

**APPLICATION OF THE EXPERIENCE OF THE PUBLIC
ADMINISTRATION REFORM OF THE CENTRAL EUROPEAN
STATES FOR THE DECENTRALIZATION PROCESS
DEVELOPMENT IN UKRAINE**

R. Khirivskiy, PhD in Economical Sciences, Associate Professor

ORCID ID: 0000-0002-7299-429X

Lviv National Environmental University

A. Lyndiuk, PhD in Economical Sciences, Associate Professor

ORCID ID: 0000-0002-9940-8991

Lviv National Environmental University

R. Sodoma, PhD in Economical Sciences, Associate Professor

ORCID ID: 0000-0002-5020-6440

Lviv State University of Life Safety

O. Brukh, PhD in Economical Sciences, Associate Professor

ORCID ID: 0000-0003-1117-0454

Lviv National Environmental University

© R. Khirivskiy, A. Lyndiuk, R. Sodoma, O. Brukh, 2022

<https://doi.org/10.31734/agrarecon2022.01-02.061>

Khirivskiy R., Lyndiuk A., Sodoma R., Brukh O. Application of the experience of the public administration reform of the Central European states for the decentralization process development in Ukraine

The development of social transformations in Ukraine has resulted in the growth of decentralization of public administration, which has been implemented in the decentralization reform. However, the lack of experience of state-building processes and institutional framework has led to a certain chaos in the formation of territorial communities and uneven level of their capacity. In this context, the experience of reforming public administration in Europe, which focused on our state in implementing decentralization reform is analyzed. A particular attention is paid to the study of the algorithm for the reform of public administration in Central and Eastern Europe, which has the experience of transition from totalitarian to democracy similar to our country. In the course of our research, the views of leading European scholars on the concept of local self-government are acquainted and structured. There are differences in the approaches to unification of territorial communities and organization of self-government in the northern European and southern European schemes. A comprehensive analysis of the number of grassroots local governments in the most developed countries in Europe is made. The competence that belongs to the subjects of power of the basic link of the administrative-territorial structure of European states – local self-government bodies of the community is analyzed.

The experience of public administration reform in the Republic of Poland, the Czech Republic and Slovakia, which have significant experience in the transition from a state of maximally centralized management to the development of local self-government, is studied. The structure of public administration in those states is considered in detail and the work discloses how they formed a modern decentralized democratic state, providing its citizens with real opportunities to participate in governance processes.

Key words: decentralization reform, local self-government, territorial communities, municipalities.

Хірівський Р., Ліндюк А., Содома Р., Брух О. Застосування досвіду реформування державного управління держав Центральної Європи для розвитку процесу децентралізації в Україні

Унаслідок розвитку суспільних перетворень в Україні активізувались процеси децентралізації державного управління, що реалізувалось у реформі децентралізації. Проте брак досвіду у сфері

державотворчих процесів та інституційної бази призвів до певної хаотичності формування територіальних громад та нерівномірності рівня їхньої спроможності. У цьому контексті проаналізовано досвід реформування державного управління державами Європи, на котрий орієнтувалась наша держава, реалізуючи реформу децентралізації. Особливу увагу приділено вивченню алгоритму здійснення реформи державного управління державами Центрально-Східної Європи, котрі мають схожий із нашою країною досвід переходу від тоталітарного до демократичного ладу. У ході здійснення наукового дослідження ми ознайомились та структуризували погляди провідних європейських учених на концепцію місцевого самоврядування. Виявлено різницю у підходах до об'єднання територіальних громад та організації самоврядування у північно-європейській та південно-європейській схемах. Здійснено комплексний аналіз кількості суб'єктів місцевого самоврядування базового рівня в найбільш розвинених державах Європи. Проаналізовано компетенцію, що належить суб'єктам владних повноважень базової ланки адміністративно-територіального устрою європейських держав – органам місцевого самоврядування громади.

Проаналізовано досвід впровадження реформи державного управління Республікою Польщею, Чеською Республікою та Словаччиною, котрі мають значний досвід переходу від стану максимально централізованого управління до розвитку місцевого самоврядування. Детально розглянуто структуру державного управління в цих державах та виявлено, в якій спосіб вони сформували сучасну децентралізовану демократичну державу, яка дає своїм громадянам реальні можливості для участі у процесах управління.

Ключові слова: реформа децентралізації, місцеве самоврядування, територіальні громади, муніципалітети.

Problem Setting. Radical social transformations in the contemporary Ukrainian state gave impetus to the formation of local self-government as a fundamentally new social institution for the Ukrainian reality. In 2015, the process of voluntary unification of territorial communities began in Ukraine. After the adoption of the Law of Ukraine “On Voluntary Association of Territorial Communities”, regional councils and military and civil administrations began an active development and approval of long-term plans for the formation of viable territorial communities (Krat and Sofii, 2017). The current process of local self-government institutionalization in Ukraine is carried out from scratch, because before the emergence of an independent state, national traditions of self-government and the scientific theory of its development have been lost. It is worth paying attention to the European experience in the formation of local government due to these circumstances. Moreover, the authors of local self-government reform in Ukraine largely relied on the European experience (Shportiuk, 2011).

Analysis of the latest research and publications. Scientific representatives have been considering issues related to the decentralization of power for a long time. O. Boryslavska, I. Zaverukha, and E. Zakharchenko

(2012) devoted their works to solving problems related to implementation of the administrative and territorial reform in Ukraine. Many researchers, e.g. V. Babayev, Yu. Kuts, V. Mamonova and others (Kuts, 2008) have studied the definition and state of territorial communities. However, the issues related to the deep analysis of decentralization processes and the reform of the administrative and territorial structure in European countries are insufficiently disclosed.

Petrenko O. (2011), Khymynets V. (2018), Shportiuk N. studied the problems of forming public administration system in Central Europe.

The following prominent representatives of the European scientific school are worth considering: E. Ruśkowski, who singles out three systemic components of territorial decentralization (Ruśkowski, 2006) and a representative of the British concept of local self-government S. Robbins, who introduces the concept of “decentralization” (Robbins, 2002).

In comparison to the sustainable and constant interest concerning the practice of conducting and implementing administrative and territorial reform, researchers have not paid attention to the organization of public administration and public service, types and directions of their formation in Central Europe. This has been due to the fragmentary essence of

translated materials and a few studies of public administration, devoted to the administrative formation of these states in the post-communist period. That is why, it is necessary to study, generalize and systematize successful experiences that will contribute to the development of recommendations for building a democratic state, governed by the rule of law with an effective public service in Ukraine (Petrenko, 2011).

Objective setting. The purpose of this study is to consider the European experience of forming public administration system in order to take into account this experience in Ukraine during the administrative reform. One plans to conduct an in-depth analysis of decentralization processes, reform of the administrative and territorial structure in the European Union countries to implement the best traditions in Ukraine, launching decentralization processes and identifying priorities for further implementation.

Research methods and materials. Doing research, we applied a plenty of general scientific methods. They are the following ones: the method of theoretical generalization for considering the theoretical foundations of the effectiveness of territorial community development, the effectiveness of resource potential implementation; deduction method for identifying the peculiarities of the formation of the institutional environment of individual EU states; induction method for generalizing the obtained data into one whole.

The information base of the research – the Materials of the Committee of the Regions of the European Union (Devolution process in the European Union and the candidate countries. European Union. Committee of the Regions, 2003) and foreign authors (Kymlicka, 2007), which are publicly available.

The main material. Ukrainian scholars and experts have been studying the issue of decentralization as one of the means of improving public authority effectiveness. This is due to the successful implementation of the

principle of decentralization in the practice of most European Union countries. Therefore, it is essential for Ukraine to get acquainted with the best examples of decentralization in Europe, because the process of reforming state institutions has not been completed in our country yet (Boryslavska, Zaverukha and Zakharchenko, 2012).

Analyzing territorial decentralization, Polish professor E. Ruszkowski identifies three of its system elements (Ruškowski, 2006):

1. Political decentralization (appropriate system). The public and legal status of local self-government bodies originates from the specific way of forming these bodies and their representative nature.

2. Administrative decentralization means that local governments have the task, and hence the functions and powers to meet the public interest within the relevant territory.

3. Financial decentralization implies the availability of own financial and material resources and means the exercise of powers to own, use and dispose of financial resources of communities.

The concept of “noncentralization” is characteristic of the British concept of local self-government. In contrast to decentralization, which involves the diffusion of the existing central government, the British system is created according to the legislative definition of an exhaustive list of tasks of local governments. This feature of English self-government is explained by the traditional perception of local self-government as a social institution, an institution of civil society rather than an element of the mechanism of the state (Kosek-Wojnar and Surowka, 2007).

Decentralization can have risks and dangers due to certain circumstances. The European science of optimizing public administration has outlined the following shortcomings of decentralization (Robbins, 2002):

1. autonomy of goals. The risk of setting partial goals that do not cover the general goals of the administration and may even contradict them;

2. the risk of realizing individual ambitions;

3. the threat of monolithic state policy in relevant areas;

4. disintegration of public administration activities in the provision of public services and management decisions;

5. difficulties in coordination and agreeing goals.

States formed within the framework of socialist ideology and legal tradition, command and control system and planned economy, often describe decentralization as an end in itself, although it does not necessarily allow formulating specific tasks for the successful implementation of relevant reforms (Bahl, 2006). The experience of foreign countries shows that there are several approaches to the organization of self-government depending on its relationship with state power and the scope of its powers.

An example of such an approach to understanding the essence and organization of self-government is, particularly, Germany, which is considered a country where the territorial community is the primary subject of local self-government. Local self-government is characterized by two levels: districts and municipalities (Saliuta, 2019). The structure of self-government is complex (there are 16 federal states), in which public administration differs significantly. The average number of inhabitants in the districts is approximately 250 thousand people, in the cities – 200 thousand people, and in municipalities – 6 thousand people. In Germany, local tax revenues exceed 20% of budget revenues; non-tax revenues – 6%; almost half of the revenues are subsidies and grants from the central budget (Kohalyk, 2010).

After the introduction of decentralization in the French Republic, most powers are transferred from state bodies (local state administrations) to local authorities (local self-government bodies). In France, the share of local taxes in the budget of communes is 45-50%, departments – about 38%, while 35% of the budget of communes and 41.5% of the budget of departments are financed from external sources (Zelenevych, 2021). In general, there are two generalized schemes of unification of territorial communities among European countries: the northern European one, which

included the formation of large municipalities, and the southern European one, with the amalgamation of communities into relatively small municipalities. Accordingly, municipalities of different sizes and powers were formed (Petrenko, 2011). Another model for formation of the efficient local self-government is in Spain, Switzerland, Italy and France, where the number of municipalities has not changed. France is the leader in Europe concerning the number of local governments, there are more than 36 thousand, and the population in most of them does not exceed 2 thousand people. However, most of the functions are implemented due to institutions of inter-municipal cooperation. Therefore, more than 2.5 thousand institutions have been established in France. Their creation and functioning is voluntary and is initiated by the communities whose tasks they perform. The fundamentals of local self-government of foreign countries are residents of the first – basic level of administrative and territorial organization (Boryslavska, Zaverukha and Zakharchenko, 2012). In European countries, it is titled differently, that is shown in Table 1.

Due to decentralization reform, it is crucial to learn from the experience of the Central European countries, which have similar experience of transition from totalitarian to democratic system with significant manifestations of individual rights and freedoms as well as economic reforms in the form of removing barriers to market economy, based on private ownership form. In this context, it is worth reading the experience of the Republic of Poland, Slovakia and the Czech Republic. The public administration reform has become one of the chief systemic changes in the process of transformation of Slovakia. The organizational structure of public administration in Slovakia has undergone significant changes because of these reforms. The current structure has been in force since January 1, 2004, and its model is shown in Fig. Public administration in Slovakia takes place at three levels:

1. local level;
2. superior territorial units (Region);
3. state level (Khymynets, 2018)

Table 1

Number of subjects of local self-government of the basic level in some European countries

State	The basic level of local self-government		Peculiarities of the organization of the basic level of local self-government
	Title	Number in the state	
<i>Austria</i>	Municipalities (<i>Gemeinden</i>)	2359	The special status of individual municipalities: 14 cities and Vienna, established by charters.
<i>Belgium</i>	Municipalities	589	<i>Types of municipalities:</i> - 262 -in the Walloon Region; - 19 – in the region of Brussels; - 308 – in the Flemish Region.
<i>Great Britain</i>	Districts and other territorial units:		
	England: • shire unitary authorities	47	
	• metropolitan districts	36	
	• districts	238	
	• London boroughs	33	
	Scotland: • unitary authority (units)	32	
	Wales • unitary authority (units)	22	
	Northern Ireland districts	26	
<i>Spain</i>	Municipalities	8111	
<i>Italy</i>	Communes	8103	
<i>The Netherlands</i>	Municipalities	496	
<i>Germany</i>	Cities and municipalities	14000	
<i>Poland</i>	Gmina	2489	
<i>Romania</i>	• Cities	179	
	• Municipalities	84	
	• Communities	2 688	
<i>Slovakia</i>	Municipalities	2887	
<i>Hungary</i>	Municipalities	3168	Types of municipalities: 3122 towns and villages.
<i>France</i>	Municipalities	36763	
<i>The Czech Republic</i>	Municipalities	6254	

Table 2

Competence of self-government bodies at the basic level in some European countries

State	Competence of self-government bodies
<i>Great Britain</i>	Housing; health care; prevention of environmental pollution; regulation of territory construction; household waste recycling; territorial planning; support for museums, parks and leisure facilities.
<i>Spain</i>	Maintenance of law and order; planning and cooperation of education; civil defense and fire safety; territorial planning; protection and support of historical and cultural heritage; environmental protection; health care.
<i>Italy</i>	Assistance to the community and its individual residents; providing services related to school support; preschool education; culture; spatial planning and proper maintenance of local roads.
<i>Germany (Cities and municipalities)</i>	The competence of local self-government bodies covers powers in the following areas: stimulation of local economic activity; stimulation of housing construction and social security institutions; ensuring elections; registration of foreigners.
<i>Slovakia</i>	Local government; territorial planning; entrepreneurship promotion; local taxes; road construction and maintenance; improvement of public places; organization of markets; improvement of cemeteries; environmental protection.
<i>France</i>	Social protection and health care; education; municipal development planning; organization and financing of school transport within the municipality; organization of economic assistance to the territories within the municipality; urban planning.
<i>The Czech Republic</i>	Water resources management; management of heat supply networks; management of collection, processing of household waste; improvement of the municipality; improvement of cemeteries; health care; social protection and youth policy; municipal infrastructure management.

On January 1, 2004, more than 400 powers have been redistributed from the state level of government to municipalities and the regions in order to improve the efficiency and quality of administrative services. The regional and district levels of government were integrated (by merging), and the branches of specialized state administration, directly subordinated to the ministries, were abolished.

The main tasks performed by the central government are related to economic policy, foreign policy, policies of security, defense, civil defense, planning, nature protection, regional policy (together with municipalities and the regions).

The constitutional and legal foundations of local self-government in the Czech Republic are in Chapter 7 of the Constitution of the Czech Republic “Local Self-Government” and the Laws “On Municipalities (Municipal Establishment)” and “On Regions (Regional Establishment)” (counties).

Municipalities have a basic level of self-government. The number of municipalities has

been 6.251 since 1990 when the population was 10.3 million people. On one hand, this is due to the nature of the country’s population, and on the other hand, the reaction of territorial communities to the forced enlargement at the beginning of the 1980s. Of the total number of communities, 60% of municipalities have less than 500 inhabitants, and 80% – less than 1000 people (Petrenko, 2011). Accordingly, not all municipalities can exercise delegated powers due to lack of financial resources and qualified managers. Only 383 municipalities have so-called “accountable” communal administrations. Using them, one exercises powers in the territory designated by the relevant district administration. A district is a level that does not apply to self-government. There are two types of state bodies on its territory: district administrations and institutions of deconcentrated state power. District administrations are a territorial deconcentration of state power. Institutions of deconcentrated state power are territorial subdivisions of central authorities, which are accountable to the

ministries in whose spheres of activity they are relevant. Such institutions are financial and customs (Ministry of Finance), Labor (Ministry of Labor and Social Development), School (Ministry of Education, Youth and Physical Education), Cadastre (Czech Geodetic and Land Cadastral Administration). The territorial boundaries of their responsibilities do not

always coincide with the boundaries of districts (for example, financial administrations operate in 23 small territories). In this way, the unity of power at the territorial level is achieved - the unity of specialized bodies operating within individual central administrations and district administrations controlled by the government as a whole.

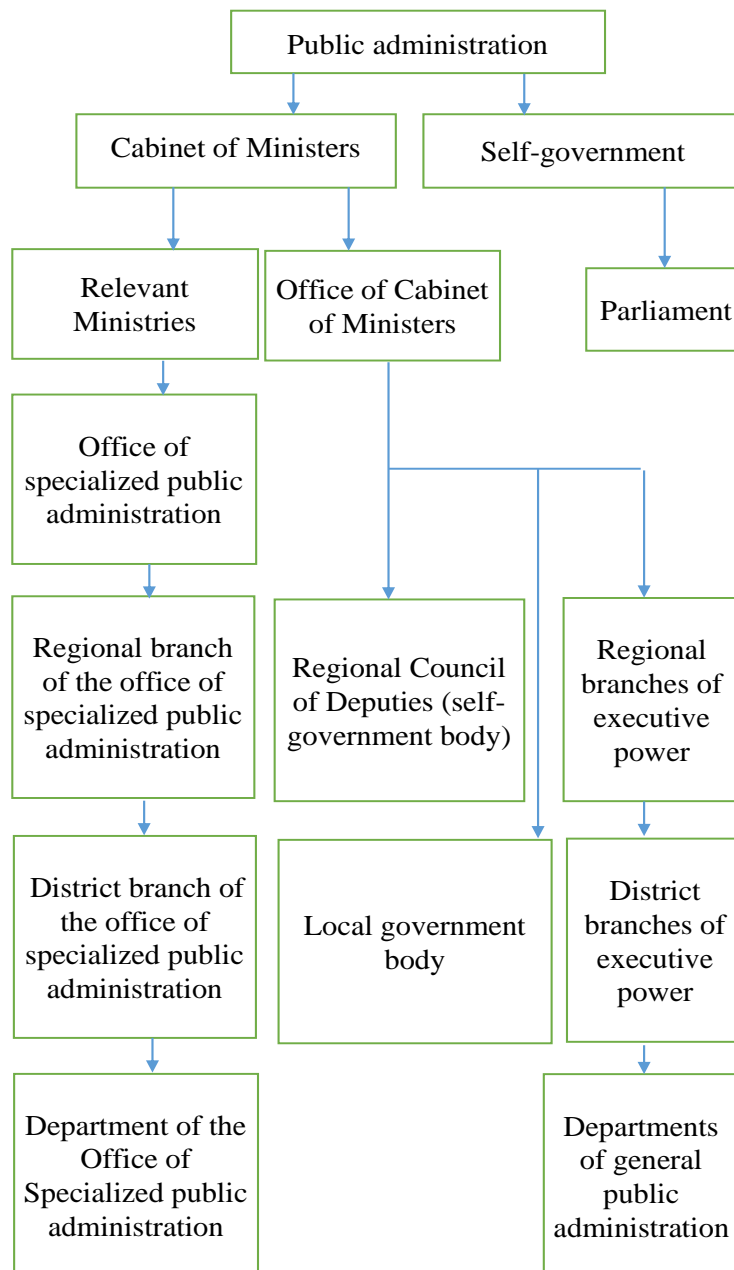


Fig. The structure of public administration in Slovakia

The Polish administrative and territorial reform implied a system of local self-government that could not exist in socialist Poland. This system has three levels: gmina, county, voivodeship. At these levels, there are elements of the system of local self-government, which includes the territorial community (rural or urban gminy), county, voivodeship and their unions. At the same time, it is natural that, considering the tendencies of decentralization of public administration, which are popular in Europe, the Polish legislation recognizes the gmina as the primary subject, the main bearer of local self-government, to implement its basic functions. The size of the territory of the gmina and the number of its population is one of the factors that covers the wide range of powers of this territorial unit.

The simple territorial division of Poland, which is a reference point for Ukraine, contributed to the adoption of the law that the inhabitants of the gmina should form a self-governing community. Gmina performs public tasks on its own and under its responsibility. It is a legal entity. Due to the decentralization, some state functions were transferred to regional authorities, which reduced the governmental influence on daily functioning in all areas of regional governance. County and voivodeship

self-government is deprived of control functions over gminy, which are legally organized territorial communities. They participate in the exercise of public authority and perform public tasks on their own and under their responsibility, having local tasks, not defined by law for other subjects of law. Thus, the fundamental change was the restoration of gmina self-government as the first step towards building a civil society.

Conclusions. Therefore, the analysis of the research findings demonstrates that the system of local self-government built on the principles of democracy optimally combines local and national interests, stimulating the interest of community residents in the development of territories. The high efficiency of the formation of modern decentralized democracies in Europe is due to the significant history of local government. Unfortunately, the loss of statehood and domination of the totalitarian regime in our territory, with a policy of maximum centralization, led to the need to borrow foreign experience in the development of local self-government. That is why, it is considered that the experience of the Central and Eastern European countries, which have the similar history of transition from a totalitarian to a democratic decentralized type of government, is particularly relevant.

REFERENCES

- Bahl, R., 2006. Martinez-Vazquez J. Sequencing Fiscal Decentralization The World Bank. *Policy Research Working Paper Series*, 3914.
- Boryslavska, O., Zaverukha, I., Zakharchenko, E. et al., 2012. Decentralization of Public Power: the Experience of European Countries and Prospects of Ukraine. *Swiss-Ukrainian project "Support to Decentralization in Ukraine – DESPRO*. Kyiv: LLC "Sofii".
- Khymynets, V. and Tsimbolynets, H., 2018. *Experience of Public Administration Reforms in the Slovak Republic (1990–2006) for the Decentralization Process in Ukraine* [online] Available at: http://www.visnyk-econom.uzhnu.uz.ua/archive/22_3_2018ua/25.pdf [Accessed 03 March 2022].
- Kohalyk, K., 2010. Organization and Functioning of Communal Self-Government System on the example of the Cities of Germany and Ukraine: a Comparative Analysis. *Efficiency of Public Administration: a Collection of Scientific Papers*, 25, p. 331–339.
- Kosek-Wojnar, M., Surowka, K., 2007. *Podstawy finansow samorzqdu terytorialnego*. Warszawa: Wydawnictwo Naukowe PWN 2007.
- Krat, M. and Sofii, O., 2017. *Comparative Analysis of the Decentralization Process of Ukraine and Poland. Analytical Note* [online] Available at: <http://dialog.lviv.ua/wp-content/uploads/2017/10/Porivnyalniy-analiz-protsestu-detsentralizatsiyi-Ukrayini-ta-Polshhi.pdf/> [Accessed 03 March 2022].
- Kripak, A. *International Practices of the Organizational and Economic Mechanism Management of Stimulation of Capable Territorial Community Development: Experience for Ukraine*

[online] Available at: https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjD777qpIL4AhUiSPEDHSU7BywQFnoECAYQAQ&url=http%3A%2F%2Fwww.dy.nayka.com.ua%2F%3Fop%3D1%26z%3D1644&usg=AOvVaw2pWmYsg5HTCVuoACf0L_SH [Accessed 03 March 2022].

Kuts, Yu., Mamonova, V., Chaplyhin, O. et al., 2008. Sustainable Development of the Territorial Community: Management Aspect / edited by Yu. Kuts, V. Mamonova. Kharkiv: Master.

Kymlicka, W., 2007. Multicultural Odysseys. *Ethnopolitics*, 6 (4), p. 585–597.

Methodical Materials “Implementation of Foreign Experience of Decentralization of Management” [online] Available at: obljust.gov.ua/uploads/Метод_рекомендації_23_12.doc [Accessed 03 March 2022].

Petrenko, O., Antonova, O. *Formation of the System of Public Administration Bodies in the Czech Republic: Experience for Ukraine* [online] Available at: [http://www.dridu.dp.ua/vidavnictvo/2011/2011_03\(10\)/11posdu.pdf](http://www.dridu.dp.ua/vidavnictvo/2011/2011_03(10)/11posdu.pdf) [Accessed 03 March 2022].

Proceedings of the Committee of the Regions of the European Union (Devolution process in the European Union and the candidate countries), 2003. *European Union. Committee of the Regions*. Brussels.

Robbins, S. P. and DeCenzo, D. A., 2002. *Podstawy zarządzania*. Warszawa: Polskie Wydawnictwo Ekonomiczne.

Ruśkowski, E. Ruskowski E. (red.), 2006. *Finanse publiczne a prawo finansowe*. Warszawa: Dom wydawniczy ABC.

Saliuta, V., 2019. Introduction of the Best European Practices of Formation and Development of Territorial Communities in Ukraine. *Agricultural world*, 7, pp. 65–70.

Shportiuk, N., 2011. Administrative and Territorial Reform in Poland: Experience for Ukraine. *Public Administration and Local Self-Government*, 2, pp. 48–52.

Zelenevych, V. *Foreign Experience in Health Care Financing* [online] Available at: <http://intkonf.org/zelenevich-vo-ktn-kuzmin-ai-zarubizhnyi-dosvidflnansuvannya-ohoroni/> [Accessed 08 April 2022].

Стаття надійшла 11.05.2022

