Local self-government reforms in Europe: legal aspects of considering the communities' social identity

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Abstract
The implementation of local self-government reform is closely linked to the social identity, a concept that includes common territory of residence, history of origin and development, social interaction, moral standards, values, traditions, interests, habits and needs. In order to study the realm of different European countries in implementing of the decentralization policy and the current state of regulation of the local self-government issues with respect to the social identity the comparative-law, formal and legal, and system-structural methods were used. The cross-national comparative study reveals that in Austria, Spain, France, Poland, the formation of local communities’ associations was preceded with regard to the economic criterion and the permission of the executive branch, while the opinion of local communities’ members is only advisory. In Estonia, the legislation regulates the procedure on the formation of unions of townships or cities, as well as a list of issues to be discussed with local communities’ members. However, the decisive move is still left to the government. In Ukraine, it is statutory that a decision to form a united territorial community could be adopted only after positive discussions with members of the relevant local communities.

Keywords. social identity, local community, local self-government, local self-government bodies, local government reform.

JEL Classification: K23, K30

1. Introduction

Society is viewed as a social environment of human existence; it determines the formation of local communities with their own subculture, history and development that reflects their identity. Each local community, at its spatial level, resolves all issues of local importance and state-mandated tasks directly and through local self-government bodies within the limits of their legally assigned competence. It is worth to note that most of the constitutional rights of citizens,

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foreigners, stateless persons are exercised at the level of local self-government. Thus local self-government plays a special role in the public administration mechanism; it ensures the interconnection between society, the individual and the state.

Harmonized interaction between public authorities and local authorities can be achieved through a clear definition and allocation of their competence and responsibility. This led to decentralization processes and local government reforms in many countries. In some EU countries a movement towards the reduction of the number of local or regional governments or the suppression of an administrative tier with a redistribution of its competences could be observed. Many countries have introduced the substantive local self-government reforms to either reduce the number of municipalities (Czech Republic, Estonia, Greece, Latvia 2009), or to create joint bodies between municipalities in order to share tasks and costs (France, Hungary, Italy, Luxembourg, Slovenia)\(^5\).

A number of researchers believe that decentralization encourages a set of positive incentives. According to Hankla (2008) it happens by increasing the democratic accountability of the state. The basic explanation here is that people can better oversee the behaviour of public officials when they live in the same region than when the officials operate from a distance\(^6\). Bardhan (2019) also pointed out that the local cooperation and information can often identify cheaper and more appropriate ways of providing public services, apart from getting a better fit for locally diverse preferences\(^7\).

These views of academics are in line with the principle of subsidiarity of local self-government that is defined in paragraph 3 of Art. 4 to the European Charter of Local Self-Government\(^8\). The principle outlined the fundamental vector of decentralization in Ukraine and the EU. From the content of Art. 5 of this regulatory document implies that the change of spatial boundaries of local self-government bodies should not be carried out without the opinion of the local communities’ residents. This provision embodied the fundamental principle that the local community is the primary subject of local government on its territory. At the same time, views of local communities on local self-government and territorial transformations had different forms, content and legal value in Ukraine and the EU countries.

The aim of our study is to find out how the social identity of local communities is taken into account when reforming local self-government in Ukraine and the European Union.


In order to study the realm of different European countries in implementing the decentralization policy and the current state of regulation of the local-self government issues with respect to the social identity the comparative-law, formal and legal, and system-structural methods were used. Using the comparative-law method, the features of the legal regulation of the organization of local self-government reforms by the analysis of the Austrian, Spanish, French, Estonian, Polish and Ukrainian experience. The country-by-country case-study was employed. Using the system-structural method, the features of the reforms of territorial-administrative structure were distinguished. Using the system-structural method, the features of the changes were highlighted.

2. Literature review

The local community in the broadest sense is regarded as a union of people formed on the basis of common living conditions, interests, traditions, historical, cultural and other factors that determine its social identity. In the literature, the term "social identity" means an individual's identification with those communities that s/he perceives as "her/his" and in relation to which s/he may say "we". According to Erlingsson and Ödalen (2017) the community-to-individual relationship is an inevitable link in the individual's relationship with the society in which he or she, following group rules, is shaped as an individual.10

At present, the concept of "social identity of the local community" includes common territory of residence, history of origin and development, social interaction, moral norms, values, traditions, interests, habits and needs (Etzioni, 199611; Hester, 201812). The analysis of the literature gives grounds for claiming that the social identity structure of the local community consists of such levels as: ideological, individual-psychological, socio-economic, legal.

The ideological level, as evidenced by the analysis of literature (Kramer, Amos, Lazarus & Seedat, 201213), includes traditions, interests, beliefs, outlook, a certain way of life. Members of the local community are connected to a historically complex way of life. The traditions of the local community are historically determined at the local and territorial level. These are specific for a given community ways of thinking and acting, worldviews, assessing reality, identifying needs and interests, perception and attitude to the environment. Each local community protects its traditions from possible destruction when deciding to

12 Joseph P. Hester, “Seeking Community in a Divided World”, Humanities Bulletin 1, no 1 (November 2018), 143.
integrate with other related communities, and this is one of the reasons for refusing their voluntary association. Local communities are carriers of residential, educational, cultural, religious, political interests that are determined by the scope of interests of its members. As a rule, these features of the local community are partly reflected in the charters, regulations, which are approved by their local governments.

The next level is individual psychological, described by such researchers as Ostrom (1990)\textsuperscript{14}, Patnem (2000)\textsuperscript{15}. It covers habits, values, relationships within the community and with other communities, psychological identification with the community, responsibility to it, trust in one another, solidarity and the presence of public consciousness. Components of a sense of community are the impression of being merged with the local community, adherence to its values, traditions and interests, shared emotional connection, which consists in a sense of community of the fate of its members, the measure and nature of their interaction. The close communication could also play a crucial role for the social identity, as stressed by Gioia (1998\textsuperscript{16}). According to McMillan and Chavis (1986), these factors provide a positive psychological climate for the community\textsuperscript{17}. Therefore, when carrying out the reform of local self-government, it is crucial to take into account the individual-psychological characteristics of local communities in order to create new social institutions with a positive psychological climate.

The socio-economic level is formed by: territory, local budget, real estate and movable property, land, natural resources, which are the material and financial basis and guarantee the provision of quality public services to members of the local community and addressing local issues. Shaffer (1989) rightly noted the places, resources, sources of budget filling and their fair distribution\textsuperscript{18}. Therefore, it is important for local community members to be aware of the need for timely payment of taxes (Anglin, 2019\textsuperscript{19}), as the fiscal dimension plays a certain role in the local identity (Buser, 2011\textsuperscript{20}; Onofrei and Oprea, 2017\textsuperscript{21}).

\textsuperscript{17} David McMillan, and David Chavis, “Sense of Community: A Definition and Theory”, \textit{Journal of Community Psychology} 1 (January 1986), 10-11.
\textsuperscript{18} Ron Shaffer, \textit{Community Economics. Economics Structure and Change in Smaller Communities} (Ames: Iowa State University Press, 1989), 32-38.
\textsuperscript{19} Roland Anglin., \textit{Promoting sustainable local and community economic development} (New York: Routledge, 2019), 52-57.
Legal level: the local community is able to influence the local life by representing its members and conferring certain powers on them through elections, which defines it as the subject of local government (Burns, Hambleton & Hogget, 1994). The jurisdiction size and communities restructuring, including municipal mergers, according to Blom-Hansen, Houlberg, Serritzlew and Treisman (2016) could bring null results in cost savings when reforms are not legitimate and justified by community members.

It is worth to note that these levels of local communities’ social identity co-exist and are important in shaping state policy on local self-government, community empowerment and decentralization.

3. Experience of EU countries

In Austria, the system of administrative and territorial structure is made up of provinces and communities. The community is at the same time the basic subject of local self-government, which according to Art. 116a of the Constitution of the Austrian Republic can by agreement associate in ‘municipality associations’. It should be noted that the legislative procedure for clarifying the opinion of members of the community regarding unionization is only advisory, since it is crucial for its formation to obtain the permission of the executive authority, which can be issued only if the future union is economically expedient and cost effective. The governing bodies of the community or their unions are the public council, the community board and the burgomaster, elected by the public council. The aforementioned follows that economic viability was a priority in the reform of local self-government, and taking into account the social identity of local communities was not decisive. As a result of the reform of local self-government, 2357 communities have been created in Austria, most of them with fewer than 10 thousand inhabitants.

In Spain, the primary local governments are the municipalities with the rights of a legal entity, there were 8,122 by the beginning of 1970 and their number had decreased by 13% since the 1980s. According to Art. 141 of the Spanish Constitution, they can be integrated into provinces and other institutions (Congreso de los Diputados, 1978). At the beginning of the 21st century, the

The process of power decentralization in Spain was completed. Uniform models of formally homogeneous regional governments that can be effectively applied across the country are hardly possible. This is confirmed by the fact that the Basque Country, Catalonia, Andalusia and Galicia do not agree with the solutions offered by homogeneous regional governments without regard to their specificities and local conditions. The refusal to adopt a unified model and ignore the social identity of their local communities prompted Catalonia to decide to hold a referendum to recognize its independence on September 9, 2014. Although this decision was declared unconstitutional, it is a valid confirmation that the administrative “suppression” of local communities into a unified format of the local government system, based only on economic factors, but without consideration of their social identity creates conflicts and is not always effective. Thus, the heterogeneity of Spain at regional and local levels makes any generalization of their forms of governance almost impossible.

According to Art. 72 The Constitution of the French Republic, the local communities of the Republic are communes, departments and overseas territories. The main subject of local government in France is the commune. There are almost 36,000 thousand of them, their governing bodies are the municipal council, which elects the mayor and deputies for a term of 6 years. The next section is the 101 departments with similar governing bodies, whose main functions are to coordinate and control the activities of the communes. Departments have the power to control over the activities of communes and departments.

One of the pillars of the policy of decentralization of power in France has been the preservation of the diversity of existing local government structures. In our view, this principle is correct because it ensures that the social identity of local communities is taken into account while further reforming local self-government.

According to Art. 155, 159 of the Constitution (Basic Law) of the Republic of Estonia, local self-government units and administrative-territorial units in Estonia are townships and cities with the right to form alliances. Their local self-government bodies are the town and city assembly (representative body) and the administration (executive body). The creation of alliances of local self-government units can be initiated by the government or town and city councils. It should be noted that in any case, such circumstances as historical substantiation, impact on living conditions of the population, feeling of their community, influence on demographic situation and quality of public services provision, influence on

28 Ranjith Amarasinghe, op. cit., 157-158.
effectiveness of local self-government should be taken into account. In case of agreement, the formation of a union at the initiative of a town or city assembly is carried out by drawing up a unification agreement for a definite term, and otherwise, by the decision of the government, after holding relevant discussions with local communities. The powers of the Government of Estonia to take decisions on changing the boundaries of townships and cities, as well as their unions are expressly provided for in Art. 7-1 of the Law of Estonia “On the Administrative and Territorial Structure of Estonia”.

In 2016, Administrative Reform Act was passed to implement the reform and alter the administrative-territorial organization of cities and rural municipalities. According to the law local authorities must be able to independently organize and manage local life and perform functions. The Act stipulated that in accordance with the purpose of administrative reform all local governments must have at least 5,000 residents (criterion for the minimum size of a local government). 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 government 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. During the process government decided according to the law to suspend the procedure of 10 such mergers as a result of an assessment of justifications presented in the opinion of a local government and continued to finalize with 26 proposals. 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.

Therefore, it should be noted that the legislation of Estonia more clearly regulates the procedure and the list of circumstances to be discussed with the local communities on the formation of unions of parishes or cities. This demonstrates the true ability of local communities to maintain their social identity and to make a real impact on their neighbors’ choices. But the last resort in implementing local government reform, if there is no agreement between the local communities, is the government’s decision to compel self-government, which must be justified.

There have been two waves of decentralization in Poland - in 1990 and 1998 described by Sauer (2013), as well as by Sitek, Szczerbowski and Bauknecht (2013).
Within the first wave, it was determined that the primary unit of local self-government in Poland was the commune, which - in accordance with the Law of the Republic of Poland on Self-Governing Community, 1990 - was at the same time an administrative-territorial unit with legal personality. It is represented by the borough council, an executive committee headed by the mayor (president in cities with a population of more than one million inhabitants). The formation, association, division and liquidation of Gmina, the establishment of their boundaries and names, as well as the location of their organs are directly attributed to the powers of the Council of Ministers of Poland after consultation with residents. It is expected that, when forming, merging, dividing, liquidating the Gmina and setting their boundaries, consideration should be given to the fact that the Gmina covers, as far as possible, a homogeneous territory with a view to compact living habitation and the integrity of the territory, as well as to socio-economic connections allowed to carry out public tasks.

The 1998 reform finally changed the territorial organization of the country – reintroduced the medium level – districts (powiats) and consolidated regions (województwo) (49 small regions has been replaced by 16 stronger one). New territorial units received their own scope of local-governmental power and financial resources. That is, the priority in the formation, unification, division, or liquidation of communities is the criterion of economic expediency, and the consideration of historical, cultural, moral, ethical and other factors is not mentioned here, which indicates their secondary role.

4. Local self-government reforms in Ukraine

The conceptual idea of the Ukrainian doctrine of local self-government is to recognize the local community as the primary subject of local self-government. Because according to Art. 7 of the Constitution of Ukraine local self-government is recognized and guaranteed, the autonomy of the local community comes not from the state but from the sovereignty of the people. Unlike the countries of the European Union, in the formation of united territorial communities in Ukraine, the conditions for taking into account the historical, natural, ethnic, cultural and other factors that may affect its socio-economic development are legally defined. When proceeding from the initiation to the formation of a united territorial community, it is obligatory to hold public discussions, only following the results of which the relevant village, settlement, city council is empowered to make a decision to consent to the voluntary association of territorial communities.

The practical implementation of the process of unification of territorial communities began in mid-2015. In 2015, 159 new enlarged communities were formed, bringing together 793 territorial communities. On October 25, 2015, new local governments were elected in these communities, as of January 1, 2016 they

39 Adam Sauer, op. cit., 12.
switched to direct budgetary payments with the State Treasury and as of 2016 showed a noticeable positive trend in their development. These communities have been given expanded powers and additional ones resources that allowed them to implement development projects infrastructure: repair and even build schools, kindergartens, water pipes, roads, street systems lighting, purchasing utility vehicles, setting up utility companies, taking care of landscaping and more.

In 2016, significant progress was made in the formation of unified territorial communities - their number increased by 2.3 times. Thus, as of the beginning of 2017, there were 366 unified (merged) communities in Ukraine, which united 1740 local councils in which the first local elections were held. In 2017, these communities switched to direct intergovernmental relations with the State Budget of Ukraine. In 2016, the process of electing seniors began in the villages and towns of the united communities.

According to a survey carried out in Ukraine in March 2017, the attitude towards the implementation of decentralization reform is holding up a positive trend and the majority of those polled support the reform. Thus, more than half of the respondents (55%) support the implementation of decentralization, only 15% do not support. Regional distribution of supporters of decentralization in general, the experience of forming united territorial communities also has a positive effect on the perception of reform. The majority of supporters of decentralization in the Western region, as well as those formed by the enlarged communities. This is the trend extends to the whole of Ukraine: the first three regions with the most positive evaluations of decentralization are the regions with the largest number of united territorial communities created.

The results of the second wave of the All-Ukrainian sociological study "Decentralization and reform of local self-government", conducted by the Kyiv International Institute of Sociology at the request of the Council of Europe Program Decentralization and Territorial Consolidation in Ukraine in December 2016 demonstrated an increase in awareness, support and positive expectations of decentralization reform. Overall, 67% of respondents felt better or expected to see decentralization reform. If in 2015 only 19% of those polled noted some changes for the better in their locality as a result of increasing local budgets, by the end of 2016 there were almost 2.5 such people times more - 46%. At the same time, 61.3% of respondents believe that reform of local self-government and decentralization of power in Ukraine is slow.


During the fourth wave of the All-Ukrainian sociological study "Decentralization and reform of local self-government" in December 2018\textsuperscript{45}, 47% of urban respondents expressed support to the idea of the community unification, while 62% of rural respondents agreed with the idea of the community merge on the term that their community could be the center of the united community. While in 2017 75% or respondents consider that the opinion of the community members as a necessary factor in a policy decision on communities' merge, in 2018 only 56% think the same. So, we can see that the local identity is still a substantial determinant for local self-government restructuring.

By March 2018, implementation of legislation has resulted in the amalgamation of 3,372 smaller communities into 725 larger integrated communities\textsuperscript{46} (Rabinovych, Levitas, Umland, 2018). By the beginning of 2020, 1,029 united territorial communities of nearly 10,000 were formed in Ukraine\textsuperscript{47} (Decentralization, 2020). Given the diversity of social identities of local communities, 9,500 of them have not yet agreed to a voluntary association. However, local government reform should be completed by mid-summer 2020, as next local elections are due in October of that year. Therefore, the Ukrainian society and the state are faced with the question of determining priorities - economic capacity or social identity of local communities?

5. Discussion

The main conceptual idea of local self-government reform in Ukraine and the European Union countries is the consolidation of communes, municipalities, townships, communities, etc. in order to achieve a better level of their livelihoods. The result of such transformations is an increase of community territories. Therefore, at the beginning of the reform, the system of communication between members of the local communities is decentralized, since their spatial boundaries objectively allow them frequent interaction, observation one by one, communication, solidarity in dealing with local issues and public awareness. The enlargement of territorial boundaries of local communities causes the transition to a centralized system of communication in which its members, which have become much larger, can no longer directly perceive all other members and interact as before, but mainly exchange information through the central chain through which is the administrative center where the local government is located. For example, the experience of Ukraine shows that in the new united territorial communities, each local community has retained its social identity, and traditions, so public consciousness in the united territorial community is still in the stage of formation.


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and this requires a long period of time. The same cases have been reported in other transitional countries of Europe by Bartlett, Maleković & Monastiriotis (2013) and Zajda (2014).

Our analysis shows that local communities are sensitive enough to the neglect of their social identity in the process of local government reform, including decisions on integration with other communities.

The diversity of social identities of local communities gives ground to the notion that the development of legislation for their unification is impossible without simultaneously taking into account both economic and social factors. That bringing together local communities without taking into account their social identity makes them homogeneous only formally; in reality they may have conflicting views and a negative psychological climate, which in turn affects their life. Quite similar notion can be found in the other research, for example conducted by Kinzig et al. (2013)

It comes out that local communities can influence the reform of local self-government and preserve their social identity only if the process of considering the community attitudes is clearly established and guaranteed at the legislative level. The experience of Estonia and Ukraine can confirm this. At the same time, researchers (Chernezhenko, 2018; Serohina, Bodrova, Novak, 2019) pointed out that the current model of power delegation from the central bodies to the communities and their self-governing bodies is outdated, formed on the basis of centralized management. Thus, communities may feel disempowered to demonstrate their identity and to build the proper intercommunity cooperation. It is also worth to consider the significant discrepancies between the basic ethical and political values of local self-government, i.e. democracy, independence and efficiency, and the changing content of self-government systemic laws resulting from adjusting national legislation and the European Charter of Local Self-Government. Such critical reflections we found in recent European studies conducted by Kasiński (2018), Lentner and Hegedűs (2019). These adjustment trends could also neglect the local social identity of communities.


50 Katarzyna Zajda, “Problems of functioning of Polish local action groups from the perspective of the social capital concept”, Eastern European Countryside 20(1) (December 2014), 92-93.


6. Conclusions

Considering their own political and legal traditions the researched countries unequally carry out processes of reforming local self-government, decentralization and consolidation of local communities, taking into account in different ways the ideological, individual-psychological, socio-economic and legal levels of social identity of local communities.

Summarizing the situation of reforming local self-government in the countries selected for the analysis of the European Union, it should be noted that in Poland, Austria, Spain, France, the opinion of members of local communities about the union is only advisory, since the procedure of public discussions and the range of issues that are binding ones are not clearly defined by the legislation. Therefore, in these countries the key criteria for the formation of local community associations are the economic ground and the approval of the executive power bodies.

In the analyzed countries, the range of issues that make up the content of the local communities’ social identity and are subject to discussion during the communities’ unification is determined at the best level by the laws of Estonia. Still, the decisive move remains within the government.

In Ukraine, it is statutory that a village, settlement, city council may decide to form a unified territorial community or join an already formed one after only positive discussions with members of the relevant local communities. So the decision of the local community in this regard is decisive. And it cannot be overridden by the decision of any state or local self-government body.

On this basis, for socially heterogeneous local communities, before their possible unification, there is reason to recommend, as a trial stage, inter-municipal cooperation with the preservation of their local governments.

Bibliography


