

COMPARATIVE ANALYSIS OF TERRITORIAL GOVERNANCE AND LOCAL SELF-GOVERNMENT SYSTEMS OF THE RA AND EU COUNTRIES

Lilit MKRTCHYAN

PhD student of ASUE Management faculty

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Introduction. In the context of the administrative-territorial reforms implemented in the Republic of Armenia, it is topical to discuss the territorial self-government systems, as well as the administrative-territorial reforms being implemented in other countries and the results of that reforms.

Within the framework of the research, we have also presented the relations between the state government and local self-government bodies, in particular, the control mechanisms implemented by the state government in Bulgaria, Latvia, Estonia, Sweden and Armenia. In addition, the level of decentralization in the mentioned countries was described and compared with the level of decentralization in the Republic of Armenia.

Methodology. The research is based on the legislation related to the state and local government systems of Armenia and the respective EU countries. In addition, the analyses were performed using statistical data published by Armstat.am and Eurostat.eu. The methods of induction, statistical analysis and comparison were used.

Scientific novelty. We suggest to use the experience of the discussed countries and RA in the systems of territorial administration and local self-government was presented, then the problems existing in our country in these respects are raised by the method of induction. Statistical analysis is used to calculate the budget expenditures of different communities of Armenia, the GDP, as well as the share of those expenditures in the GDP. The comparative analysis is conducted to assess the nature of administrative-territorial reforms carried out in the Republic of Armenia and other countries under discussion, as well as the state control over activities of local self-government bodies.

Literature review. The issues of the local self-government system development, the clarification of relations between local self-government bodies and state authorities through administrative-territorial reforms have been repeatedly discussed in the literature. We study the experience of the countries we have selected in this regard.

Administrative Territorial Division of the *Republic of Bulgaria* by the Constitution stipulates that the territory of the country is divided into regions and municipalities. There are 28 administrative regions in Bulgaria including the city of Sofia which is set as a separate administrative unit with the status of a region (<https://ec.europa.eu> Official website of the European Commission). Local self-government is implemented in com-

munities, and state administration in the regions. At the community level, local self-government is exercised through two elected bodies: the municipal council and mayor (executive body). The region is governed by a regional governor appointed by the Council of Ministers and is aided by a regional administration. He ensures the implementation of the State's policy, the safeguarding of the national interests, law and public order, and exercises administrative control (<https://cor.europa.eu/en> Official website of the European Committee of the Regions). In the early 1990s, municipal reforms began in Bulgaria, the main element of which was the restoration of regions (existing until 1987) and regional governors.

According to "Reforming local public administration. Efforts and Perspectives in South-East European Countries" regional governors placed the accent of their work on monitoring local self-government and local administration and, in practice, they started taking over the competences of the municipalities. This was in combination with the amendments introduced into the Local Elections Act, which deprived the settlements with less than 500 inhabitants from the right to elect directly their mayors, hence it represented a regression of local self-government practices. During this period, a significant counterpoint to this tendency became the constitutional right to unite, employed by the municipalities, which resulted in the establishment of a strong union - the National Union of the Municipalities in the Republic of Bulgaria - which was national, and independent of the political "colour" of individual mayors and municipal council majorities. The Union commenced serious work on problems concerning the reforms of local self-government and local administration.

On one hand, the strategy of modernisation of state administration from accession to integration in short terms 2003 - 2006 was updated. On the other hand, due to the competent pressure exercised by the National Union of the Municipalities, the Government made serious steps towards the financial provision of the shared, and delegated, functions of the municipalities. [Stiftung, 2004, 33].

In compliance with the Constitution of *the Republic of Lithuania*, there are two types of territorial authorities: municipalities and «higher territorial units» or counties. The administration of county is organised by the government of the Republic. They vary in size, from four to eight municipalities. [Moreno, 2012, 391]. As part of territorial-administrative reform, since July 1, 2010 the regional administrations (Administrations of the Governor of the Region) have been abolished. Currently, regions serve as territorial and statistical units only and their functions were distributed among municipalities (minority) and the central government bodies (majority). (<https://cor.europa.eu/en> Official website of the European Committee of the Regions). The system of local self-government of Lithuania is one-tier. In this country, local self-government is exercised in the communities. Municipal councils and mayors are elected by the community residents.

Estonia has a one-tier system of local self-government. The activities of a municipality are organised and managed by a council, which is a legislative body of a local authority. The council is elected at general and direct elections, and the work of the council is managed by the chairman, who is elected by the majority of council. The council appoints a municipal board as a collegiate executive body for the duration of its authority and determines the number of board members. The head of a board is the mayor, who is elected and removed by the council (Valner, page 24-25).

In July, 2016, the Administrative Reform Act was passed, which determined all local government units must have a territorial organisation of at least 5,000 residents. Until the end of 2016, local government units that did not fulfil this criterion could negotiate a merger at their own initiative and were provided financial incentives for that. The aim of the reform was to increase the capabilities of local government units, the municipalities, and to ensure a more consistent regional development (<https://cor.europa.eu/en> Official website of the European Committee of the Regions).

There are two levels of local governance in *Sweden*: regional (formerly counties) and municipal. The regions represent both a level of self-government and of de-concentrated State authority. Regions and municipalities are responsible for regional/local matters of public interest, and there is no hierarchy between the two levels of self-government, just different areas of responsibilities (<https://cor.europa.eu/en> Official website of the European Committee of the Regions). At the local level there are directly elected municipalities. At the regional level there are directly elected county councils. In addition, there are central government agencies at regional level: a general purpose county administrative board in each county and regional branches of specialized central government agencies (which may cover other territories than counties). Local self-government has a long tradition in *Sweden*. The country's municipalities and regions have a considerable degree of autonomy and have independent powers of taxation. They are responsible for providing a significant proportion of all public services. Municipalities are responsible for providing services in many areas, while the primary responsibility of county councils is to provide medical care and manage regional hospitals. Another area of responsibility is regional development. The county councils and regions support business and industry in their area and encourage new enterprise. They also responsible for areas such as tourism and culture (to some extent) and public transportation. Each municipality and county has one decision-making body: the municipal assembly in the municipalities and the county council assembly in the county councils [Moreno, 2012, 639].

Analysis. Within the framework of administrative-territorial reforms in the Republic of Bulgaria, the regions were restored together with their governors. In general, from the point of view of the relations between the territorial administration bodies and the local self-government bodies, the situation is quite similar to the Republic of Ar-

menia, as here the governors interfere in the implementation of the powers vested in the local self-government bodies. In Bulgaria, however, the problem has eased considerably when the country has implemented relevant reforms to join the EU. In addition, the formation of the National Union of Communities, which protects the interests of communities, has played a significant role.

Table 1. Administrative division of RA and EU countries

Country	Administrative units	Local self-government system	The nature of administrative-territorial reforms
Bulgaria	28 regions, 265 communities	One-tier	Restoration of regions and regional governors
Lithuania	10 counties, 60 communities	One-tier	Elimination of territorial administration bodies
Estonia	15 regions, 79 communities	One-tier	Enlargement of communities and elimination of territorial administration bodies
Sweden	21 regions, 290 communities	Two-tier	Significant changes in the system of local self-government did not occur.
Armenia	10 regions, 483 communities (as of January 1, 2021)	One-tier	Enlargement of communities (reforms are underway, as a result of which it is envisaged that the number of communities in Armenia will be 78)

Both in the Republic of Lithuania and in the Republic of Armenia, there are 2 administrative-territorial units: regions and communities. The regions in Lithuania have a historical and statistical nature. In contrast to this country, Armenia still retains territorial administration bodies that implement the territorial policy of the state.

According to the Ministry of Finance of Estonia (2019), as a result of the local government administrative-territorial reform the number of municipalities decreased from 213 to 79. 160 local governments out of 213 amalgamated voluntarily (i.e. 86%). 26 local governments remained who didn't pass the minimum criteria and failed to present a proposal for merger. The Government of Estonia initiated merger processes for all of them except the 4 maritime islands (municipalities) which got the exemption in accordance to the law. The Ministry considers that previous mergers of local governments have demonstrated that better and more accessible services are provided with joined forces and the competitiveness of the region improves [Semigina, et al., 2020, 213]. The county governments along with county governors were abolished with the 2017 administrative-territorial reform, and their tasks were transferred to ministries, other government bodies or municipalities. There are regional agencies that exercise centrally managed policies at the regional level and provide co-ordination in some areas.

As we can notice, in Estonia, as in Armenia, processes of community enlargement have been implemented, which have mainly pursued similar goals. In Estonia, however, the emphasis was on the voluntary merging of communities. The state presented conc-

rete demands, and in case of non-compliance with them, offered to unite. Only after the unification, on the basis of applications submitted by the communities, the state begins to intervene, to merge those that have not submitted the above-mentioned applications.

The approach is different in Armenia. Referendums were organized in the respective communities within the framework of the pilot program, but then the unification took place on a not voluntary basis, and the communities subject to unification were decided by the state. This, of course, is a gross violation of democracy and participatory governance. We think it would be better to maintain the organization of mergers based on the results of referendums. First, it would allow taking into account the opinion of the residents of the communities. Also, the residents would not initially have a bad disposition about the enlargement process, as it would not be perceived as a mandatory event.

Table 2. Organization of control in communities of RA and EU countries

Country	Mechanisms of control over local self-government bodies
Bulgaria	The regional governors supervises the legality of the acts of the municipal council
Lithuania	The government representative oversees the communities under his or her jurisdiction
Estonia	The Ministry of Justice exercises administrative control over the legality of community acts
Sweden	Municipal appeal as a means of controlling local governments
Armenia	Organization of control through regional administrations

According to the Local Self-Government and Local Administration act of Bulgaria, regional governor exercise control for the lawfulness of the acts of municipal councils. He/she can bring the unlawful acts back for new consideration by the municipal council or to dispute them before the respective administrative court. The appeal suspends the application of individual and general administrative acts and the application of sub-legislative legal acts, unless otherwise resolved by the court¹.

According to the Act on Administrative Supervision of Municipalities, the compliance of municipalities with the decisions of the national Government is supervised by specific State officers. In each of Lithuania’s 10 counties, a government representative, as an independent constitutional figure (directly subordinate to the central Government and accountable to the Prime Minister) supervises the municipalities under his jurisdiction (usually, from four to eight). The main executive function of the national government representative is to supervise whether municipalities follow the Constitution when adopting rules and regulations, and whether local bodies respect the laws when executing governmental decisions. The national government representative advises local authorities to cancel or change illegal legal acts and mandates compliance with the law.

¹ Local Self-Government and Local Administration Act of Bulgaria, article 45.4
<https://www.mrrb.bg/en/local-government-and-local-administration-act/>

If, after having discussed a representative's decision, a municipality refuses to modify or cancel a given local ordinance, then the representative of the national government reports to the court by filing a legal challenge [Moreno, 2012, 406].

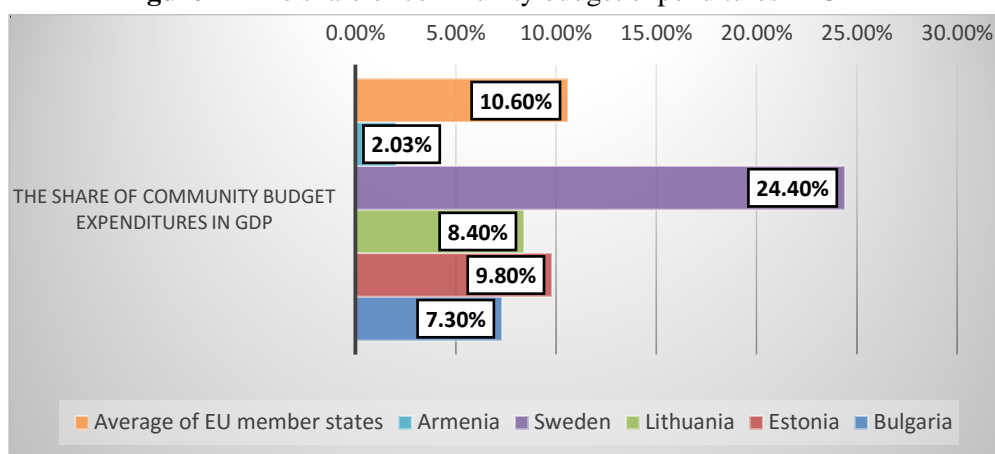
The Local Government Organisation Act specifies that the Ministry of Justice exercises administrative supervision over local authorities. In the past, this fell to county governors, but the 2017 territorial reform brought an end to their role. The Government of the Republic Act specifies that supervision by the Ministry of Justice concerns the legality of municipal acts. In the event of breaches (or omissions), the ministry may make a written proposal to repeal or amend (or issue) the act in question. If the local authority fails to rectify the situation within 30 days, the ministry may then refer the matter to the administrative courts [Young, 2020, 17-18].

Municipal appeal plays an important role in the external control mechanisms of local self-government bodies in Sweden. Members of the community (other than residents also, for example, a person who owns a property in a community) have the right to appeal against local government decisions in an administrative court. The main feature of municipal appeals in this country is that there is no need for a legal interest to have the right to appeal against decisions. A municipal appeal is an *actio popularis* form of appeal not found in any other European country. This is a way for community members to oversee the legality of large-scale local decisions. The only requirement to file a complaint is to be a member of the community. The basis of such an approach is how local self-government is perceived in Sweden. Communities are the unions of their members, so those members should have the right to control and influence the community. Local authorities are also subject to administrative supervision by the County Administrative Boards. Even in a country like Sweden, where central-local relations are largely cooperative, there are cases of serious official sanctions. However, sanctions are the exception rather than the rule; there are many other mechanisms in place to ensure compliance and prevent problems [Young, 2020, 72-73].

According to the RA Law on Local Self-Government, legal and professional control is exercised over the activities of local self-government bodies, which can be exercised by the relevant authorized bodies directly or through regional governors. As a rule, this control is carried out by the regional governors, and it is one of the main functions of the RA territorial administration bodies. However, as we can see, in the Republic of Lithuania the control is successfully organized through the special bodies (representatives) appointed by the central government; and in Estonia - through the relevant ministry. This means that it is not necessary to keep the regional administrations in order to control the legality of the activities of local self-government bodies. As we mentioned, the system of local self-government is quite developed in Sweden. In this sense, a newly independent country like Armenia has a lot to learn from such an experience. We believe

that the municipal appeal mechanism can be introduced in the communities of Armenia only in case of development of the local self-government system; when the community residents will consider themselves the most important members who formed the community, elected their governing bodies and are obliged to monitor their activities. Such a system significantly reduces the efforts of the central government, as well as the resources spent on overseeing activities of local self-government bodies. It is also important to discuss the degree of decentralization in the above-mentioned countries. A significant indicator of local government financial independence and decentralization is the share of community budget expenditures in GDP.

Figure 1. The share of community budget expenditures in GDP¹



As can be seen from the chart, the share of budget expenditures of the communities of the Republic of Armenia in the GDP is 2.03%, which is quite lower than the average of the EU countries. This means that the level of decentralization is still quite low in Armenia.

Conclusion. Having studied the systems of local self-government in a number of EU countries and RA, we came to the conclusion that:

- Territorial administrations have been abolished as a result of administrative reforms in Lithuania and Estonia. The number of communities is close to the expected one in Armenia after the enlargement, so our country may eliminate the regional administrations and run the territorial administration based on mentioned countries' cases.

- In Estonia community enlargement let local governments decide which communities to merge with, and instead the state has offered financial incentives to them. However, if there was no agreement between the communities, the enlargement was implemented by a government decision, forcing the local authorities to unite. This process

¹ The diagram was made by the author based on the data provided in the following links <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do> <https://armstat.am>

started later, when the effectiveness of the already united communities became obvious. Therefore, the enlargement of communities in Armenia differs significantly from the democratic enlargement processes in EU countries.

- In Sweden, the institute of municipal appeal significantly reduces the need for oversight by public authorities. We think that such relations of community management should be pursued by all countries.

- In terms of financial decentralization, Armenia lags behind the indicators of EU.

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Lilit MKRTCHYAN

Comparative analysis of territorial governance and local self-government systems of the RA and EU countries

Key words: local self-government, administrative-territorial reforms, decentralization, administrative control

The article is devoted to the study of the territorial and self-government systems, their reforms over the years, as well as the observation of the existing relations between those systems of a number of EU countries and the Republic of Armenia. Within the framework of the research, we analyzed the organisation of control over the activities of the local self-government system in the countries separated by us, conducted in parallel with the experience of the Republic of Armenia in the mentioned field. The results of the analysis showed that the enlargement of communities in Armenia differs significantly from the enlargement mechanisms conducted in EU countries. Except for it, it became clear that the degree of decentralization of local self-government is still quite low in the Republic of Armenia. The research has also laid the groundwork for the introduction of a scientific novelty in the near future, which will relate to the relations between territorial administration and local self-government bodies, the forms of legal and professional control organized in the communities of the Republic of Armenia and the bodies that carry out that control.