PRACTICE OF ADMINISTRATIVE AND TERRITORIAL REFORM IN THE EU AND UKRAINE: REGULATORY AND MANAGEMENT

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ABSTRACT

The purpose of this article is to study the practice of administrative and territorial reform in the European Union in the context of the reform of the administrative and territorial structure in Ukraine in order to deepen the European integration processes and approach the legal standards of the EU countries. During the research, methods of interdisciplinary approach, system analysis, socio-cultural method, social-activity and concrete-historical approach were applied. The article concludes that based on the European experience, the author considers it important to warn domestic reformers that market principles in the public administration system have certain limits of application as a result of intensive implementation of market management principles and deconcentration of management, the public service may become more disjointed and less manageable, which will contribute to the distortion of its public purpose, distancing citizens from state institutions. In the course of the study, it was possible to identify some of the most important common causes of European reforms that affected the peculiarities of the process of reforming the administrative and territorial structure in these countries. Innovative principles and technologies of advanced administrative reforms gradually evolved from the "new state management" to the "good governance" model. The article highlights the formation of the European "framework model" of administrative and state reform. The article analyzes models of successful administrative and territorial reform in a number of advanced European countries.
Keywords: Local self-government, Administrative and territorial reform, Budgetary decentralization, Financial support, Territorial community, Local budget, Inter-budgetary relations


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1. INTRODUCTION

Globalization processes impose strict requirements on states to ensure compliance of domestic legislation, governance institutions and mechanisms for their formation with standards that are recognized as the basic principles of integration of states in the world community. This is especially true for those countries that are members of the European Union (hereinafter referred to as the EU), as they are characterized by the specific type of living of the socio-communicative governance mechanism and the distinctive structure of self-government, as well as the particular practice of administrative and territorial reform [1].

It is natural that the research of the Institute of self-government in general and the practice of administrative and territorial reform – in particular, in those countries where the basic conditions of state-building are close to modern Ukrainian ones—are of particular interest for domestic political science. These countries include the United Kingdom, France, Germany, and Finland, which have undergone a multi-stage administrative and political reform that has led to a "new birth" and further reform of the institution of local government and administrative and territorial reform.

Self-governing administrative units perform an important function of coordinating the interaction of civil society institutions and the state power system. Particularly relevant is the study of the "European way" in the context of an extremely complex and contradictory process of reforming the modern system of territorial self-government bodies and differentiated practices of administrative and territorial reform in Ukraine.

It should be noted that territorial self-government is connected not only with the reforms of administrative-territorial division, it also has a political character, since it has a connection with the processes of decentralization and devolution of power. In this regard, addressing the problem of reforming the institution of self-government in the United Kingdom, France, Germany and Finland is not only of theoretical interest but also of great practical importance for the effective reform of the local government system in Ukraine, in particular, for the practice of administrative and territorial reform.

Achieving this goal involves solving the following research tasks:

- create a methodological basis for the study;
- determine the chronological stages of reforming the Institute of local self-government and the specifics of the practice of administrative and territorial reform in the EU countries;
- determine the significance of administrative and territorial reform for the public administration system;
- characterize the current state of administrative and territorial reform in the EU states;
- analyze the prerequisites and results of the transformation of administrative and territorial reform in the new EU member states;
• identify the features of the genesis of the administrative and territorial reform of the EU states [2].

The main hypothesis of the study is that the current trends of administrative-territorial (administrative and state) reforms in the EU states are determined by a number of universal factors (globalization, integration processes in Europe, the information revolution, the latest achievements in the field of management and management technologies), regional determinants (common traditions of European managerial culture, approximately the same socio-economic and political conditions for the most developed European states) and the action of specific socio-cultural factors (traditions, customs, personal qualities of reformers, etc.), which are individual for each European country.

It is planned to consider the whole network of determined determinants on the example of Great Britain, France, Germany and Finland with extrapolation of their experience to the Ukrainian realities. The author believes that nauseate in European reform are the ruling political and economic elites, therefore, in all the countries studied, the reforms carried out "from above" by the government, which seeks to strengthen the system of governance and restore confidence in state institutions by the population.

In our opinion, there will inevitably be a reassessment of some principles and theoretical concepts related to the implementation of managerial approaches in public administration in the reform process in all the countries studied. Even today, this is evident in broad public discussions that push for a transition from the ideas of "new state management" and "low-cost state" to more balanced approaches of "good governance" and "active state".

Nevertheless, the main aspects of studying the legal nature and ways of implementing administrative and legal reform in particular, and decentralization of power in general, require transferring the experience of European legal standards of public administration to the Ukrainian soil. In turn, the latter is possible through a comprehensive analysis of both the original Ukrainian and foreign (EU states) experience. In this context, we consider the research significant for the theoretical and methodological understanding of the interdependence of institutional and socio-cultural factors in the process of administrative and state reforms to be indicative [3].

It should be noted that in modern democratic European states, when reforming the system of administrative and territorial administration, the priority is to implement the principle of subsidiarity in the functioning of communities. This principle is based on a clear distribution of powers between the state and local governments in order to ensure that management decisions are optimally cost-effective and efficient.

The issue of distribution of powers of state power is investigated in the work [4], in which the researcher argues that the local community should be assigned the amount of authority that it is able to provide.

2. LITERARY REVIEW

A significant contribution to the study of General theoretical problems of the territorial structure, the development of its basic concepts and categories, and ways to reform the administrative-territorial structure was made in the work [3].

The state of administrative and territorial administration in developed democratic countries is studied in the collective works of [5-7].

The priorities for the development of the territorial system of European countries were highlighted in the work [8].

Problems and prospects for the development of the territorial structure of European States are reflected in the scientific works [3, 6, 9].
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The authorities paid attention to the territorial organization and administrative and territorial structure in their works [2, 10-13].

The administrative sphere in the article [1] is considered from the point of view of direct interaction with people, that is, as a matter of principle interaction, namely - stratification of the relevant semantic cluster, which is the basis of discrete meanings circulating in a particular society.

The analysis of the literature allows to conclude that, despite the growing interest of Ukrainian scientists to study the problems of administrative and state reforms in various countries of the world, there are still no special comparative studies in the scientific literature devoted to a comprehensive study of the experience of administrative and state reforms in the leading EU countries. That is why there is an urgent need for this study, which is necessary for the development of the theory and improvement of the practice of administrative and state reform in modern Ukraine. At the same time, the main problem in highlighting the European experience in the field of administrative and territorial reform, the author sees a tendency to blindly copy the European experience without taking into account the peculiarities of the cultural, political, demographic and economic environment of Ukraine.

3. MATERIALS AND METHODS

The research methodology is based on an interdisciplinary approach that allows combining a set of general scientific and special political science methods, including system analysis, neo institutional approach, concrete historical method, socio-cultural method, situational and comparative analysis, and social-activity approach.

The system analysis allows to represent the process of administrative and state reforms in the form of system integrity, it is revealed the co-evolutionary nature of the relationship of institutional and socio-cultural components transformation of administrative state institutions in the reform process (Figure 1).

The socio-cultural method makes it possible to trace cultural differences between states, and the neo-institutional approach presents the reform process through the prism of the organization of the leading institutions of power. Using the neoinstitutional approach, the specifics of the functioning of various institutions of the administrative and state system of society are revealed, and the features of institutional complications and institutional distortions in the conditions of the transformation process are analyzed. On this basis the interrelation of functioning of formal and informal institutions, development of institutional structure and activity of subjects of transformation activity is considered.

The use of the social-activity approach is dictated by the need to take into account the inversion nature of social-political dynamics in the process of administrative reforms, which is important for determining the specifics of the course of transformational processes aimed at both reproduction and change of certain administrative and state structures.
4. RESULTS AND DISCUSSION

The use of concrete historical approach gave the opportunity to consider administrative reforms in the context of the General historical and political processes in the EU [15], and situational analysis allowed to pay due attention to a detailed consideration of major issues of reform in various countries of modern Europe in the context of the Ukrainian realities [2].

The traditions of constitutional democracy, a rather high level of economic development, the "Weberian" traditions of the "ideal bureaucracy" that underlie administrative and public administration in Europe, gave rise to a general context of administrative reforms in the leading EU countries. All this makes it possible to identify some of the most important common causes of European reforms that affected the specifics of the reform process in these countries and group them into blocks. The first block consists of internal political, economic, social, managerial, information and communication and general scientific reasons. the second block includes international reasons (globalization, informatization, deepening and expanding integration within the European Union).

The general methodological principles of the basic administrative reforms aimed at strengthening the state apparatus are determined by the level of development of modern public administration in Europe and the achievements of the world political opinion in the sphere of administrative and public administration. That is why the methodology of the main European reforms is based on an interdisciplinary approach that combines several leading principles of separation of administrative power from political power and administrative reforms in functional rather than political terms, a combination of systemic, situational and sociocultural approaches to reform, orientation to the information paradigm of management, the principle of evolutionary development, that is, orientation to a consistent, step-by-step reform, rather than “shock therapy” [8].

Innovative principles and technologies of advanced administrative reforms gradually evolved from the "new state management" to the "good governance" model. "Good governance" technologies provide for the transition from the instrumentalism inherent in the new state management to system approaches aimed at taking more fully into account the political and moral aspects of administration, which requires the use of the conceptual provisions of the theory of networks, synergetics, public administration, and the theory of communitarian democracy.
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Now we can talk about the formation of a European "framework model" of administrative and state reform, which is quite eclectic and includes several main areas: informatization and debureaucratization, new state management and the concept of "good governance", "activating the state", decentralization (deconcentration, outsourcing), privatization and the introduction of economic elements for regulating management processes, service administration, corporatism and neocorporationism. However, the above-mentioned "framework model" does not claim to be complete, since the European experience of reform is based on attitudes to cultural heterogeneity and particularism, which is directly reflected in the models of administrative reform of each individual European country [7].

Prospects for the development of administrative and state reforms in Europe are associated with the implementation of the concept of “good governance” and “activating the state” [2]. The main characteristics of "good governance" include: participation of citizens in governance, rule of law, transparency of the management system, sensitivity to the needs of citizens, focus on consent, fairness, efficiency and effectiveness, public accountability, and strategic vision of the future. The concept of "state activization" means that society and the state develop cooperation and share responsibility. Moreover, state structures initiate the process of solving public problems and act as a mediator, giving the society the opportunity to act independently. Thus, the state only sets the limits of responsibility for all its citizens and promotes the development of civil and business activity.

The English model of administrative reforms is quite radical, which is associated with a high degree of freedom of maneuver within the English system of public administration. There is an increased institutional sensitivity to reforms of the main institutions (legal and historical traditions). Reformers could rely on the traditions of a strong single administrative department and a one-party majority in Parliament (Figure 2).

Figure 2 Number of local governments in the EU Member States [14]

The specificity of the modern English experience of reform was that the principles of the new state management were introduced at an extremely energetic pace, the dynamics of reform was increasing, which led to the elimination of many historically established administrative structures and significantly undermined historical traditions. With the advent of G. Brown, the reform strategy was largely revised in the spirit of conservatism and traditionalism. The author draws attention to the fact that Great Britain became the first European country to embark on the path of "new managerialism" in the administrative and public administration. In the process of reform, the United Kingdom has been able to dramatically change the foundations of its administrative system and civil service, following the new principles of managerialism and the concept of "administration as a service" [9]. The British reforms had two main stages (neoconservative and labour), which represent the main achievements and problem areas of
reform. In our opinion, the neoconservative stage of reforms can be considered more consistent and successful. Thus, its positive aspects include the introduction of a productive model of budget planning and public expenditure management and the development of a competitive environment in the public sector of the economy. However, neo-conservative reforms are still causing heated debate: some believe Thatcher’s famous statement: "there is no such thing as society" is a flag of free enterprise that saved Britain from the crisis, while others reproach the neoconservatives for creating a society that operates under the motto of "enrichment", beneficial for the minority, not for the majority.

The second stage of reform, carried out by labour, was much less consistent, with elements of overt radicalism. The labour party aimed at radical democratisation in public administration and eliminated many historically established administrative structures. The author agrees with the critics of this stage of reforms, who point to a certain gap between labour and historical traditions and a gap in the socio-cultural continuity in the reform process (Figure 3).

The problem areas of the English reform model are associated with excessive radicalism of reformers, as well as with the deterioration of the moral climate among civil servants, problems and failures in the provision of public services, increasing politicization at high levels of government, and fragmentation of the management system. The primary achievements of the reformers include a significant reduction in the number of civil servants (40% from 1979 to 2000), a small reduction of state expenditure (about 3%), some increase in technical efficiency of the public administration system, strengthening the orientation of public administration to citizens' needs.

The French model of administrative reforms is socialized, so the priority here is not to reduce the cost of public services and increase the impact of the activities of officials, but to strengthen the democratic nature of public administration, since the French expect more social justice and equality of citizens before the state, the approval of public interest over private. The dynamics of French reforms are quite moderate, with a clear slowdown in recent years against the background of the economic crisis. As part of the French administrative reform, a service model of public administration is being created that focuses on the application of e-governance principles and the introduction of corporate governance methods in government structures (Figure 4).
The problem areas here are related to bureaucratic methods of reform (creation of new departments, commissions, offices), fragmentation of the government system as a result of the policy of deconcentration, and frequency protests due to the general state of affairs in the economy. The major successes of the French reform are related to the decentralization and deconcentration of powers of the central agencies, the delegation of some of the powers to the local level in order to approach the citizens. There is also a slight decrease in the number of civil servants (and in the first stage of reforms there was an increase in their number), and an improvement in the quality of services provided to the population. However, half of the reforms undertaken by the government do not suit many French people, as evidenced by periodic strikes.

The German model of reform can be called a conservative one because it is based on an awareness of the identity of national administrative culture, qualified as a "culture of statehood", as opposed to a "civil society culture" characteristic of the UK. Germany seeks to preserve the Weber traditions of management rationality as the rationality of laws, plans and instructions, but at the same time the reformers are gradually introducing elements of new management concepts. The pace of German reform is undeniably slow. In general, in the course of modern administrative and state reforms, Germany has gradually shifted from the concept of a “low-cost state” to the idea of a “citizen-oriented” state [7].

We emphasize that an important feature of the administrative-state reforms in Germany is that they are based on priority attention to the identity of the national management culture, a pronounced emphasis on maintaining Weberian traditions of management, gradual, deliberate implementation of the principles of privatization and market methods. In this country, management actions of a market nature mainly concerned the level of local self-government, partly the land issue.

The German model is characterized by a much smaller number of problem areas than in other European countries. They relate mainly to some of the fatigue from local government reforms, and to the fact that the federal government has rejected proposals to reform the payroll for civil servants. In terms of achievements, the German model is the most effective: a reduction in the number of civil servants (by about 17%), major changes at the local and land levels were carried out in order to bring the public services closer to citizens, carry out decentralization of government, translate the decision-making process into the grassroots levels, increased orientation of the state government to the needs of citizens, increased flexibility in the area of budget implementation (Figure 5).
The Finnish model of administrative reform is inversion, since a radical adjustment of the reform strategy took place during the reform process. The dynamics of the Finnish reforms varied at different stages, from radical enough to mostly conservative. Initially, the reforms were moving at a rapid pace, introducing the principles of new public management, building on the UK experience. The reform-induced social crisis has forced the government to adjust its reform strategy (focusing on Germany's more successful experience), making reforms more consistent and gradual. The main emphasis was shifted to structural reforms of central executive bodies, which gradually, through "pilot" projects, introduced principles of results management, increased managerial flexibility and the introduction of the concept of delegation of authority.

Reformers in Finland focus on introducing elements of new public management, such as delegating responsibility for decision-making to the level of direct performers, focusing on evaluating the effectiveness of government agencies' performance and social impact from their activities, developing competition in the public sector, and transforming hierarchical executives authorities in public service companies. At the same time, the quality of work of state bodies is determined by how satisfied the consumers of services, ie the citizens themselves. This, according to the author, led to some increase in the efficiency of the Finnish public administration system.

The successes of the reforms include a serious reduction in government spending, an increase in openness and transparency of government, a reduction in the number of civil servants retained at the expense of the central government apparatus by 43%. Overall, the introduction of performance-based management, increased managerial flexibility, and the introduction of the concept of delegation of authority have led to a significant increase in the efficiency of the Finnish system of administrative and public administration, which is now recognized as one of the best in Europe (Figure 6).

It should be noted that administrative-state reforms in Ukraine are more difficult than in developed European countries. First of all, this is due to the fact that in the course of the implementation of administrative and state reform in our country it is necessary to take into account both the socio-cultural specificity of the public administration system and the European (world) experience in this field. The main task facing Ukraine today is to carry out basic administrative and state reforms aimed at strengthening the foundations of the state system of government.

Figure 5 Share of governments Graph 22: Share of government employees 50< employees <35 [14]
**Figure 6** Overall assessment of public administration capacity and performance of the EU Member States

**Source:** Own calculation based on the overall rank of each country in each of the 6 dimensions (each based on a quintile rank of 1-5)

Thus, the Government of Ukraine, drawing on the experience of administrative and territorial reform of EU countries, has developed a gradual reform program, which can be depicted using Table 1.

**Table 1** Quantitative and qualitative reform of the administrative and territorial structure in Ukraine

| Before reform 490 districts | In the process of districts consolidation  
If more than half of the area’s population is already in the united communities and / or the center of the district is also the center of the united communities | After reform 100-120 counties |
|-----------------------------|-----------------------------------------------------------------------------------------|-----------------------------|
| ADMINISTRATIVE ADMINISTRATION | EXECUTIVE COMMITTEES OF UNITED COMMUNITIES*  
Local affairs function (structural units: education, health, culture, ecology, infrastructure, urban planning and architecture, administrative services, etc.) | |
| Control and observation function  
(tools are insufficient. For example, The district state administration does not have the right to stop the action of an openly unconstitutional decision of a local government body) | REGIONAL ADMINISTRATION  
Supervisory function (Instrumentation is not sufficient. For example, the district state administration has the right to suspend an openly unconstitutional decision of a local government body) | GOVERNMENT OFFICER AND HIS APPARATUS  
Function of supervising the observance of the Constitution and laws of Ukraine by local self-government |

bodies with sufficient tools, including the power to suspend decisions with
Thus, the data in Table 1 lead us to the conclusion that elements of advanced reforms and innovative technologies can be introduced gradually as "pilot" projects.

So, we conducted a comprehensive conceptual analysis of the European experience of administrative and state reform, identified general directions, features and problem areas of reforms, and justified the possibility of using the experience of these reforms in modern Ukraine, in particular:

1. The most significant reasons for European administrative and state reforms are identified, both internal (political, economic, social, general scientific, managerial) and international (European integration and global transformations).

2. The methodology of European reforms is defined, which is based on an interdisciplinary approach that combines the principles of system, structural and functional, situational, socio-cultural, evolutionary and informational, and other approaches to reform.

3. A pan-European “framework model” of administrative and state reform has been identified, which includes several main areas: informatization and de-bureaucratization, “good governance”, “activating state”, decentralization (deconcentration, outsourcing), privatization and introduction of economic elements management processes, service administration, corporatism and neo-corporatism [9].

4. The comparative analysis of the results of administrative and state reforms in the United Kingdom, France, Germany and Finland revealed general trends and socio-cultural specificities, the main problems and achievements of the reformers; core problem areas of reform have been identified and analyzed, including difficulties in implementing information technology and market principles into the public administration, some miscalculations in planning reforms, underestimating the conflict of interest of different groups of officials, and so on. It is shown that market methods have limits of their application in state structures.

5. The author substantiates the special influence of European integration on the course of reforms, which is expressed in the desire to use the concept of "universal services" and services of "common economic interest", which in the future can lead to a much greater unification of administrative and state reforms in the EU countries. The main lessons of the European reforms for Ukraine are identified, the main significance of which is that it is necessary to abandon the strategy of blind copying of the Western experience, especially the practice of the Anglo-Saxon states. It is much more productive to focus on the slow evolutionary path of reforms, preserving the socio-cultural specifics of the civil service Institute, focusing on the Finnish experience [4].

5. CONCLUSION

Thus, to date, Ukraine has accumulated some experience in implementing administrative-territorial reform, but it is far from successful until its successful completion, and the interim results are rather modest. An important positive indicator is that public service reform is now moving towards ensuring and strengthening discipline and order. However, success is possible only with a comprehensive approach to administrative reform, the development of a clear
strategies and tactics of reform, understandable not only to the management and officials, but also to citizens.

Based on the European experience, it is important to take into account that market principles in the public administration system have certain limits of application as a result of intensive implementation of market management principles and deconcentration of management, so the public service may become more disjointed and less manageable, which will contribute to the distortion of its public purpose, distance of citizens from state institutions. The above-mentioned leads us to the conclusion that the implementation of administrative reform in Ukraine is as urgent a task as in many European countries. Therefore, when planning and implementing administrative reform in our country, it is necessary to take into account both the national traditions of public administration and the European experience in this area.

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