 2017).

Numerous factors affect internal democracy within political parties. While the authors discussed above emphasize processes and organizational

structure within parties, there are external factors that should not be ignored when analyzing intra-party democracy. One of such key external factors is an electoral system. In an analysis of the Italian electoral system, John Wildgen arrived at a conclusion that under the preferential proportional electoral system applied in the country, Italy held “double elections” where not only inter-party competition, but also intra-party competition took place (Wildgen, 1985). Following this logic, various electoral systems can influence intra-party democracy in different ways. According to Michael Marsh, under US-type majoritarian systems, primaries perform several functions of a preference voting system while the single non-transferable vote system used in Japan combines the choice of the party with the element of candidate selection (Marsh, 1985). Marsh also distinguished two types of preference voting systems: (1) when voters independently decide which candidate on a party list obtains the mandate; and (2) when there is a combination of voters’ wishes and rank order determined by a political party (Marsh, 1985).

An interesting observation has been offered by Gianluca Passarelli who fully shares the idea that intra-party competition in a preferential voting system differs from that in other electoral systems (Passarelli, 2020). Having studied common electoral systems that rest on the rule of preference voting, he drew a conclusion (which is important for us) that under a preferential voting system, candidates from the same political party compete not only with other political parties for mandates but also with one another. The observation has shown that a preferential voting system affects the process of renewing political elites. The greater “openness” of the proportional electoral system intensifies the renewal the political elite (Passarelli, 2020). A similar logic is applied by Carmen Ortega Villodres who infers that intra-party competition under a preferential voting system is lowest in the case of rigid lists; moderate in the case of personal voting systems (multiple, bloc vote, limited vote and single vote systems: the single transferable vote and the single non-transferable vote systems); and highest in the case of flexible lists (Villodres, Preference voting systems and their impact on the personalization of politics).

According to a well-established opinion in political science, a strong correlation exists between the party funding model and the degree of intra-party democracy. The direct financing of a political organization by its supporters is the most conducive to intra-party democracy. This model boosts voters' trust in the party and facilitates the tax-free delivery of money by voters to their chosen political parties/candidates (Ward, et al., 2003). However, this popular funding model is used only by a small number of political parties; the main sources of funding for most political parties are either donations from large contributors or allocations from state budgets. The increased costs of election campaigning forces political parties to receive contributions from large donors (Snipe, 2003), thereby giving donors a strong lever to influence policy elaboration and decision-making within a party. Budget allocations encourage the centralization of political parties because often budget funding is disbursed without specific financial obligations to political parties and a party leader or a small group of leaders have the monopoly on the distribution of the funds. The complete control of finances by an influential group in a political party undermines the financial transparency of the party, which eventually ends in the oligarchization of the party and deterioration of intra-party democracy.

## 1.2. Methodology

The “Intra-party Democracy in Georgia” study, conducted by the Chavchavadze Center in 2020, revealed an acute deficit of internal democracy within political parties in the country. However, the identification of the causes for the deficit was not the subject of the study. At the same time, the country experiences a shortage of literature on intra-party democracy, which makes it even more important to research the topic.

The aim of this research was to identify reasons for the lack of intra-party democracy in Georgia. Therefore, the question to be answered by the study was:

Which factors cause a low level of intra-party democracy within political parties in Georgia?

To answer the formulated question the study applied qualitative research methods. The study was conducted in two stages. The first stage involved the review of academic literature available on the subject to identify characteristics of intra-party democracy and the factors that facilitate and impede its development. The second stage looked into the reasons that cause the lack of intra-party democracy in Georgia. To identify those reasons, the authors of the research:

1) Studied the statutes of main political parties in Georgia. To be selected for the study, a political party had to have held at least two party congresses by 2021, which was considered a reasonable period of time for a party to develop an internal organizational structure and mobilize its members/supporters; and a party had to have sufficient support for winning parliamentary mandates; 2) analyzed the activities of Georgian political parties, such as the selection of candidates, election of leaders, staffing of internal party bodies and the process of receipt, use and control of financial assets; 3) reviewed the Georgian legislation regulating political parties; and 4) studied the electoral system of Georgia and its possible impact on intra-party democracy in the country.

From the selected parties, at the time of the research, two political parties — European Georgia and the Alliance of Patriots of Georgia — did not have their statutes published on their webpages. The webpage of the Republican Party of Georgia was not functioning, and the United National Movement (UNM) had the 2013 edition of its statute available on its webpage. European Georgia, the Republican Party and the United National Movement provided their statutes after the Chavchavadze Center requested them. The Alliance of Patriots of Georgia did not respond to the Chavchavadze Center's invitation to cooperate.

## Chapter II

### II.1. Role of leader and its impact on intra-party democracy

Observations from many countries over the past few decades revealed a significant erosion of the role of political parties. As political parties decline, political processes have become personalized and leader centered (Garzia, 2011). The trend emerged after the Cold War and disintegration of the Soviet Union, when the end of the bipolar world order weakened the influence of ideologies and party manifestos. Wattenberg (1991) announced the beginning of a new era in international politics and a candidate-centered approach as its key characteristic feature. This theory was developed on the basis of empirical observations of US presidential elections held between 1952 and 1988, which showed that with every subsequent presidential election, the political preferences of US citizens were increasingly determined by the individual features of particular candidates while the influence of party ideologies and programs waned. Such personalized election campaigning is characteristic of not only presidential republics but also parliamentary republics where candidates for the prime minister's office design their campaigns in a way as to emphasize their personalities. According to a definition offered by Rahat & Sheaffer (2007), the personalization of politics is a process where the political weight of individual actors increases over time and the weight of political groups decreases (Rahat & Sheaffer, 2007).

Manin believed (1997) that constituencies mostly voted for a particular leader, not for a particular party and its ideological platform (Manini, 1997). Consequently, political parties lost their collective identity and cleared the way for the personalization of political and social life. Karvonen (2010) distinguishes five main features of personalization:

1. Public institutions strengthen individualism, not collective identity;
2. Electoral campaigns are focused on particular individuals;
3. Political process is perceived not as an attempt to organize collective interests but as a competition among political leaders;
4. Political preferences of voters are determined by assessments of particular politicians; and
5. Distribution of political power is heavily influenced by the individual features of a leader (Karvonen, 2010).

The political leader-centered phenomenon was first explored by Max Weber (1918) who developed the concept of leader democracy. Weber observed that it was increasingly difficult for political parties of that period to mobilize voters around a shared ideology and, therefore, they began to actively use charismatic leaders. In Weber's opinion, political leaders differ from others by their "great political instincts," and they emerge through political battles, not through bureaucratic careers (Weber, 1978).

Weber noted that if a leader's charisma is accompanied by a high degree of accountability to a political party and parliament, it enriches the political process. But when this does not occur, there is a "passive democracy," under which political processes are monopolized by professional politicians who are mainly motivated to pursue their personal interests (Weber, 1978).

According to Garzia (2011), the personalization of politics in the second half of the 20<sup>th</sup> century was caused by two factors — the development of means of political communications and the erosion of traditional, ideolo-



gy-based politics. Advances in mass media, especially the global spread of television, changed the pattern of political reporting. Earlier news stories covered political parties and their election manifestos; now they focus on leaders and their profiles (Mughan, 2000). The personalization of politics was also aided by political parties, which went through a painful process of transformation in the mid-20<sup>th</sup> century. The decline of traditional social parties forced them to adjust to a new reality and reach out to a broader spectrum of voters. Consequently, in the 1970s, mass parties were replaced by catch-all parties, thereby enhancing individualism in political processes (Garzia, 2011).

After World War II, political leaders were mainly mouthpieces of party platforms. Currently, however, political parties have turned into leader-centered subjects. A government is increasingly identified not by the ruling party but by its leader, who often holds the office of either prime minister or president. A leader's charisma, reputation and trustworthiness are more important for voters than their intellectual capacity, ideology or political experience. In Macalister's view (2003), modern elections look more like referenda on the image of party leaders (Macalister, 2003). To gain broad mass support, charismatic leaders do not build their election campaigns on ideological platforms. Rather they try to offer voters a mix of various, inter alia, incompatible ideologies, which gives them the possibility of flexibility and, when need be, political maneuvering (Pakulski & Higley, 2008).

Panebianco (1988) stressed that party leaders differ from one another by their degree of authority. In some parties, leaders enjoy absolute authority and can influence decision-making on almost every important issue, including candidate selection, platform construction and goal formulation, whereas in other parties, activists, trade unions and the rank-and-file members limit leaders significantly (Panebianco, 1988). Consequently, by the degree of the authority of leaders, political parties are divided into leadership-dominated and activist-dominated parties (Schumacher et al., 2013).

## II.2. Leader-centered phenomenon in Georgia

Political parties in Georgia are institutionally weak. According to Bader (2010), the weakness of political parties in Georgia is caused by a combination of internal (embryo stage of parties, few active members, extreme centralization and leader-centered approach) and external (extremely weak links between parties and constituents) problems (Bader, 2010). Foresti et al (2010) observed that the institutional weakness of Georgian political parties stems from a combination of various factors, including:

1. Structures and cultural traditions inherited from the Soviet era, which blur the line between the state and the ruling party;
2. constraints to party financing that result in imbalances between the resources of the ruling party and opposition parties;
3. the extreme centralization of parties, impeding active campaigning in the regions;
4. the ruling party's parliamentary dominance, which enables it to pursue its political agenda without consulting other parties. The dominance of the ruling party undermines the system of checks and balances;
5. a limited focus on policy and programmatic issues and lack of long-term approach to strategies; and
6. disordered internal party structures and a lack of intra-party democracy resulting in personality driven parties (Foresti, Welton, Jijelava, 2010).

In Bader's view (2010), the Georgian political system can be classified as a "loose multiparty system with one dominant party." The lifespan of Georgian political parties is short; upon losing elections they disappear and are replaced by ideologically amorphous, nonprogrammatic, and leader-centered political parties (Bader, 2010). Most Georgian political parties do not have a particular ideology other than the goal of winning elections (Bader, 2010).

The weakness of the political party system and deficit of intra-party democracy in Georgia is largely determined by the leader-centered phenomenon. According to Nodia and Scholtbach (2006), Georgian parties have a weak organizational structure in which power is distributed top-down rather than bottom-up. A leader or narrow circle of leaders run a political party and grassroots members have a minimal role in decision-making processes. The personal features of a particular leader, not a party pro-

gram or ideology, determine the political preferences of constituencies in Georgia (Nodia & Scholtbach, 2006). Consequently, parties are built around a charismatic leader while voters trust the leader, not the political party. A charismatic leader is in the center of the political process and, after coming to power, they monopolize all political authority. An emotional connection is established between a charismatic leader and constituencies, which is irrational and rests on personal loyalty to the leader alone (Dolidze, 2017). Since the personalization of politics is characteristic not only of authoritarian regimes but also consolidated democracies, the process of personalization in Georgia, a country that lacks democratic traditions, engulfed politics entirely and eliminated the possibility that party politics would develop.

The evolution of the personalized political process was heavily influenced by the cult of personality created in during the Stalin rule. The personalization of politics, according to Dolidze (2017), was also facilitated by a process of deinstitutionalization that took place in the final years of the USSR (Dolidze, 2017). With the decline of institutional control, the factor of personality came to the fore, becoming central to political mobilization and crowding out political institutions, including political parties. In the second half of the 1980s, Georgia saw a step-up in the national liberation movement which was associated with the names of concrete dissidents. Zviad Gamsakhurdia gained great trust in society and, owing to his charismatic personality, earned mass voter support, winning the 1991 presidential election by a landslide.

Political processes were further personalized during the rule of every subsequent government. Eduard Shevardnadze, who returned to Georgia after the overthrow of Gamsakhurdia and the ensuing civil war, managed to abolish the military council, and then monopolize absolute power. Shevardnadze was not a charismatic leader in the classical sense, but his political past ensured the concentration of power around him. The experience and contacts he developed throughout his long political career helped Shevardnadze consolidate authority and form his own political party, the Union of Citizens, which maintained a monopoly on political power for two consecutive terms (1995-2003).

Subsequent governments were not exceptions to the rule either. The 2003 Rose Revolution brought the United National Movement and its charismatic leader, Mikheil Saakashvili, to power. Like his predecessors, he also succeeded in monopolizing all political power. In the 2012 elections, the UNM lost to a newly-established political party, the Georgian Dream, and moved to the opposition, but even after nine years in the opposition, the loyalty of UNM supporters is still determined by Saakashvili's continued active engagement in politics and their emotional link to him.

One of election promises of the Georgian Dream in 2012 was to put an end to leader-centered politics, but its existence and further development fully depended on the political and financial capital of its leader, Bidzina Ivanishvili. After almost a year in power, Ivanishvili formally stepped down as prime minister although informally, he continued to run the country from behind the scenes. According to various international organizations and independent experts, Ivanishvili continues to wield decisive influence and be consulted by high-level officials on every important issue. Ivanishvili decides who to appoint to various positions (Georgia's bumpy road to democracy: On track for a European future? 2021, European Union). During times of acute political crisis or when the party's ratings fall before important elections, Ivanishvili has come out from behind the scenes and engaged in the political processes to mobilize voters. A classic example was the 2018 presidential elections when the ratings of Georgian Dream-backed candidate, Salome Zurbishvili, were extremely low and the likelihood that the opposition candidate would win the elections was high. Ivanishvili stepped in to ensure her success. He also became actively engaged in the summer of 2019, when the Georgian Dream faced an acute political crisis after police used disproportionate force to break up an anti-occupation demonstration and sparked a strong public protest. Demonstrators demanded the resignation of the Interior Minister, the release of political prisoners and changes to the electoral system. To defuse the political crisis, Ivanishvili announced that the 2020 parliamentary elections would be held under a fully proportional electoral system, thereby gaining time and easing the protest. During the 2020 parliamentary elections, Ivanishvili still chaired the political party, but he refused to be put on the party list of candidates. This legacy underscores the continued practice of

leader-centered politics in Georgia and informal governance within the ruling party.

The personalization of politics is characteristic of opposition political parties as well as the ruling party. A classic example is the 2020 election. Nine political parties cleared the 1% election threshold. In eight of those parties (Georgian Dream, the UNM, Lelo, Third Force (former the Strategy Agmashenebeli), Girchi-More Freedom, Citizens, European Georgia, and Labor Party) the processes of policy elaboration and decision making are heavily influenced by a single leader. Voter trust in any of those parties is determined by an emotional link with its leader. Only two political parties are exceptions to the rule: Girchi and the Alliance of Patriots, which have two formal leaders instead of one (Girchi: Iago Khvichia and Vakhtang Megrelshvili; Alliance of Patriots: Davit Tarkhan-Mourvai and Irma Inashvili).

The trend of personalization has also been confirmed by sociological surveys. Public opinion polls conducted by the International Republican Institute (IRI) suggest that throughout 30 years of independence, the personalities of leaders rather than party ideologies or programs have been a decisive factor for voters. For example, in 2005, as many as 60% of respondents cast their votes in the elections for an individual rather than a political party. Although that share has decreased over time, opinion polls still show that respondents maintain a more favorable attitude toward the leader than the party.

Public opinion polls in 2021 show a lack of trust in the Georgian political party system. Only 27% of respondents positively evaluate the work of political parties, compared to 62% who think the opposite. Political parties are ranked the second least trusted institution, scoring above only trade unions out of the 17 institutions included in the survey. Compared to political parties, most respondents have a higher trust in the government (45%), the parliament (42%), the prime minister's office (53%), the president's administration (33%) and courts (30%). The situation is especially grave when it comes to evaluating the openness and transparency of political parties, which scored a near zero in the poll. According to the Chavchavadze Center's "Intra-Party Democracy in Georgia" study, 31% of respondents rate the transparency of party practices as very weak (Ger-

samia et al., 2020). The personalization of Georgian politics is also clearly seen in respondents' evaluations of political figures. Apart from the Patriarch of the Georgian Orthodox Church (trusted by 89% of respondents) other popular public figures include party leaders whose individual rankings often exceed the rankings of their respective political parties. For example, one of the leaders of European Georgia, Davit Bakradze, was positively evaluated by 52% of respondents whereas his party received just 3.7% of votes in the 2020 parliamentary elections. The same holds true for the Strategy Aghmashenebeli (3.15%), Lelo (3.15%), Citizens (1.33%), Girchi (2.9%), the Alliance of Patriots (3.15%) and the Labor Party (1%). The personal rankings of their respective leaders is much higher (Giorgi Vashadze – 29%, Shalva Natelashvili – 27%, Mamuka Khazaradze – 26%, Aleko Elisashvili – 26%, Zurab Japaridze – 21%, Irma Inashvili – 21%) than the rankings of their parties. It must be noted that the rankings of particular leaders differ from the rankings of political parties and it would be incorrect to directly compare them. Nevertheless, these public opinion polls reflect the trend that some political leaders rank significantly higher than their respective political parties (Public opinion survey: Residents of Georgia, February 2021, IRI).

Surveys conducted by the National Democratic Institute (NDI) also show the leader-centered approach. According to an NDI opinion poll conducted in June 2017, as many as 75% of respondents said that trust in a particular leader is the most important factor determining their political preferences. Just 49% considered the party program important (NDI, Public Attitudes in Georgia, results of June 2017 survey, pp. 35-39). The NDI's December 2019 survey asked respondents to name the factors that determine their choice of a political party. The largest group, 36%, said trust in a particular representative/leader of a party was the major factor, compared to 25% who said it was a political party's program. The past activity of a party was named by 17% of respondents (NDI, Public Attitudes in Georgia, results of December 2019 survey, pg. 66).

The best example of the leader-centered approach and lack of intra-party democracy is how a party selects its leader/general secretary. According to Hazan & Rahat, the degree of intra-party democracy is largely deter-

mined by how leaders are selected. They distinguish five basic scenarios that range between exclusiveness and inclusiveness. The most inclusive is when every citizen, regardless of party membership, participates in the selection of the leader. In a highly inclusive system, the leader can be selected by all party members. Moderate inclusiveness implies that the leader is selected by members' representatives or delegates. In exclusive systems, the selection is made by the party elite and, in the most exclusive case, by a single leader. In Georgia, most party leaders are selected using a highly exclusive method. In the best-case scenario, parties use a medium level of inclusiveness to select their leaders.

The practice is evident in the official statutes of Georgian political parties. In almost all cases, the highest governing body, in most cases a political council or a party congress of the party, selects the leader/chair/general secretary of a party. Party lists are also compiled in an extremely nontransparent way, with a small group of elites deciding exclusively. As a rule, party leaders top the lists and it is very difficult for rank-and-file members to nominate themselves as candidates. As result, in the best-case scenario Georgian political parties use a system of delegates to make decisions, which is inherently non-inclusive. This practice disengages ordinary party members from political processes; often they do not even know who selects party leaders and according to what criteria.

To sum up, the Georgian party system is extremely underdeveloped because of a combination of various factors (embryo stage of parties, few active members, extreme centralization and leader-centered approach and the extremely weak links between parties and constituents). The deficit of intra-party democracy is largely caused by the leader-centered approach. In the country's 30 years of independence, Georgian political parties have been established not around ideologies but around particular leaders and they disintegrated shortly after losing elections. As the political process is personalized, decision making within a party is monopolized by a single leader or a small group of leaders. In the existing model, power is distributed top-down with limited involvement from ordinary party members. This practice undermines voters' trust in political parties as institutional actors. Accordingly, the party system remains at a rudimentary stage of development and the degree of intra-party democracy is extremely low.

## Chapter III

### III.1. Impact of party finances on the deficit of intra-party democracy

The classical model of party finances formed in the mid-19<sup>th</sup> century when the modern process of establishing political parties began. According to Petak and Matakovic (2015), party finances, in the narrow sense, mean funds spent on election campaigning alone, whereas in the broader sense, it also includes funds for supporting operational, educational and regular functions. Regulating party finances is the key challenge to the effective operation of modern political parties (Petak & Matakovic, 2015).

Many researchers of intra-party democracy have observed that links between constituents and parties have notably weakened in the past few decades, which, among other factors, is caused by harmful party financing practices. In Heywood's view, political parties are the main agents of democracy (Heywood, 2013) and as such they play a vital role in the democratization of every state. Over the past few decades, election campaigning costs have increased, which has notably heightened political parties' dependency on financial resources. Therefore, the improper regulation of finances may endanger the development of intra-party democracy (Petak & Matakovic, 2015).

Three party financing models are currently practiced worldwide. The most common method is the state allocating resources to eligible political parties. The main reason for introducing budget funding is to create an even playing field for political parties as under this model all eligible parties receive funding, not only those that have wealthy donors. Nevertheless, in Snipe's view (2003), the centralized allocation of state subsidies poses several serious challenges to the development of intra-party democracy:



1. Increased party dependency on state (government) financial resources;
2. Decreased party financial transparency if the budget assistance is provided without any financial obligations. In such a case, voters' trust in political parties declines as they do not know how the party spends its financial resources;
3. Increased estrangement between society and political parties because political parties do not need as much support from citizens to obtain basic funding;
4. Forced distribution of taxpayer money to parties they do not support;
5. Encouraged party centralization because a particular leader or a small group of leaders get control over financial resources (Snipe, 2003).

The second basic model of party financing involves membership fees and individual donations. Over the past several decades, the share of membership fees in total party income has significantly declined while the share of donations increased. The increased cost of election campaigning has forced political parties to receive contributions from large donors (Snipe, 2013), thereby providing donors with a strong lever to influence party policy and decision-making processes. After winning an election, the main objective of political parties, as a rule, is not to deliver election promises, but rather to pay back donors. As a result, political parties become non-inclusive and oriented on the political or financial interests of particular individuals, which eventually ends up in a situation where decisions within a party are made by the leaders while ordinary party members are relegated to a nominal role in the elaboration of party policies (Ward et al., 2003).

The third and the least common model of party financing is popular funding which implies the direct financing of parties or individuals by voters. According to Ward (2003), this method of financing is extremely effective because it: 1. Decreases the dependence of parties on budget resources;

2. Prevents large donors from wielding influence on decision making within parties; and 3. Increases the degree of political parties' accountability to their bankrollers, which boosts voters' trust in parties and individual candidates (Ward et al., 2003).

Every party financing model has its own shortcomings. In the absence of democratic standards, the budget method, especially, individual donor financing, is problematic as it deepens the inequality between political parties, which mainly manifests in a disproportionate distribution of financial resources between the ruling party and the opposition parties. In this case, all financial power is concentrated in the hands of the ruling party while opposition parties are weak and unstable. Raising financial resources is an existential issue for them and, in order to prolong the life of the party, leaders often agree to receive illegal donations.

An uneven political playing field is also created through financial barriers for opposition parties. Some countries set a high financial requirement for political parties and candidates to stand for elections, which they cannot meet due to scarce resources. These types of financial barriers are advantageous for wealthy political parties or candidates (Ward et al., 2003).

Party finances often encourage corruption. A key incentive for a rather large segment of people engaged in politics is not to implement the mandate granted by constituencies but to obtain financial gain, which increases the chances that politicians will engage in illegal deals. According to Larry Diamond (2003), "In a context of rotten governance, individuals seek governmental positions in order to collect rents and accumulate personal wealth" (Diamond, 2003). Consequently, a harmful practice of party financing creates numerous challenges to effective intra-party democracy, including party corruption, lack of transparency within parties, exclusiveness and a high degree of party centralization.

To avoid these risks, most countries drafted financial regulations to increase the accountability of political parties, restore links between parties and society and reinforce internal democracy within parties. According to Petak and Matakovic, the regulation of party finances may pursue four main goals:

- Prevention of abuse – aimed at preventing party corruption and establishing “clean politics;”
- Strengthening of fair political competition – political parties must have an opportunity to engage in fair competition as it is one of fundamental principles of multiparty democracy;
- Empowerment of voters – financial activities of political parties must be fully transparent so as to make it easier for voters to make a choice among various parties;
- Strengthening of political parties – aimed at enhancing the role of political parties as effective democratic actors, which will restore trust between voters and political parties (Petak & Matakovic, 2015).

Several key practices have been established to control party finances and they are intensively used by most countries. To improve intra-party democracy, there is an obligation to disclose financial transactions, which means reporting the incomes, expenses and assets of political parties (Ward et al., 2003). As recommended by the International Foundation for Electoral Systems (IFES), political parties must prepare annual reports that include all relevant financial information. The reports must be submitted in a timely manner and be publicly accessible. Financial transparency must be ensured in centralized as well as decentralized parties to enable party supporters to learn how party finances are spent by the central office and regional offices (Bértoa & Teruel, 2017). Publishing political parties’ financial transactions improves intra-party democracy because: 1. Voters know how party finances are spent and this automatically increases trust in parties; 2. Control of financial transactions increases the accountability of political parties; and 3. Parties become more decentralized.

The effective control of party finances requires the establishment of a strong and independent monitoring institution; however, the institution can only function if the government respects the autonomy of the institution and ensures the transparency of the electoral process (Pepera et al., 2001).

According to Bértoa and Teruel, most countries apply administrative fines for violations to the law on party funding. The second most popular type of sanction is the suspension/loss of budget funding. The duration of this sanction may range from one month (Belgium) to one year (Germany, France, *etc.*). In extreme cases, the illegal use of public funds and acceptance of illegal donations may lead to criminal charges and result in imprisonment (Bértoa & Teruel, 2017).

Many countries have set limits on donations to ensure the higher financial accountability of political parties. This approach implies certain restrictions on donor contributions to reduce the influence of large donors on party politics (Ward et al., 2003). Some countries have even tougher regulation of party finances and even ban financial contributions from certain individuals and groups, especially foreign companies. A classic example is the United States of America where foreign nationals and companies are prohibited from funding electoral subjects on both the state and federal levels (Ward et al., 2003).

Yet another method of regulating party finances is the limits on party expenses, which aims to decrease campaigning costs and ensure an even playing environment. However, setting an unreasonably low limit on spending is counterproductive because it increases the probability of parties making corrupt deals (Ward et al., 2003).

## III.2. Party funding in Georgia – key challenges

Regulations on political finances in Georgia are defined in the organic laws on Political Associations of Citizens, and Election Code as well as the laws on the State Audit Service, General Administrative Code, and Administrative Offences Code (Chikhladze & Natroshvili, 2019). According to the legislation, there are six sources of funding for political parties in Georgia:

1. Budget funding – according to Article 30 of the Law on Political Associations of Citizens, budget funding should be received by every political party that has cleared the election threshold in the

most recent parliamentary election and musters at least 1% of votes cast in the election. The size of funding is determined by the number of votes received by a party. Every political party will receive GEL 15 for each vote within the limit of 50,000 votes and GEL 5 for each additional vote (Article 30 of the Law on Political Associations of Citizens, 2019);

2. Membership fees – the share of party membership fees in the total funding has been decreasing every year. In Georgia, political parties are entitled to individually set minimum monthly membership fees, while the maximum allowed annual fee is specified in the law and it should not exceed GEL 1200 (Article 27 of the Law on Political Associations of Citizens, 2019);
3. Donations - the second main source of income for political parties, after budget funding, is private donations (41% of total income). According to the Law on Political Associations of Citizens, private donations are monetary funds, as well as tangible or intangible assets received by a party from a natural or legal person free of charge, at discounted prices or on concessional terms (Article 25 of the Law on Political Associations of Citizens, consolidated version, 2019). Donations during a calendar year shall not exceed GEL 60,000 for a natural person and GEL 120,000 for a legal person. The law prohibits the acceptance of donations from natural and legal persons of foreign countries, state bodies, nonentrepreneurial legal persons, religious organizations and stateless persons (Article 26 of the Law on Political Associations of Citizens, 2019);
4. Gender quotas – according to the law, every political party that has every third candidate of a different sex in the party list receives a 30% addition to the basic budget funding (Chikhladze & Natroshvili, 2019);
5. Targeted funding for TV advertising and free political advertising in the election year – apart from direct funding, political parties also receive indirect subsidies from the state. These include political advertising and free airtime for that advertising. According to

the law, during the election campaign, the national broadcasters must allocate 7.5 minutes every three hours for the advertisements of qualified electoral subjects (Chikhladze & Natroshvili, 2019). Furthermore, political parties that cleared the threshold in the elections receive an annual targeted funding for TV advertising, which should not exceed GEL 600,000;

6. Bank loans – according to the Law on Political Associations of Citizens, political parties may take loans from commercial banks operating in the country. Each party may take a loan of up to GEL 1 million a year (Article 25 of the Law on Political Associations of Citizens, 2019).

The law on distribution of budget allocations to political parties in Georgia was adopted in 1997; since then, it has been amended several times. Until 2020, qualified political parties were eligible for funding even if they failed to clear the threshold in parliamentary elections. However, the law was amended in the summer of 2020 to limit the number of parties eligible for budget allocations to those which garner at least 1% of the votes in parliamentary elections (Changes in election and political party legislation do not meet democratic standards – Transparency International Georgia, 2020).

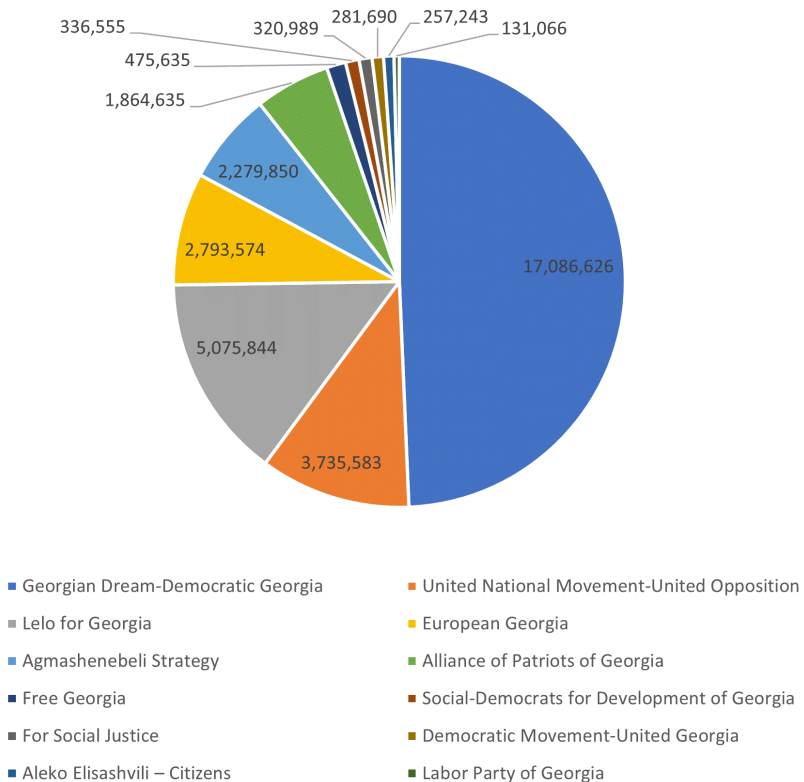
The existing model of political funding in Georgia creates several key challenges including an uneven playing field; small political parties' heavy dependence on budget allocations; lack of financial transparency; corrupt funding schemes and finances of unknown origin such as uncontrolled donations of suspicious nature (third-party funding); and the absence of effective mechanisms to control the flow of money.

The first challenge, dependence of political parties on budget allocations, gives the ruling party a political lever against opposition parties. A classic example is the 2020 parliamentary elections, when the opposition boycotted the election results and refused to take their seats in the parliament. This strategy enabled the ruling party to threaten political parties to pull their budget funding if they refused their parliament seats.

The financial inequality of political parties, including the disproportion-

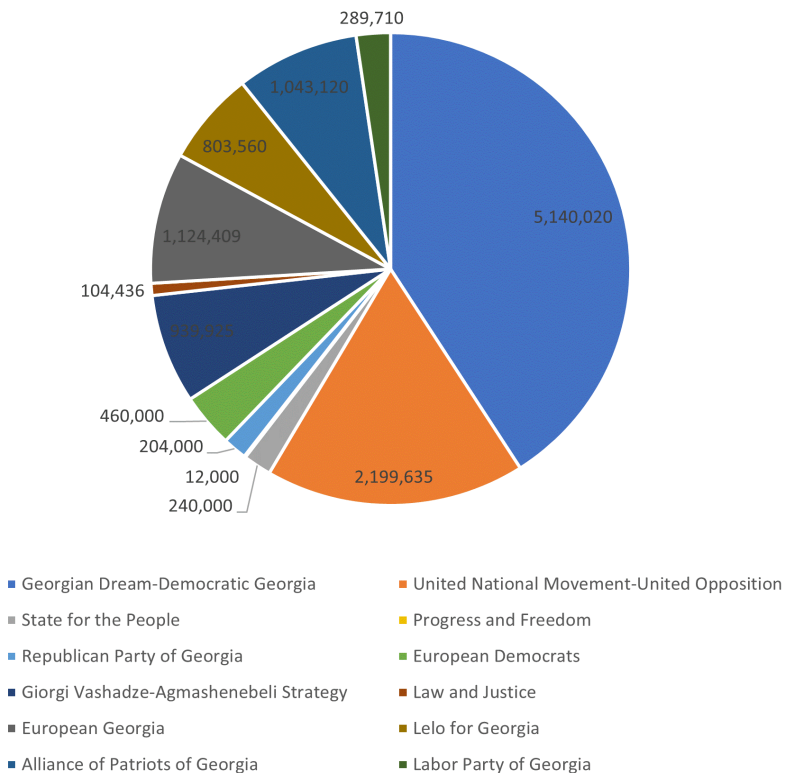
ately large donations received by the ruling party compared to those received by other parties, is another serious problem. A study by Transparency International Georgia found that out of the 48 political parties registered for elections, only 29 received donations. Out of the total sum of donations — GEL 35,376,394 — GEL 17,086,626 (48%) went to the ruling party, Georgian Dream-Democratic Movement, GEL 5,075,844 went to Lelo and GEL 3,735,583 went to the electoral bloc United National Movement-Strength in Unity. The Georgian Dream received nearly three times as many donations as Lelo, the second party by the size of donations, and twice as many as the sum of donations to all remaining 27 political parties (Funding of the 2020 Parliamentary Election Campaign, Interim Report, Transparency International Georgia). In an unequal political environment,

**Diagram №1 - Donations to political parties in 2020 (GEL)**



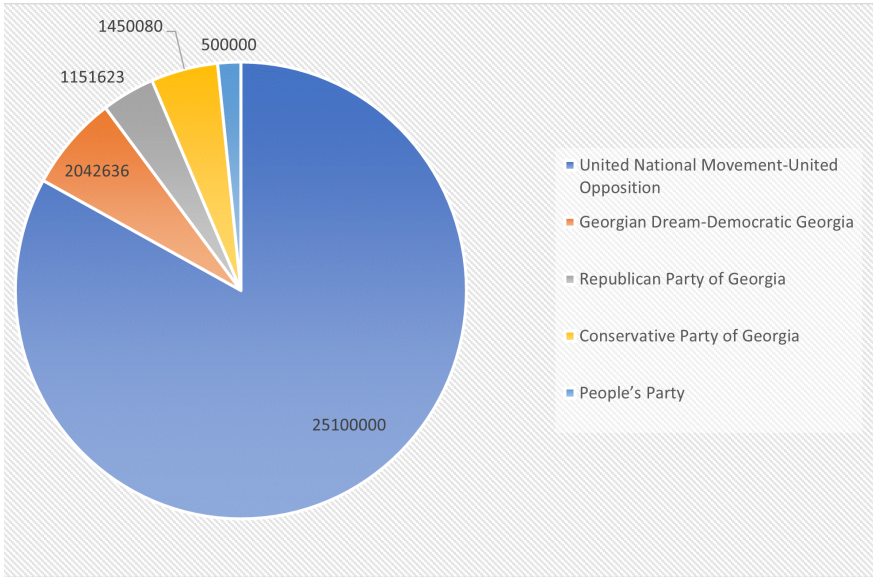
weaker political parties fail to raise the funds they need to operate, making them more vulnerable to corruption. The lack of a competitive political environment allows the formation of a single-party governance which significantly impedes political pluralism. Conversely, when political parties are financial transparent and operate on a somewhat even playing field, competition between a ruling party and opposition parties increases, leading to stronger democracy in the political system.

**Diagram №2 – Budget funding to political parties in 2020 (GEL)**

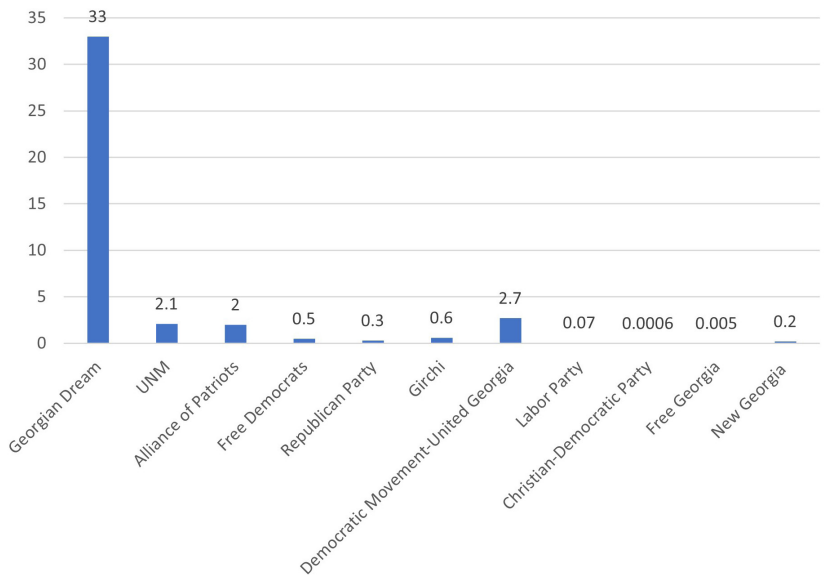




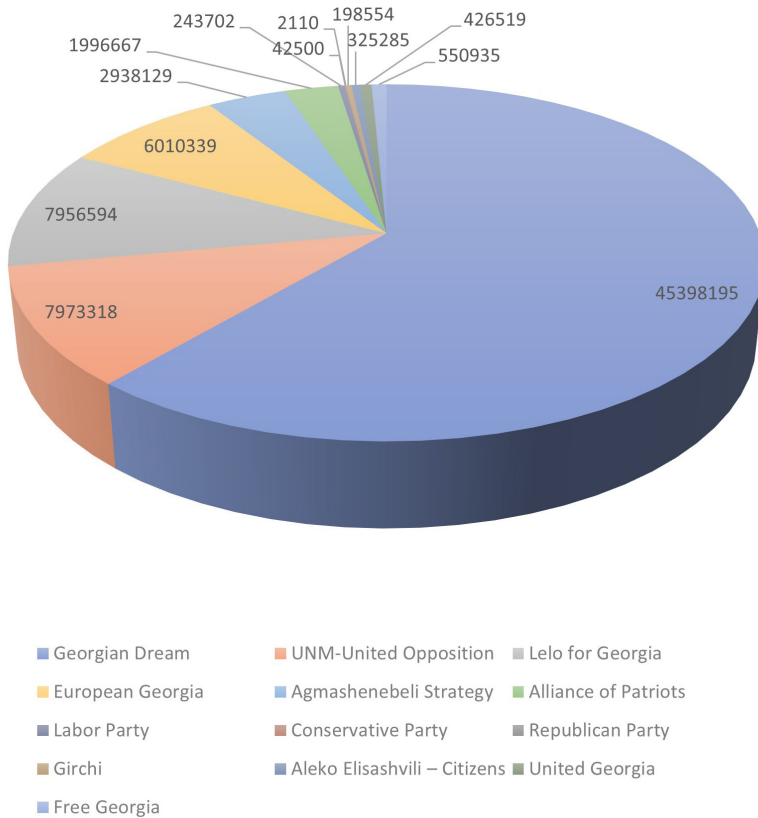
**Diagram №3 – Donations to political parties in 2007-2012 (GEL)**



**Diagram №4 – Donations to political parties in 2013-2016 (Million GEL)**



**Diagram №5 – Donations to political parties in 2017-2020 (GEL)**



The data provided in the diagrams illustrates the inequality between Georgian political parties. Compared to opposition parties, the ruling party receives a disproportionately large volume of funding from budget allocations and private donations. Diagram №2 shows that following the 2020 elections, 12 political parties received the status of qualified political subject. Under the existing model of allocation, the funding of the ruling party in 2021 was set at GEL 5.1 million while the remaining 11 opposition parties received a combined total of GEL 7 million.

Financial inequality between the ruling party and opposition parties is especially conspicuous when it comes to donations. Diagram №3 illustrates

that, in 2007-2012, the then ruling party, the UNM, received almost five times more donations than all other opposition parties combined. This trend continued after the change of power, as illustrated in Diagram №4 and Diagram №5: from 2013 and 2020, the Georgian Dream received GEL 80,652,126 in donations compared to the GEL 12,003,618 donated to the largest opposition party, the UNM. This data shows that the loss of political power in Georgia results in a substantial loss of donations too, which indicates that large contributors, whose primary interest is to maintain their financial stability, bankroll political parties for their own financial benefit, not out of ideological considerations.

The current model of funding increases the risks of corruption especially on the part of the ruling party which has the possibility to strike deals with donors by offering economic benefits in exchange for party donations, such as awarding contracts through tenders or simplified public procurements. Transparency International Georgia identified all the natural or legal persons who donated to the ruling party in the period from January 1 to October 1, 2020. According to the interim report, the companies that financed the ruling party during that period were awarded public contracts worth approximately GEL 47 million via tenders in the same period (Funding of the 2020 Parliamentary Election Campaign, Interim Report, Transparency International Georgia). Furthermore, the companies whose managers donated a total of GEL 2.2 million to the ruling party received simplified public procurements worth GEL 3.8 million before October 1, 2020 (Funding of the 2020 Parliamentary Election Campaign, Interim Report, Transparency International Georgia). Such deals lead to questions about the political and financial transparency of political parties. Are tenders or simplified public procurement competitions conducted fairly? Why are these competitions won mainly by individuals and companies who have close ties with the government? Are there deals struck between natural/legal persons and government/government representatives? Under the existing nontransparent funding model, the political parties (and particularly, the ruling party) have a possibility to bypass legislative restrictions and engage in corrupt transactions in order to receive funds. It is not surprising that under the dominance of a single party, businesses donate money to the government to gain favor because otherwise their very

existence may be at risk. A single-party model fosters financial non-transparency and significantly increases the chances of political subjects cutting corrupt deals.

The third main problem with the Georgian party funding model is the absence of effective mechanisms to control finances. Every political party that clears the election threshold receives funding, but the state does not impose any obligations on them. In democratic countries, political parties assume obligations when they receive budgetary funds. This is a common practice in Europe. Some European countries allocate financial resources to political parties for specific purposes, for example, to cover election campaigning costs (Hungary, Monaco), ongoing party activities (Serbia, Slovenia), promote women's involvement (Finland), carry out research (Greece, Poland) or engage youth in political processes (Ireland) (Bértoa & Teruel, 2017).

The lack of obligations for political parties in Georgia encourages corruption and decreases the financial transparency of parties because the resources are in the hands of specific party leaders who decide how to spend them.

Another factor encouraging party corruption is the absence of an effective mechanism to control compliance with the law. The State Audit Office is responsible for examining political parties' finances but it is ineffective at combatting party corruption as it lacks mechanisms to enforce the law. The 2020 report of OSCE/ODIHR states while the State Audit Office's mandate has been strengthened, the number of political parties standing for elections has also notably increased to over 200, making it more difficult for the institution to conduct meaningful and comprehensive oversight. As a result, the State Audit Office is largely limited to following up on obvious violations rather than preventing corruption and conducting political oversight because it lacks the power for investigations into potentially serious and systemic abuses. Thus, the limited mandate of the State Audit office and lack of authority to apply sanctions makes party finance oversight difficult (Election Observation Mission, Georgia Parliamentary Elections, 31 October 2020, OSCE ODIHR report). For comparison, many countries have a special institution vested with power to investigate; they

are allowed to request relevant information and if abuse is identified, they can impose sanctions on political parties or individual party members. The absence of an effective enforcement mechanism poses a serious challenge to ensuring the transparency of political party finances in Georgia.

To summarize, it could be said that due to their dependence on budget financing, Georgian political parties remain in the embryonic stage of institutional development and often stoop to receiving illegal financial resources. Even a quick glance at party donations shows that the amount of donations sharply increases in the run-up to elections. In that period, large contributors often include party leaders, their relatives, friends or other people from their social circle whose incomes are much smaller than the contributions they make (The funding of Georgian Dream significantly exceeds the funding of other political parties, 2017, Transparency International Georgia). The sharp difference between incomes and donations is officially explained as savings, though in reality, those are often illegal monies laundered with the help of coterie of party leaders' associates. The absence of specific budget obligations fosters the centralization of political parties, which means a central governing body controls party finances and regional organizations are forced to spend money as instructed by the central governing body instead of according to their needs. In addition, the ineffectiveness of financial control arrangements and the lack of financial transparency cultivate an extremely exclusive environment within political parties where the entire power (including financial) is concentrated in the hands of a small circle of leaders. As a result, party members have no influence on the spending of party finances and even more so, do not know how the party spends its money. All these problems are characteristic of both large and small political parties, significantly impede the development of intra-party democracy in Georgia and undermine voters' trust in political parties.

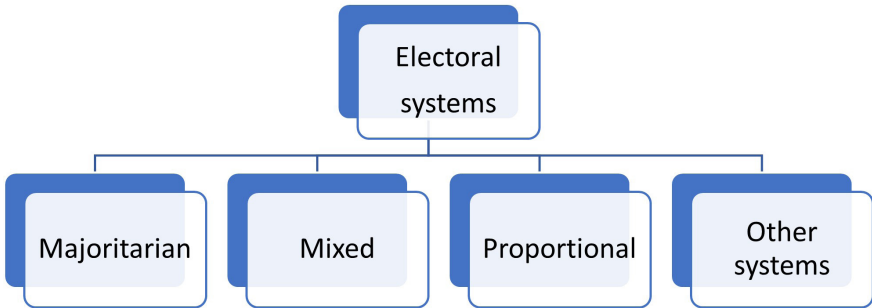
## Chapter IV

### IV.1. Impact of electoral system on intra-party democracy

Electoral systems affect some key aspects of intra-party democracy such as the decentralization of political parties and the inclusiveness of the process of selecting candidates. A regional, proportional electoral system can play a significant role in decentralizing political parties. The rule of preferential voting enables voters to choose among political parties and ensure intra-party competition. The electoral system that has taken shape in Georgia since the country's independence — a closed list system under a proportional segment of the mixed electoral model — has encouraged the establishment of extremely centralized political parties in the country, where parties' rank-and-file members and supporters are virtually excluded from the selection of candidates. In addition, the selection of candidates under a majoritarian segment of the mixed model also lacks inclusiveness.

Various electoral systems affect intra-party democracy in different ways. In proportional electoral systems, the most conducive systems to intra-party democracy are those that allow voters to select their favorite politicians from among the candidates proposed by a political party. In this regard, the rigid list system used in Georgia creates an insurmountable barrier between voters and political parties as voters have no other option but to endorse the list of candidates proposed by a political party regardless of whether they favor the electoral list defined by a political party.

**Figure 1. Classification of electoral systems**



As depicted in Figure 1, there are four main groups in electoral systems: majoritarian, mixed, proportional and other systems. These systems include numerous different electoral systems.

**Figure 2. Majoritarian electoral systems**

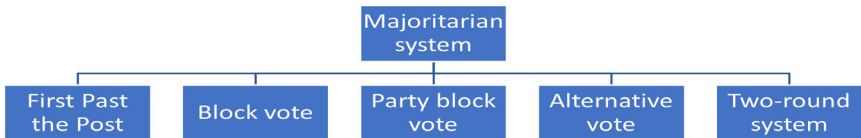


Figure 2 shows majoritarian electoral systems which can have a positive effect on the development of intra-party democracy. Multi-member majoritarian districts mainly use block voting and party block voting systems. In block voting, voters have as many votes as there are candidates to be elected in their districts. For example, in a seven-member district, political parties can nominate seven candidates and voters can vote for seven politicians. The seven candidates with the most votes win the mandates. Under this system the voters can, theoretically, distribute their votes among candidates of various political parties, which means that out of the many candidates nominated by a political party, only those who receive the most votes will be elected to office. It should be noted that block voting

has serious disadvantages; in particular, under this system, like the first past the post system, mandates are distributed disproportionately. Theoretically, this system could have a positive effect increasing voters' influence on intra-party competition. In practice, however, voters may cast all their votes for the candidates of a single party. This practice often endangers the democratic functioning of a parliamentary system as almost all seats are gained by the winning party. The party block voting system has a similar disadvantage as voters in a multi-member district vote for party lists but, unlike the proportional representation system, mandates are not distributed proportionally and the party that wins takes all the seats. Fifty percent plus one vote is enough to gain 100% of seats in a district. In contrast to the block vote, the party block vote is not even theoretically conducive to inter-party democracy. Despite serious disadvantages, in the majoritarian system, the block vote is the only one that allows voters to influence intra-party competition.

**Figure 3. Proportional electoral systems**

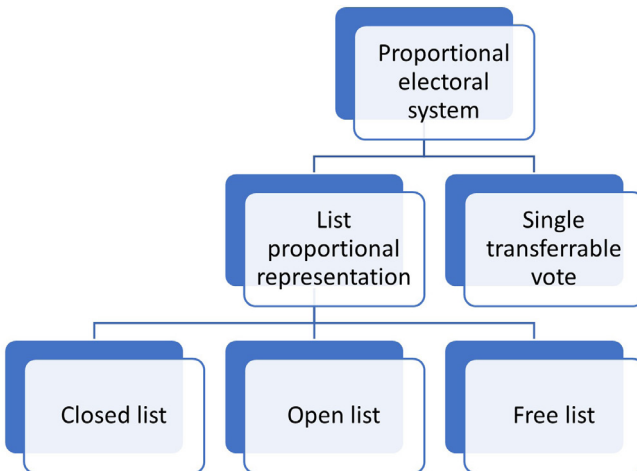


Figure 3 shows the varieties of the proportional electoral system grouped into two main systems: list proportional representation and single transferrable vote. List proportional representation includes three options of

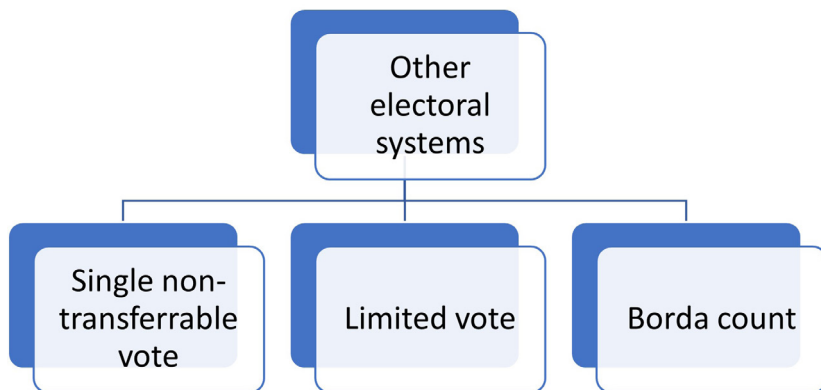


electoral lists — open, closed and free lists (Reynolds et al, 2005). The closed list system is the only proportional electoral system that does not have a positive impact on intra-party democracy. All other systems offer voters a lever to influence the selection of candidates in a party.

The single transferrable vote system is used in multi-member electoral districts and allows voters to rank candidates in order of preference on the ballot. This implies arranging candidates in rank order. When counting the results, the electoral quota, *i.e.*, the minimum number of votes required for the election of a candidate is determined, first, and then, the first-preference votes are counted and the candidates that garnered the number of votes corresponding to the quota are elected. In case of undistributed mandates, the surplus votes of elected candidates (*i.e.*, the votes above the quota) are redistributed according to the second preferences on the ballot. Under this system, high party officials are not the only ones with the power to select candidates as voters can express their preferences by assigning rank order to candidates from any party, even internally undemocratic political parties.

Under the list proportional representation system, voters influence the selection of candidates through open and free lists. In open list proportional representation systems, voters are allowed to vote for a party list as well as a particular candidate or candidates in the list. A greater freedom of choice is offered by panachage, *i.e.*, open lists that allow voters to select their favorite candidates from the party lists of several electoral subjects. Under a free list system, voter influence on the selection of candidates is high and elections enjoy inter-party and intra-party competition (Figure 4.)

From the electoral systems shown in Figure 4, the single-non-transferable vote and the limited vote are used in multi-member electoral districts. The Borda count may be used both in multi- and single-member electoral districts. All three are preferential electoral systems and may prove conducive to the development of intra-party democracy. Under the single-non-transferable vote system each voter casts one vote for a candidate in a multi-member district. The candidates receiving the highest vote gain the seats. Political parties can nominate as many candidates as there are members to be

**Figure 4. Other electoral systems**

elected in a district, but every voter can only vote for one candidate. The limited vote system applies a similar principle; the only difference was that voters have more than one vote but fewer votes than there are mandates to be distributed. Under the Borda count, voters express their preferences by ranking candidates (1, 2, 3, 4, *etc.*), and the winners are determined by the scores of candidates. A first preference is worth one score, a second preference is worth two and so on. The votes received by candidates are calculated based on this principle and the candidates with the lowest totals are elected. When used in multi-member districts, the Borda count, like other preferential systems, enables voters to exert some influence on internal party processes.

It is important to note that in most cases, rigid lists are used in mixed electoral systems, which cannot significantly influence intra-party democracy.

In addition to influencing the candidate selection process and intra-party competition, certain electoral systems can also contribute to the decentralization of parties, such as forming several multi-member electoral districts and introducing preferential voting rule. In preferential voting, links between party candidates and voters are critical. When authority is extremely centralized in political parties, it is more difficult for local voters to select candidates through electoral systems of regional

multi-member districts. Multi-member district systems with preferential voting increases the influence of ordinary party members and voters on the selection of candidates within parties and nudge parties towards decentralization. The selection of candidates and decentralization are key aspects of intra-party democracy.

## IV.2. Georgian electoral system and its impact on intra-party democracy

The electoral system in Georgia has undergone several changes since the country gained independence from the Soviet Union. The first parliamentary election in post-Soviet Georgia was held in 1992. That election, like the election to the supreme council in 1990, was conducted under a mixed electoral system although there were notable differences. In 1992, there were 10 multi-member districts created for a proportional segment of the mixed system, with a total of 230,000-250,000 voters. Every voter had three votes to express their preferences on the ballot. The 1992 election is the only time in the history of elections in independent Georgia when the regional proportional electoral system and preferential voting rule were applied. All subsequent parliamentary elections between 1995 and 2020 were conducted with the mixed system where under the proportional segment the voters in multi-member districts voted for lists proposed by political parties, *i.e.*, a closed list proportional electoral system. From 1995 to 2020 eight parliamentary elections were held with the same basic electoral system; the only changes were the number of members of the legislature, the ratio between proportional and majoritarian MPs and the election threshold, which fell from an extremely high 7% in the 1999 and 2003/04 elections to 5% in the 2008 election.

Significant changes to the Georgian electoral system were made by the parliament of the ninth convocation which, pursuant to constitutional amendments, approved the transfer to a fully proportional electoral sys-

tem starting in 2024. Electoral reform was sped up by anti-government protests, however and, in 2019, the parliamentary majority promised to apply it in the next parliamentary election, scheduled for 2020. However, it reneged on the promise, triggering a new wave of protests. Finally, with mediation from Western diplomats, the sides agreed to form a near-proportional system for the 2020 elections, whereby the number of majoritarian MPs decreased from 73 to 30 and the number of proportional MPs increased to 120.

During the political crisis that emerged after the 2020 election, debates around the electoral system restarted. To resolve the issue, the European Union brokered an agreement between a segment of the opposition and the government, whereby the next parliamentary elections would be held under the fully proportional system and, for the next two elections, the threshold should not exceed 2%.

Georgia's election laws had an adverse effect on the party system and intra-party democracy in three ways: 1. The mixed electoral system with the proportional segment practicing closed lists led to sidelining ordinary party members and supporters from the selection of candidates. Had the preferential voting rule been introduced, voters would have been able to select their favorites from among the candidates proposed by a political party, thereby increasing the inclusiveness of selecting candidates for public offices as well as strengthening the influence of rank-and-file members and supporters on the leaders and governing bodies of political parties; 2. The single multi-member district system in the proportional segment enhanced the centralization of political parties in Georgia. An analysis of the political parties established since the independence of Georgia showed that they are extremely centralized. A regional-proportional electoral system would have naturally provide parties with incentives to decentralize; 3. The mixed electoral system and high threshold set in the proportional segment hindered the formation of political parties and a stable party system. The best practice for establishing a smoothly running party system in new democracies is a fully proportional electoral system with a low threshold which enables political parties with scarce resources to make it into the legislature and develop. In Georgia, the introduction of such elec-

toral system was blocked by the ruling party and large opposition parties as they feared the emergence of competitive political parties. Thus, there has always been little support for root-and-branch reform of the electoral system in Georgia.

Based on several factors, the most optimal electoral system for parliamentary elections in Georgia is a regional proportional electoral system with open list proportional representation. This system will, in addition to strengthening intra-party democracy, facilitate the establishment of a proper party system. As for municipal elections, a more radical step would be introducing a free list proportional representation system to elect candidates to self-governing bodies.

## Chapter V

### V.1. Georgian legislation and internal structure of political parties

As noted above, after WWII, Europe began to regulate political parties through legislation. Provisions about political parties also appeared in national constitutions and the pioneers of the process were new democracies such as the Federal Republic of Germany and Italy, who went back to a democratic order after the demise of autocratic regimes. In the second half of the 20<sup>th</sup> century, autocratic regimes in Europe were gradually removed and countries went through the process of democratization. The regulation of political parties played a central role in this transformation, since political parties represented vitally important actors of democracy and their establishment, development and the formation of internal party structures could be obstructed in a number of ways in new democracies. Therefore, national constitutions and political party legislation in new democracies of Europe covered many issues, from party finances to intra-party democracy. Provisions concerning the regulation of political parties in the constitutions of Bulgaria, Croatia, Germany, France, the Czech Republic, Italy, Portugal, Poland, Spain, Switzerland, Romania, Ukraine and Hungary stipulate the necessity to defend democratic principles (Van Biezen, 2012, pg. 202), which means that they require political parties to ensure intra-party democracy. In the decades that followed, the process regulating political parties in new democracies extended to old, consolidated democracies too and provisions about political parties appeared in the national constitutions of countries such as France, Sweden, Finland, Switzerland and Luxembourg.

After the break-up of the Soviet Union, when Georgia gained independence and declared itself a democracy, it also introduced new regulations for political parties. However, considering the acute deficit of internal democracy in Georgian political parties, there is an obvious need to improve this legislation.

The Constitution of Georgia includes a provision that requires political parties to ensure intra-party democracy; in practice, however, that obligation is not fulfilled. The constitution reads:

“Article 3.

4. Political parties shall participate in the formation and exercise of the political will of the people. The activities of political parties shall be based on the principles of freedom, equality, transparency, and intra-party democracy” (Constitution of Georgia). This is the only reference to intra-party democracy in the constitution. Political parties in the country are mainly regulated by the Law on Political Associations of Citizens, which sets minimum standards of intra-party democracy to political parties. These minimum standards are easy to meet for any party, even a party that is consolidated around a single person and run by a single autocratic leader.

Article 2 of the Law on Political Associations of Citizens recognizes the vital importance of political parties for a democratic society. Article 3 of the same law sets out basic operational principles of political parties: a) the voluntary nature of joining and leaving a political party; b) independence and self-governance; c) electivity and accountability; d) the equality of parties before the law; and e) the publicity of the establishment and operation of a party. The legislation requires that statutes of political parties include the conditions and procedure for the admission and dismissal of party members; the rights and obligations of members; the organizational structure; the procedure for establishing its governing, executive and monitoring bodies, as well as the scope of their authority and the term of their office; the sources of obtaining the property and the procedure for using such property; the list of officials with general or special representative authority and the scope of such authority; and the procedure and conditions for making amendments and addenda to the statute.

The law also requires that political parties establish governing, executive and monitoring bodies. According to Article 17 of the law, a party congress is the supreme body of a party, which must be convened at least once every four years and attended by more than half of the party members or the representatives elected by groups of party members. A party congress shall be deemed duly constituted if more than half of the members or representatives of the party attend it. The law allows political parties to even hold a 200-representative-strong party congress once every four years, which cannot be viewed as a democratic practice.

The minimum legal requirements for political parties stop short of benefiting the development of intra-party democracy. As the past 30 years have shown, political parties fulfill the legislative requirements: they convene party congresses once every four years and set up executive and monitoring bodies within parties; however, they oppose the establishment of genuine democracy within the internal party structure.

In the West, political parties started working on intra-party democracy after the ties between them and their constituencies eroded and the trust in political parties plummeted. In Georgia, however, the growing lack of public trust in political parties and alienation from them—which has been observed among constituencies in Georgia and proved by sociological surveys for years—has not nudged political parties to develop intra-party democracy. Although voters are sending clear signals, one cannot discern any significant intra-party democracy reforms within political parties, which could be explained by a desire of party elites to maintain power and control over financial resources.

Thus, in terms of political party regulation, the Georgian legislation has serious shortcomings. Holding party congresses every four year, as prescribed by the Georgian legislation, does not produce tangible results for the development of intra-party democracy. Prior to 2018, until the head of state had been elected through general elections in Georgia, parliamentary, presidential and municipal elections were held every four years so it was possible for political parties to hold party congresses just once a term. This, however, means that party congresses are completely isolated from the process of candidate selection and lack inclusiveness. It is worth



noting that in 2013, the United National Movement attempted to introduce a practice of selecting a candidate through primaries but did not continue to develop or improve the practice. As a result, inclusive forms of candidate selection remain foreign to Georgian political parties and ordinary party members remain completely excluded from that process.

Imposing more legislative requirements on the role of supreme governing bodies in political parties may contribute to the development of intra-party democracy in the country. Increasing the frequency and competences of party congresses will improve the inclusiveness of decision-making processes within political parties, which is one of the components of intra-party democracy.

Inclusiveness alone is not a panacea for intra-party democracy. Georgian political parties represent a good example of that: even once-every-four-year party congresses serve to approve the decisions taken by party leaders, not involve ordinary party members in decision making. Thus, the frequency of party congresses within a four-year period is not critical. Inclusiveness alone does not make sense when a political party lacks a properly organized structure; the necessary and safe instruments for intra-party factions to express dissenting opinions; functioning mechanisms to nominate candidates for leadership or public offices; a healthy environment for healthy debates and discussions; and arrangements to check and balance intra-party bodies. Research into the statutes of Georgian political parties has revealed they lack all these components.

The study revealed that Georgian political parties do not develop intra-party democracy on their own initiative; it also identified external factors that hinder the development of intra-party democracy, most notably the electoral system and political party regulations. The impact of the electoral system on intra-party democracy and the financial regulation of political parties were discussed in separate chapters. Other critical components, such as the selection of leaders and related issues, are virtually ignored by the Law on Political Associations of Citizens. Although the constitution emphasizes that the activity of political parties must rest on principles of intra-party democracy, the Georgian legislation does not spell out what intra-party democracy means or which requirements must be met by po-

litical parties to comply with the principles of intra-party democracy. The minimal standards prescribed by the national legislation, which every party organization meets at least formally, have not produced any positive effect on the internal democracy within political parties. More stringent regulations, such as a higher degree of inclusiveness and transparency in the process of selecting leaders and candidates could facilitate the development of intra-party democracy in the country.

Regulation aside, one of the main causes of the deficit of intra-party democracy in the country is the lack a political will among leaders to ensure inclusiveness, transparency, pluralism, centralization and accountability in party activities. Interviews with political party members conducted by the Chavchavadze Center as part of the research for the study “Intra-Party democracy in Georgia,” revealed that party leaders are not only reluctant to develop intra-party democracy but actively fight against it. This attitude causes not only the lack of intra-party democracy, but also the institutional weakness of parties as political parties in Georgia usually only establish the intra-party bodies that are required by the law. Thus, the party statutes are mainly standard templates and an organizational structure that is built on such generic rules cannot be strong and effective.

The above conclusion follows from the study of statutes of political parties and the observation of party activities. Let’s discuss each of the political parties.

## V.2. Georgian Dream

According to the statute of the Georgian Dream, the political party’s supreme governing and representative body is a party congress with at least 300 delegates. Except for extraordinary congresses, a party congress is convened on the fourth anniversary of the election of the previous chairperson. Thus, the political party is required to hold a congress of the supreme body once every four years. The decisions taken by the delegates

are less inclusive from the perspective of intra-party democracy, especially when it comes to manning governing bodies of the party. Minimal standards of intra-party democracy require a higher degree of inclusiveness and involvement of ordinary party members in the decision-making process, but the statute of Georgian Dream ignores that. It could be said that the party congress, which despite the lack of inclusiveness remains the most democratic body within the Georgian Dream, is ceremonial and exists to comply with the minimal requirements prescribed by the law.

The most important decision the congress is involved in is the election of governing bodies of the political party: the chairperson, members of political council and members of the review commission. Candidates are nominated by the political council of the party. If, however, the political council fails to nominate the candidates, the offices are filled by the individuals nominated by at least one third of the representatives. The statute of the party falls short of fundamental principles of intra-party democracy as under the existing rules: 1. It is impossible for ordinary party members to be involved in the decision-making process; 2. A delegate-based party congress does not have a significant lever, delegates are not given the opportunity to hear from candidates with a variety of views and decide accordingly; 3. The process of electing leaders by party congress ignores the fundamental principles of election, the nomination of candidates for public offices is the exclusive right of the political council and the party congress participates in this process only if the political council fails to nominate candidates; 4. Rank-and-file members cannot nominate candidates because the statute does not provide for such arrangement; 5. Prior to a party congress, candidates for chairmanship, political council or review commission are not required to present their visions to ordinary party members and seek their support; and 6. There is an actually zero competition within the party and delegates do not have an opportunity to choose among candidates with different views.

The political council is the key decision-making body in the selection of candidates for elections. It approves the candidates or a list of candidates to be nominated. This model of decision making is clearly exclusive from the perspective of intra-party democracy. According to the ranking model

proposed by Hazan & Rahat, the selection of candidates for public offices is highly exclusive within the Georgian Dream because it is carried out by the political council alone. In addition, it is widely believed, both inside and outside Georgia, that the Georgian Dream—and the country—is informally run by one person (Georgia’s bumpy road to democracy: On track for European future? 2021, European Union), which is a gross violation of all democratic standards. Thus, the Georgian Dream, even according to its statute, experiences an acute deficit of intra-party democracy. Moreover, it should be noted that as the study of Chavchavadze Center, Intra-Party Democracy in Georgia, has proved, internal institutions of Georgian political parties are also of nominal nature and decisions are made by a very narrow circle.

### V.3. United National Movement

The supreme governing body of the United National Movement (UNM) is a party congress which is convened at least once every four years, as prescribed by the legislation. An extraordinary UNM congress may be convened: 1. By the political party chairperson; 2. By the chairperson of the political council; 3. At the initiative of 10% of party members; or 4. At the initiative of the political council. The political council determines the number of party members or delegates attending a congress as well as the rule on the selection of delegates. According to the statute, the prerogative of a party congress is to adopt the statute and make amendments and addenda to it; elect the chairperson of the political party, chairperson of the political council and the members of the political council and the review commission; make decisions on reorganization and liquidation of the party; and other topics envisaged by the legislation. At the same time, the statute does not spell out the ways and procedures to nominate candidates for the aforementioned party offices; nor does it specify who is entitled to nominate those candidates. All in all, an internal institutional deficit is apparent.

The statute of the UNM allows the practice of holding internal elections or primaries, however it is ambiguous about this procedure. The statute reads: “except for the cases specified in the statute, to determine a list of persons to be selected through intra-party elections (primaries).” There are no other references to primaries in the statute or clarifications about further procedures. Although the political council determines the list of persons to be selected via primaries, it is not clear what in particular “determining the list of people to be selected” implies. It leaves the impression that the process of selecting candidates for primaries is the exclusive right of the political council, which comprises a tiny segment of the party. It should be noted that the practice of selecting candidates through primaries was not maintained in the party and it proved to be a one-off exercise for the 2013 presidential elections. The statute does not provide the necessary instruments for ordinary members or other bodies of the party to nominate their candidates, which seriously harms intra-party democracy. The same holds true for the process of compiling party lists and selecting majoritarian candidates for elections of all levels, which is the competence of the political council.

The selection of leaders in the UNM deserves to be mentioned separately because in December 2020, the political party introduced the “unprecedented practice” of electing the party chairperson. According to the UNM’s statute, a party congress has the “exclusive prerogative” to elect the chairperson. Nevertheless, in December 2020, the party decided to elect the chairperson online to enhance the transparency, accountability and involvement of citizens in the process. The candidates nominated for chairmanship were Nika Melia and Levan Varshalomidze. They were officially selected by the political council of the UNM, which indicates that the process was exclusive. Thus, the procedure of electing a new UNM leader lacked inclusiveness, transparency and accountability from the very beginning. Moreover, it exposed yet again that a party congress that only functions to approve decisions taken prior to the congress is ceremonial and serves only to demonstrate that the party has a supreme body as required by the law. The electronic vote (the reliability of which with regard to authenticity of voter identities was questioned by party members and supporters) was won by Nika Melia, who was presented to the delegates

of the party congress on December 27, 2020, as the only candidate for chairmanship and elected unanimously. Thus, the decision was taken prior to the party congress and the delegates merely approved it although, according to the UNM statute, it was the “exclusive prerogative of party congress” to elect the chairperson.

Regarding the procedure of electronic voting, the votes were cast in a special Facebook group, which, to say the least, lacked the necessary security measures to ensure the secrecy of ballot, which, in turn, increased the probability of voter pressure. The spontaneity of the process also raises questions about the democratic nature of this novel enterprise. The UNM announced the new rule of electing a chairperson and nominated candidates on December 20, 2020, and voting started five days later. The rushed process fell short of democratic standards because party members did not have the possibility to listen to rivals, watch their debates, learn about their visions and make an informed choice. The quantity of voters is also important. Theoretically, votes could be cast not only by members and supporters of any other political party but also by foreign citizens and fake accounts, which raises additional questions about the security and reliability of the process. Considering these factors, one may say that the UNM’s “unprecedented practice” lacked democratic substance and exposed the weaknesses of the statute and internal structure of the political party.

The internal structure and decision-making processes of the UNM, much like the Georgian Dream, are inherently undemocratic. Decision making is exclusive in both political parties. These two political parties, the largest in Georgia, are still underdeveloped in terms of internal organization despite their long histories. Their statutes are largely standard and appear focused on meeting minimal legislative requirements, not establishing a properly functioning democratic organization, thereby pursuing the aim to maintain the undemocratic practice and power.

## V.4. Labor Party of Georgia

Much like other parties, the Labor Party of Georgia has governing, executive and monitoring bodies as required by the law. The supreme representative body of the Labor Party is a party congress which is convened once every four years and the number of its attendees and quotas is determined by the executive body, the national-political committee. An extraordinary party congress may be convened upon a written request by two-thirds of the members of national-political committee. A congress elects the chairperson of the party for a four-year term and elects up to 25 members to the national-political committee, who are nominated by the chairperson. It also elects the review commission and upon the nomination of the party chairperson, approves the general council of the party.

The executive body of the party, the national-political committee, meets at least once every three months and takes decisions by a simple majority vote. In the case of a tie, the party chairperson casts a deciding vote. According to its rights specified in the party statute, the national-political committee is responsible for organizational activities such as managing the party's assets, conducting party congresses, approving the head of party print organ, approving issues concerning the admission and dismissal of party members and approving the regional coordinators following their nomination by the party chairperson. The second executive body of the Labor Party is the general council, which consists of up to 150 members and meets once every year as initiated by the party chairperson. The most important responsibility of this body is to adopt documents for action, election programs, appeals, resolutions and political statements, which are submitted by the party chairperson and the national-political committee in the periods between party congresses.

As in case of other political parties, the organizational structure of the Labor Party is imperfect and lacks internal democracy. The statute does not specify arrangements for the nomination and selection of candidates for elections, including which of the bodies selects them or the selection model. Appointments to the internal party bodies lack inclusiveness and

transparency. Huge power is concentrated in the hands of the party chairperson and members of virtually all bodies in the party are nominated by the party chairperson. At the same time, in organizational terms, it must be noted that the existence of the 150-member-strong general council positively impacts the involvement of members in several topics. However, the fact that despite poor results in many elections the Labor Party of Georgia has not replaced its leader raises legitimate questions about the nature of internal institutions of the party.

## V.5. Girchi

After the 2020 parliamentary elections, Girchi split into two parties: Girchi and Girchi-More Freedom. Girchi-More Freedom is still in the process of shaping its internal structure, while the “old” Girchi decided to reorganize the party and build a new structure. Thus, both parties are new political forces and therefore, research into their intra-party democracy is irrelevant for this study at this stage.

However, the statutes of the party prior to the split are worth examination. Between 2016 and 2020, the party held two congresses, stood for three elections (the presidential in 2018, the parliamentary by-election in the Mtatsminda constituency in 2019, and the parliamentary in 2020) and, unlike all other parties, formed an internal organizational structure.

Girchi was the only political party in Georgia that did not tailor its internal organizational structure to standard rules set out in the legislation. Girchi created a special portal for its members and supporters, which allowed them to engage in and influence the processes that were underway in the party. Party members and supporters who provided material or other type of assistance to Girchi, were, after registering on the portal, given cryptocurrency — a Georgian dollar (GED) in the amount equivalent to the provided assistance; GED was an instrument to influence the inter-



nal policy of Girchi. Registered members could allocate those GEDs to the politicians they favored and promote them on a party list. Furthermore, the portal allowed anyone to register as a politician and to attract supporters. This method of creating an electoral list was unprecedented in Georgian political parties. There is no doubt that from the standpoint of inclusiveness, it was the best practice in Georgia. However, it had serious shortcomings in terms of democratic principles as members did not enjoy an equal vote: individuals who provided greater assistance had a higher degree of influence on the process. The most influential members were those who had the biggest amounts of GEDs. This runs counter to the democratic principle of equality of votes. Moreover, this system is obviously flawed when it comes to preventing influential members from monopolizing internal activities and the oligarchization of the political party.

In 2016-2020, Girchi formed an internal organizational structure that contained some features of internally democratic system, such as member involvement, openness and internal competition, but the neglect of the fundamental democratic principle of equality of votes raised serious doubts about the development of intra-party democracy. The breakup of the party after the 2020 parliamentary elections indicates a crisis developed within the party; some party members even hinted that particular leaders attempted to concentrate power in their hands, which clearly harmed the intra-party democracy.

## V.6. European Georgia

According to the statute of European Georgia-Movement for Liberty, the highest body of this political association of citizens is a party congress which is convened once every four years. An extraordinary party congress may be convened at the initiative of: 1. chairperson of the party, 2. chairperson of the political council, 3. secretary general, 4. 10% of the members of the party, and 5. the political council. The statute sets the minimum number of delegates for a party congress at 200. Thus, much

like in other political parties, the decision-making process in the highest governing body of European Georgia is moderately inclusive. The prerogative of a party congress, according to the statute of the European Georgia, includes the adoption of the statute of the party as well as introduction of amendments and addenda to it; the election of the chairperson, review committee and political council of the party; and the reorganization and self-liquidation of the party as well as decisions on any other issues envisaged by Georgian legislation. According to Article 5.4 of the statute, decisions at a party congress are made through an open vote, by raising hands, but when the show of hands do not clearly express the will of the delegates attending the congress, when there is more than one candidate nominated for an office, or alternative proposals are presented to amend the statute, the congress uses a signed ballot. However, such a mechanism was not used at the recent party congress and Giga Bokeria was elected as the chairperson of the party through the show of hands. Thus, similar to other political parties, a congress of the European Georgia is not equipped with real authority and mainly serves to approve decisions taken by the leaders of the party.

The political council manages the party's activities between party congresses. Based on recent decisions in the party — the appointment/dismissal of the chairperson of the political council, appointment/dismissal of the secretary general and the appointment/dismissal of secretaries of the party — the decision-making process lacks inclusiveness as it is handled by the political council, which does not include a large number of party members. The political council decides on the candidates for elections and approves the party list and majoritarian candidates. However, European Georgia's party list submitted for the 2020 parliamentary election did not rank candidates. The rankings were to be determined according to the results of the election: the candidates with the highest support in their respective electoral districts would gain the seats in the parliament. Candidates from European Georgia stood for the election in 16 majoritarian districts and, consequently, voters could directly influence only the first 16 candidates on the list. Thus, the flexible list of candidates, proposed by European Georgia for the 2020 parliamentary election, somewhat enhanced the inclusiveness of the candidate selection process but cannot

be viewed as a breakthrough from the perspective of intra-party democracy. Furthermore, only time will tell if European Georgia will continue this practice or not.

## V.7. Republican Party

The Republican Party is the oldest political party in Georgia. It was founded in 1978, during the Soviet period. As required by the law, the Republican Party has governing, executive and monitoring bodies, but unlike other political parties, the statute of the Republican Party is not a template designed to meet the minimal standards prescribed by the law. Compared to the political parties outlined above, there are several significant factors that ensure a higher degree of internal democracy within the Republican Party than it is common in Georgia.

1. The supreme governing body of the Republican Party, a party congress, is convened once every two years; this is an unusual practice for Georgia as all other political parties hold their congresses once every four years, the minimum legal requirement. The Republican Party also has various arrangements for convening an extraordinary party congress, which enable virtually every party unit to convene a congress. An extraordinary congress may be convened: a) by the national committee, b) by a written request from one fifth of party members, c) by a request from the supreme bodies of at least four regional organizations, and d) by a party chairperson. The only other political party that has a similarly diverse mechanism to convene an extraordinary congress is the United National Movement, but by other features, the Republican Party is more advanced in intra-party democracy than the UNM.

2. A congress of the Republican Party elects the national committee and the review committee by a secret ballot. The internal competition for these offices is usually fierce. The secret ballot and strong competition guarantee a higher degree of internal democracy within the party than

it is traditionally characteristic of Georgian political parties. According to the scale proposed by Hazan & Rahat, the selection of members to the national committee and the review committee is of moderate inclusiveness because it rests on decisions taken by delegates. Although the inclusiveness of this process is similar to that in other political parties, the more democratic voting process and strong competition within the Republican Party notably increases the degree of intra-party democracy.

3. According to the statute of the Republican Party, a party congress is authorized to abolish decisions taken by the national committee. None of the other parties discussed in this study give that level of power to the party congress.

As a result, a congress of the Republican Party does more than approve decisions taken by its leaders; it is equipped with significant and genuine powers.

Despite a rather high degree of intra-party democracy in several areas, the Republican Party cannot be considered a political party with Western standards of intra-party democracy. The process of selecting a party chairperson and candidates for elections is exclusive and it is apparent that ordinary members are not engaged in it. Decisions on the selection of the chairperson and candidates are made by the national committee of the party, which consists of 35 members. In this regard, the Republican Party does not differ much from other political parties, unlike the party's mechanisms of power distribution and internal control which make it more difficult for a single individual or small group to consolidate authority than in other Georgian political parties. In addition to a party congress, which is authorized to abolish decisions of the national committee, the national committee may also abolish decisions taken by the party chairperson.

From the perspective of intra-party democracy, the Republican Party is a distinguished political subject in Georgia. Although decision-making processes in this party, like in other political parties, range between exclusiveness and moderate inclusiveness, the statute of the Republican Party is the best among other party statutes; it clearly outlines mechanisms of checks and balances as well as intra-party competition and voting procedures that align to democratic standards.

## Conclusion

There are five main causes for the deficit of intra-party democracy in Georgia: 1. Influence of leaders or small groups of leaders on political parties and party policies and the desire of the groups to maintain power; 2. The funding of political parties; 3. A mixed electoral system with its proportional segment envisaging a closed list voting rule in a multi-member district; 4. Ineffective legislative regulation of political parties; and 5. The underdeveloped and largely nominal internal structures of political parties.

Leader-centered approach is one of the reasons of sharp deficit of intra-party democracy in Georgia. Since the independence of the country, the political preferences of citizens in elections have been determined not by party ideologies but by the personal characteristics of particular individuals. As a result, political parties in Georgian have remained in an embryonic stage of development and totally depend on their leaders. Ordinary party members are only marginally involved in the process of defining party policies; all important decisions are taken by a concrete leader or a small group of leaders. The selection of a leader is extremely exclusive, or, at best, the leader is selected by delegates, which indicates the lack of intra-party democracy. Party lists are drawn up in a non-transparent manner and mainly in accordance with a leader's interest. Party finances are also controlled by a leader who decides how and what to spend party income on. The leader-centered phenomenon prevents the establishment of transparency, accountability and inclusiveness within Georgian political parties, which are necessary prerequisites for the development of intra-party democracy.

The existing model of party financing is another cause of the deficit of intra-party democracy as it creates a serious imbalance between the rul-

ing party and opposition parties. This is especially true when it comes to private donations: donations to the ruling party often exceed the total funding of all opposition parties. In a government dominated by a single party, bankrolling the ruling party is often a means for business to survive as the ruling party can make deals with potential donors and offer them economic benefits in the form of contracts awarded through tenders or simplified public procurements. Opposition parties are, however, so weak that their existence constantly depends on budget allocations from the state. The existing model increases risks of corruption in political parties through various schemes. One such scheme is the donation of “savings” which really represent illegal funds that party leaders and their coterie of associates try to launder. The state fails to prevent such corrupt practices because it lacks effective mechanisms to fight party corruption. The task of examining political parties’ finances and detecting existing shortcomings falls within the competence of the State Audit Office, but its mandate is limited to identifying easily observable violations and does not envisage preventing and controlling party corruption. Consequently, the existing model of funding encourages the centralization of political parties, concentration of financial power in the hands of leaders or a small group of leaders, and the oligarchization of political parties. Ordinary party members are not only isolated from spending decisions but often do not even know what party finances are spent on. All this creates fertile ground for party corruption to flourish, which is the key factor impeding the development of intra-party democracy.

The electoral system that was formed in Georgia after the country gained independence adversely affected intra-party democracy. Some electoral systems and voting rules allow constituencies to, along with making a choice among political parties, select their favorite candidates within the party; this increases the influence of supporters on intra-party competition which, in turn, contributes to the development of intra-party democracy as it facilitates the promotion of party members with a high popular support. A regional-proportional electoral system may contribute to the decentralization of political parties. However, the electoral system in Georgia does not facilitate any of these developments. Even the new, fully proportional electoral system is not conducive to developing intra-party

democracy because, according to the changes, one multi-member district will be created in Georgia while voters will vote for closed lists. As in the previous 25 years, the Georgian electoral system will continue to impede the development of intra-party democracy in the coming years; in fact, the fully proportional system will further exacerbate the existing problems in intra-party democracy.

Yet another reason of the deficit of intra-party democracy is legislation that seems to be purposefully flawed. Although the constitution obligates political parties to ensure internal democracy, the legislation fails to spell out the standards that must be met by political parties to ensure internal democracy. The legislation sets only general requirements for political parties, such as the formation of governing, executive and monitoring bodies. These requirements are duly reflected in the statutes of political parties, though these bodies often lack mechanisms of checks and balances and are largely ceremonial. The legislation leaves ample room for political parties to select candidates and leaders in an exclusive environment, which they readily do. All in all, Georgian political parties are institutionally undeveloped and that enables small groups within parties to concentrate the entire power in their hands.

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