

EFFICIENCY CHALLENGES IN PUBLIC ADMINISTRATION: THE CASE OF GEORGIA

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Abstract

The problem of public management efficiency is still relevant, and its calculation is problematic and unresolved. For each object of public management, an efficiency approach, criteria and indicators should be established, on the basis of which a comprehensive assessment will be made. Most often, the efficiency of public management is considered in the context of the social and economic development of the state.

Approaches to efficiency are divided into two parts: general and specific, which use quantitative indicators and strive for process assessment (measurement).

The multitude of tasks facing public management, the diversity of management objects and levels determine the division of efficiency into types: economic, social, environmental, sectoral, regional and local governance/self-government.

The presented work discusses various approaches to measuring efficiency, analyzes one of the important and proven indicators - World Governance Indicators (WGI) for the countries of the South Caucasus. WGI is a system of indicators based on six components of governance, covers 200 countries and shows an assessment of the quality of governance in different countries, that is, it ranks countries.

The paper conducts a regression analysis of Georgia's Government Effectiveness in relation to GDP for the period 2006-2023. As a result of the analysis, a strong positive correlation was revealed between the named indicators. In this model, changes in government effectiveness explain approximately 55.2% of the variability in economic growth. This indicates that improving government effectiveness is associated with economic growth (there is a strong positive association between them).

Also, the issue of public administration effectiveness is studied in a regional context, according to the number of professional civil servants. In particular, some indicators related to effectiveness are calculated by region (the volume of state administration in GDP, the volume of state administration on average per civil servant, per capita, the number of civil servants per 1,000 population).

Keywords: Efficiency; Public administration; Indicator; Index; Region.

Introduction

The 1980s and 1990s were marked by significant reforms in the public administration sector in European countries. They were characterized by a high degree of institutionalization, scalability, and systemic approaches. Commitments related to public administration reforms were reflected in relevant program or action documents (for example, the "Open Government Partnership Action Plan", the "Electronic Governance Action Plan", etc.).¹

¹ Maisuradze M., et al., European Best Practices in Public Governance and Georgia. IDFI, 2021.

<https://idfi.ge/public/upload/Analysis/Best%20European%20Practice%20of%20Public%20Administration%20and%20Georgia-%20GEO.pdf> [L.s. 19.01.2026].

Over the past decades, the resources of many governments have been directed towards the creation of an effective public service. The constant process of improving the public administration system, as well as the inclusion of modern concepts, technologies, and resources in public management, is always associated with the use of indicators of the effectiveness and efficiency of activities. The study of these issues determines the relevance of the presented work.

Considering the diversity of resources and technologies, as well as the specifics of states, in order to achieve effective management, it is necessary to match the resources and methods of state management with the existing capabilities and risks. The main factor determining the effectiveness of state management is the correct and timely determination of the need for state intervention in socio-economic life and its size.²

The effectiveness of state management should reflect the results of interdependent processes of individual and social development, their interaction with nature. Measuring effectiveness is related to comparing the potential and actual results of the functioning of the system. The discussion of the process should cover short-term, medium-term and long-term periods and reflect both direct and indirect results of management. Indirect results allow us to understand the validity of the goals and objectives of public management and the degree of their impact on other social phenomena.

The Governance Index of Georgia (GGI) is important in terms of assessing and determining the effectiveness of state governance. It assesses the country's governance in the following areas: democracy and human rights, the effectiveness of the state and state institutions, social and economic policy, and foreign and security policy.³

The importance of the research question is determined by the fact that the effectiveness of governance is directly associated with economic growth, and regional comparisons reveal opportunities for policy optimization and the effective use of human resources.

1. Approaches to Measuring Effectiveness

Researchers offer different approaches to effectiveness. The concept of “Good Governance” proposed by B. Rothstein generally describes the situation when a society has at its disposal political, legal and administrative institutions that make it possible to adopt and implement “public welfare” policies.

The concept of “Good Governance” is closely related to the concepts of “state capacity”, “quality of governance” and “common-pool resources”. The latter is associated with the creation of sustainable management systems. The fundamental norm of the concept proposed by the author is “impartiality” in the exercise of public power.⁴

According to M. Grindley's concept, the quality of public administration should be considered in a less normative and idealized way and is called “good enough governance”. The author emphasizes the need to consider the minimum conditions for quality public administration, which will promote development. This approach will allow us to minimize the requirements for the quality of public administration in authoritarian regimes that are imposed on the same democracies (taking into account the context and priority of challenges).⁵

Government Effectiveness is an indicator that includes the perception of the quality of social services, the degree of independence of the civil service and its independence from political pressure, as well as the quality of policy formulation and implementation and the government's commitment to such policies. This indicator reflects the efficiency of benefit distribution (infrastructure development, social

² Rusadze, N., The main directions of increasing the effectiveness of public administration (on the example of the Imereti region). Akaki Tsereteli State University, Kutaisi, 2018. P.68.

³ Georgian Governance Index (GGI) 2023. Georgian Institute of Politics. 2023.

https://gip.ge/wp-content/uploads/2025/02/Georgia-Governance-Index-Report-2024_Geo_Web-1.pdf [უკ. 19.01.2026].

⁴ Rothstein, B., „Good governance“. The Oxford Handbook of Governance; 2012.

<https://2024.sci-https://www.scribd.com/document/798601277/Rothstein-Good-governance-2012> [L.s. 19.01.2026].

⁵ Grindle, M. S., „Good Enough Governance Revisited“, 25,5. „Development Policy Review“, 2007. p. 533-574. <https://doi.org/10.1111/j.1467-7679.2007.00385.x>.

security and development). Regulatory Quality is a measure of the perceived ability of the government to develop and implement sound policies and regulations that promote and facilitate the development of the private sector.⁶

The QoG Institute at the University of Gothenburg (Sweden) has a database and leading research on the causes and consequences of corruption, as well as on the quality of governance, which is considered one of the largest research centers in the world.⁷

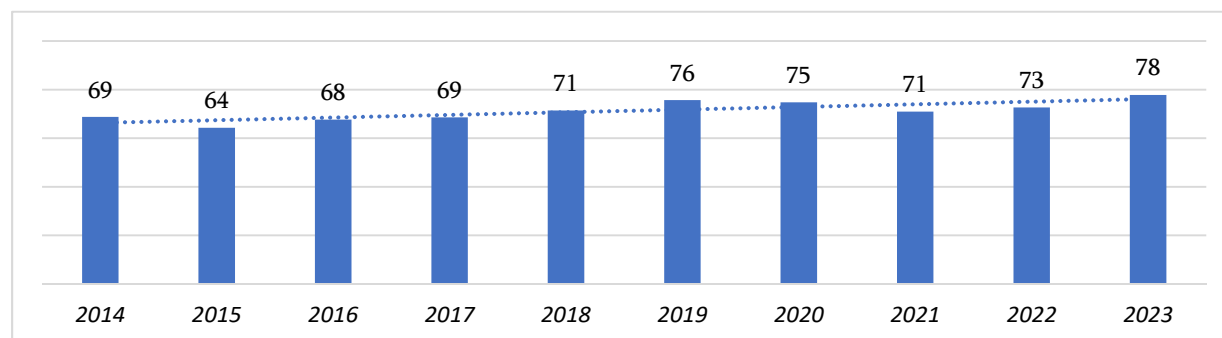
2. WGI Index and Its Use

In recent decades, the scale of economic globalization and the acceleration of transformational processes in the world political system have led to an increase in the demand for assessing effectiveness using formalized methods and criteria. In this regard, the studies of World Bank analysts are important, who were the first to present complex assessments of state development based on sociological and expert surveys.⁸

To measure the potential and, in part, the effectiveness of the state, the World Bank uses the WGI Index (WGI - World Governance Indicators). WGI is a system of indicators based on six components of governance, covers 200 countries and shows an assessment of the quality of governance in different countries, that is, it ranks countries. One of these components is Government Effectiveness (GE), which measures the quality of state institutions - public services, the effectiveness of the bureaucracy and the ability to implement policies.

The analysis of Government Effectiveness for 2014-2023 revealed that its range during this period was 64-78% (0% = the weakest governance in the world, 100% = the strongest governance). This indicator was highest in 2023 - 78%, and since 2018 it has exceeded 70%⁹ (see Figure 1).

Figure 1. Government Effectiveness: Percentile Rank for Georgia (2014-2023)¹⁰



In 2023, Georgia stood out among the countries of the Transcaucasus with a high level of WGI. In one of the six indicators, a slight lag (by 2%) was observed with Armenia in only one indicator (Voice and Accountability, VA), which measures how freely citizens can express their opinions, media freedom, the credibility of elections and the level of political participation.

⁶ Kamolikova, V., Shulika, Y., „Governance effectiveness: finding the objective conceptualization and evaluation“, 20/2, „RUDN Journal of Political Science“. 2018. p. 255-268. doi: 10.22363/2313-1438-2018-20-2-255-268.

⁷ Teorell, J., at al. „The Quality of Government Standard Dataset“, version Jan25. University of Gothenburg: The Quality of Government Institute. 2025 <https://www.gu.se/en/quality-government> doi:10.18157/qogstdjan25 [L.s. 19.01.2026].

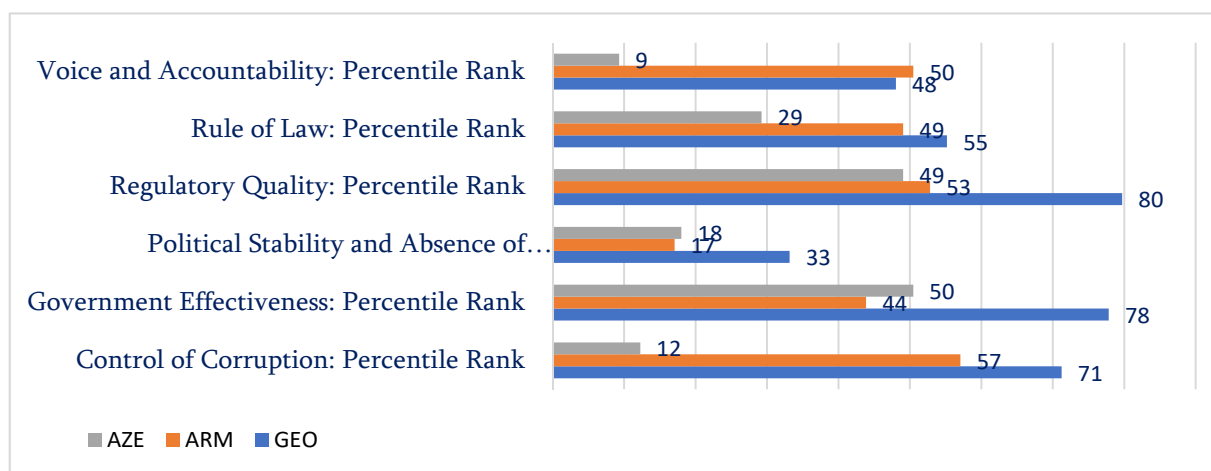
⁸ Kaufmann, D., Kraay, A., Mastruzzi M. „The worldwide governance indicators: methodology and analytical issues“. 5430, „Policy Research working paper“, Washington, DC: World Bank. <http://documents.worldbank.org/curated/en/630421468336563314> [L.s. 19.01.2026].

⁹ WB. DataBank. Worldwide Governance Indicators. <https://databank.worldbank.org/source/worldwide-governance-indicators> [L.s. 19.01.2026].

¹⁰ Compiled by the authors, based on <https://databank.worldbank.org/source/worldwide-governance-indicators#>.

In this indicator, Georgia significantly outperformed Armenia and Azerbaijan in two indicators directly related to efficiency - Government Effectiveness (GE) and Regulatory Quality (RQ) (34% and 28%, respectively, and 27% and 31%).

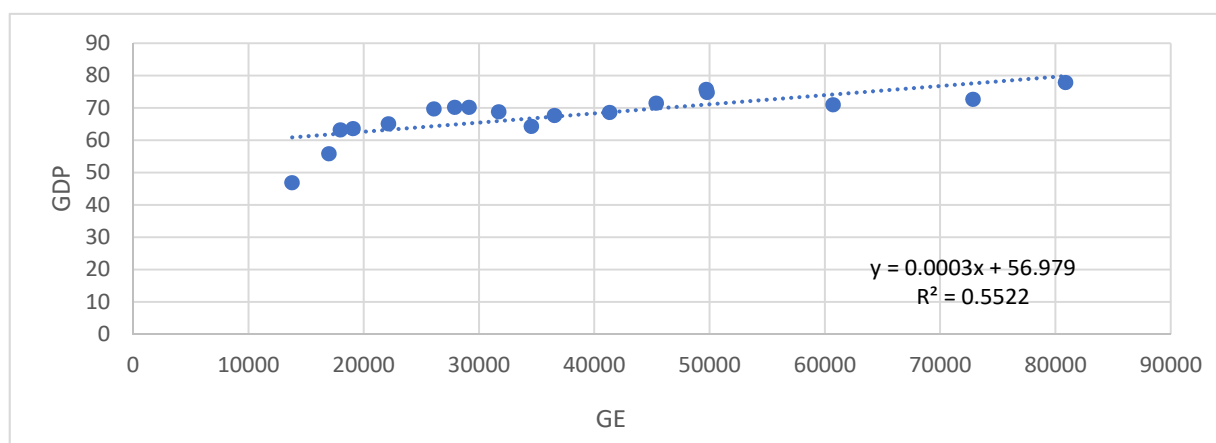
Figure 2. World Governance Indicators (WGI) for the South Caucasus countries (2023, %)¹¹



Among the quantitative measures of government effectiveness, we can also mention the World Economic Forum Competitiveness Index, however, we should only highlight the indicators related to public-sector performance: “wastefulness of government spending” and “burden of government regulation”.

We conducted a regression analysis on Georgia’s Government Effectiveness (independent variable) and GDP (dependent variable) for 2006-2023. The analysis revealed a strong positive correlation between government effectiveness (GE) and the country’s GDP ($R = 0.743$; $R^2 = 0.552$). In this model, changes in government effectiveness explain approximately 55.2% of the variation in economic growth. This result indicates that improving governance effectiveness is associated with economic growth (there is a strong positive association between them).

Figure 3. Scatter Plot of GDP and Government Effectiveness



The results of the regression analysis conducted between Georgia's Government Effectiveness (independent variable) and Foreign Direct Investment (FDI, dependent variable) for the same period ($R = 0.084$; $R^2 = 0.0071$) indicate that the relationship between them is very weak. In particular, government effectiveness practically cannot explain the variation in FDI, which indicates that there is no strong or significant association between the aforementioned variables.

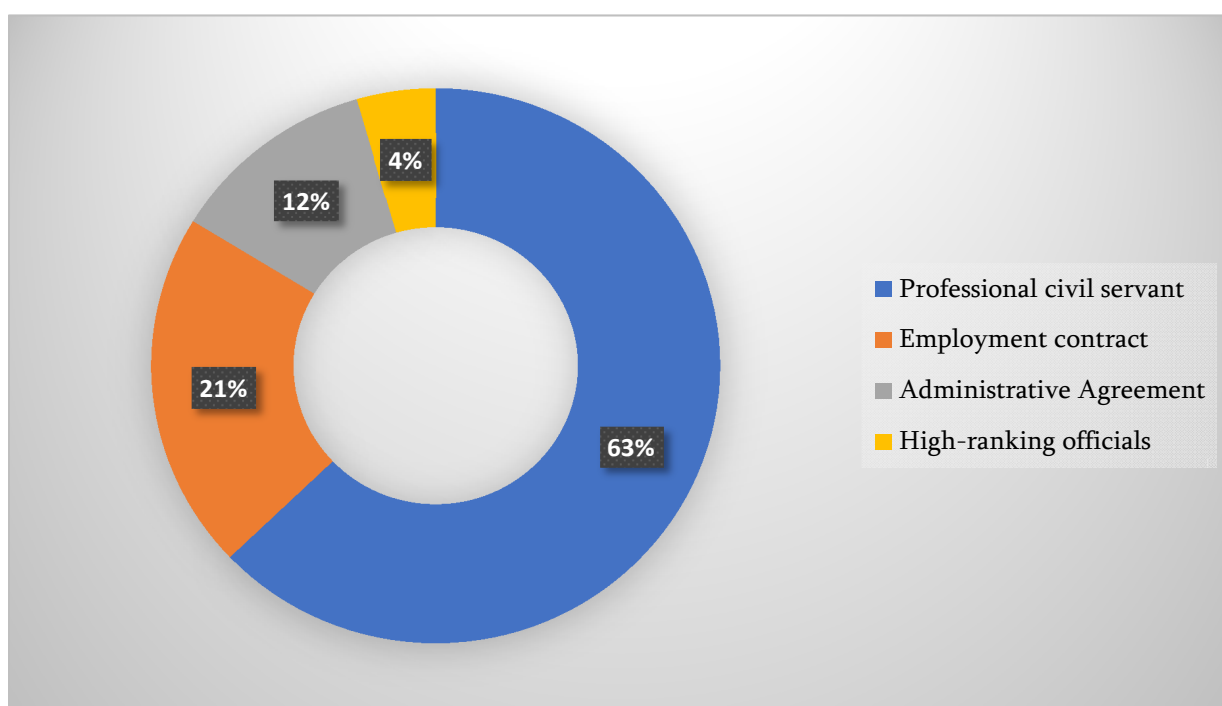
¹¹ Compiled by the authors, based on <https://databank.worldbank.org/source/worldwide-governance-indicators#>.

3. The Issue of Efficiency in a Regional Context

We studied the issue of the efficiency of public administration in a regional context, according to the number of professional civil servants. According to the current legislation, a professional civil servant is appointed for life to a civil service position designated for an official by the state, autonomous republic, municipality, legal entity of public law and exercises public law powers. In addition, the civil servant is obliged to exercise official powers by economically using and spending resources, rationally using the property of a public institution, and to use working time effectively, only for the exercise of official powers. The law specifies the approach to economy and efficiency: "A public servant is obliged to conduct the organizational process in the public service in an efficient, correct and coordinated manner, using and spending resources economically, to protect the interests of the people and the state and to successfully fulfill the tasks facing the country."¹²

According to the results of 2023, 25,196 professional civil servants were registered in Georgia, which were distributed as follows (see Figure 4).

Figure 4. Distribution of Professional Civil Servants¹³



The largest part of them (46.2%) is concentrated in Tbilisi, 9.3% - in Imereti, 8.4% in the Autonomous Republic of Adjara and 36% in other regions.¹⁴

The analysis conducted between the number of professional civil servants and the population in a regional context revealed a strong positive correlation (including Tbilisi $R = 0.96$; $R^2 = 0.92$, and without Tbilisi $R = 0.92$; $R^2 = 0.85$).

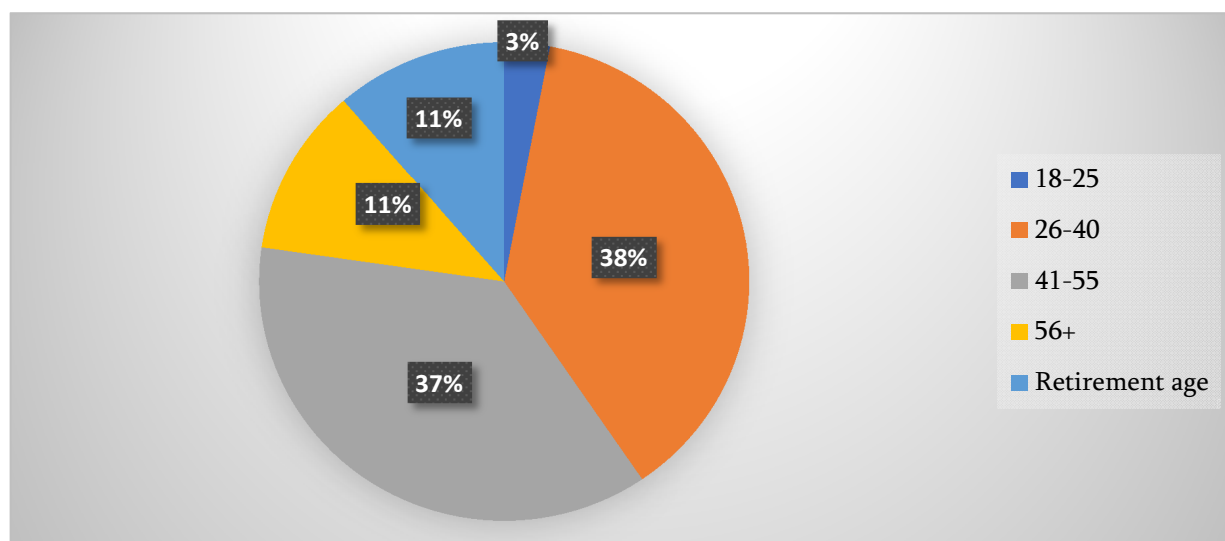
The majority of professional civil servants (75%) are between 26 and 55 years old (see Figure 5).

¹² Law of Georgia "On Public Service" (27.10.2015). <https://matsne.gov.ge/ka/document/download/3031098/68/ge/pdf> [L.s. 19.01.2026].

¹³ Compiled by the authors, based on the 2023 report of the Civil Service Bureau.

¹⁴ Civil Service Bureau Annual Report 2023.

<http://www.csb.gov.ge/media/311290/საჯარო-სამსახურის-ბიუროს-2023-წლის-ანგარიში.pdf> [L.s. 19.01.2026].

Figure 5. Distribution of Professional Civil Servants by Age¹⁵

In a regional context, taking into account the number of professional civil servants, we calculated some indicators related to efficiency, for which we used materials from the National Statistics Service of Georgia.¹⁶

Table 1. Indicators Related to the Effectiveness of Professional Civil Servants¹⁷

Region	professional civil servants	Public Administration in GDP (mln GEL)	State administration on average per civil servant, (thousand GEL)	Professional civil servants per 1,000 population, on average
Tbilisi	11649	2123,6	182,3	9,4
Abkhazia AR	551	-	-	-
Samegrelo-Zemo Svaneti	1662	462,4	278,2	5,6
Guria	637	137,3	215,5	6,1
Adjara AR	2128	453,4	213,1	5,9
Racha-Lechkhumi and Kvemo Svaneti	519	71,3	137,4	19,1
Imereti	2349	544,9	232,0	5,1
Samtskhe-Javakheti	914	192,1	210,2	6,2
Shida Kartli	860	461,5	536,6	3,4
Kvemo Kartli	1670	558,8	334,6	3,8
Mtskheta-Mtianeti	545	163,9	300,7	5,8
Kakheti	1434	292,7	204,1	4,7
Tskhinvali/South Ossetia	278	-	-	-
Total	25196	5461,9	216,8	6,7

¹⁵ Compiled by the authors, based on the 2023 report of the Civil Service Bureau.

¹⁶ National Statistical Service of Georgia. Professional civil servants.

<https://www.geostat.ge/ka/modules/categories/860/profesiuli-sajaro-mokheleebe> [L.s. 19.01.2026].

¹⁷ Compiled by the authors, based on materials from the State Statistics Service.

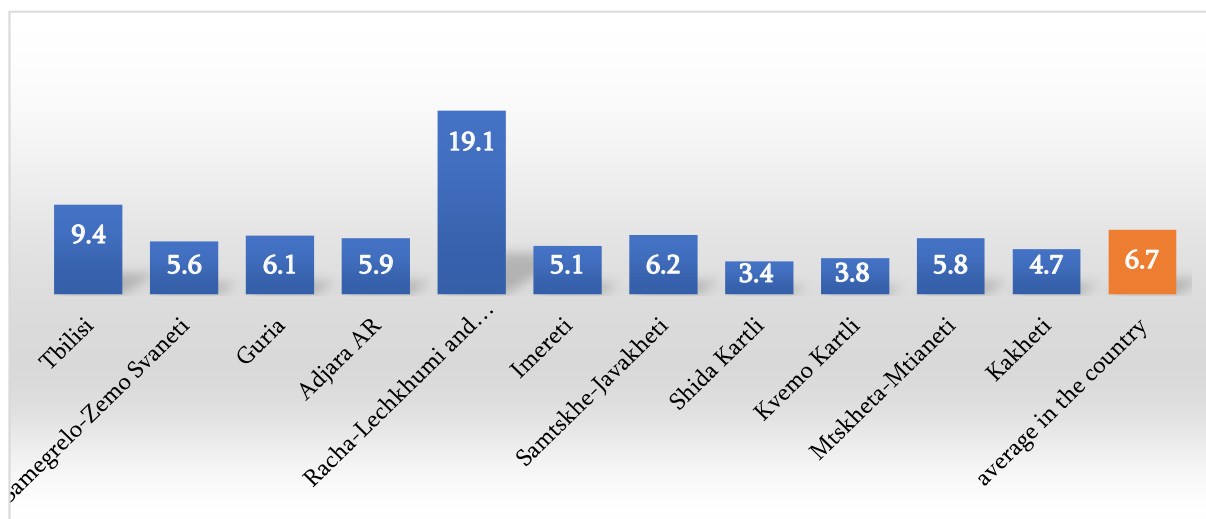
These indicators are:

- a) the volume of state administration on average per civil servant - as a relative indicator, shows the volume of state administration included in GDP per one professional civil servant working in the region;
- b) the volume of state administration - shows the contribution of state administration to GDP, in value form;
- c) the number of civil servants per 1000 people of the population - shows the average number of civil servants per thousand inhabitants of the region.

The analysis showed that the volume of state administration in GDP mainly depends on the number of municipalities included in the region. The same indicator calculated on average per one professional civil servant is highest (536.6 thousand GEL) in the Shida Kartli region, where the number of civil servants is relatively small, and the volume of public administration is relatively high. The same indicator is minimal in the Racha-Lechkhumi and Kvemo Svaneti regions - 137.4 thousand GEL, which is due to the small number of civil servants in this region (see Table 1).

The highest number of civil servants per 1,000 people is recorded in the Racha-Lechkhumi and Kvemo Svaneti regions on average - 19.1 people. It is minimal in Shida Kartli and Kvemo Kartli (3.4-3.8 people).

Figure 6. Distribution of Professional Civil Servants in the Regions of Georgia
(on average per 1000 population)¹⁸



It is important that according to the State Development Strategy until 2030, the government's priority remains the continuation of public administration reform, improving the efficiency of the state administration system. It devotes significant attention to the formation of a transparent, effective and accountable state administration system.¹⁹

One of the goals of the strategy is to "establish a transparent, accountable and effective state administration system". To achieve this, such tasks as: strengthening the policy planning and coordination system; strengthening government accountability and transparency; improving the delivery of state services; improving the civil service system / developing human capital in the civil service and refining management tools; improving the efficiency of public finance management; increasing and strengthening the efficiency of public administration at the municipal level.

¹⁸ Calculated by the authors.

¹⁹ Resolution of the Government of Georgia on the approval of the Vision 2030 Development Strategy of Georgia (N517, 3.11.2022). <https://www.matsne.gov.ge/ka/document/view/5604706?publication=0> [L.s. 19.01.2026].

We believe that the strategy should highlight the issue of creating a public governance code, and should also reflect the challenges and opportunities for increasing the efficiency and effectiveness of citizen-oriented government service delivery through the expansion of e-governance and the digitization of government services.

Conclusion

1. Analysis of the 2023 results of the South Caucasus countries showed that Georgia was distinguished by a high level of WGI. In one of the six indicators, a slight lag (by 2%) was observed with Armenia according to only one indicator (Voice and Accountability, VA);
2. In two indicators directly related to efficiency - Government Effectiveness (GE) and Regulatory Quality (RQ) Georgia was significantly ahead of Armenia and Azerbaijan (by 34 and 28% and 27 and 31%, respectively);
3. Regression analysis conducted for the period 2006-2023 revealed a strong positive correlation between governance effectiveness (GE) and the country's GDP ($R = 0.743$; $R^2 = 0.552$). The result indicates that improving governance effectiveness is associated with economic growth;
4. The analysis conducted between the number of professional civil servants and the number of population in the regional context revealed a strong positive correlation (including Tbilisi $R = 0.96$; $R^2 = 0.92$, and excluding Tbilisi $R = 0.92$; $R^2 = 0.85$);
5. The study revealed that the volume of state governance in GDP mainly depends on the number of municipalities included in the region. On average, the largest number of civil servants per 1,000 people of the population is recorded in the Racha-Lechkhumi and Kvemo Svaneti regions - 19.1 people. It is minimal in Shida Kartli and Kvemo Kartli (3.4-3.8 people);
6. We consider it possible to create a separate website for online discussion in regions/municipalities or to build/integrate it into existing official websites. It will significantly increase citizen involvement in the policy development and decision-making process regarding legislative reforms and current/new government projects.
7. It is advisable to create a Public Governance Code that will establish the rules for the relationship between executive bodies and public officials with citizens, businesses and other state institutions;
8. It is important to increase the efficiency and effectiveness of citizen-oriented state service delivery through the expansion of e-governance and digitalization of state services.

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