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IMPLEMENTATION AND DEVELOPMENT OF THE EUROPEAN MODEL OF NEIGHBORHOOD INTER-MUNICIPAL COOPERATION IN UKRAINE

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Abstract

The article was tried to solve the dilemma of whether neighborhood inter-municipal cooperation in Ukraine is part of the European model of inter-municipal cooperation, or just another attempt to imitate it?

The basis of the study is the work on the general theory of governance, territorial governance, inter-municipal cooperation, which provide a basis for understanding what the European model of neighborhood inter-municipal cooperation is. The research is based on an analysis of the legal framework governing inter-municipal cooperation in Ukraine, as well as official statistics on the practical implementation of the right to inter-municipal cooperation of neighboring territorial communities.

Key words

inter-municipal cooperation, territorial governance, multi-level governance, administrative-territorial structure, European model of inter-municipal cooperation, Ukraine.

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1. Introduction

Cooperation between societies has a historical character. The practice of social organization shows societies can not only compete, but also join forces. In general, any cooperation between different socio-territorial entities can be formalized and classified according to different parameters.

The forms of such cooperation are extremely diverse, as they were made by the coincidence of specific interests over time. Only part of such cooperation has institutionalized forms characterized by clear legal regulation. It should be noted that the legal framework regulates only a part of cooperation which, due to its diversity, may not be generalizable at all. Z. Niewiadomski (1992) points out that cooperation between communities is universal and

cannot be limited substantially, subjectively or formally. Also, inter-municipal cooperation should not be restricted to administratively defined forms, but it may have another dimension, such as based on private law.

There are several terms in the scientific literature that directly relate to cooperation between societies: cooperation, collaboration, inter-municipal cooperation. According to T. Kaczmarek (2005), cooperation, collaboration, integration characterize the common work of elements of a system that aim at its effective functioning. Each of these definitions has got its own special content. The narrowest and, at the same time, the most clearly defined is the concept of inter-municipal cooperation. In order for community cooperation to be classified as inter-municipal cooperation, in addition to a common interest, a number of other important elements are also needed. First, the community must have its own authorized representative – a municipality that has the right on behalf of the entire community to establish cooperation with other equal partners. Secondly, the municipality must have sufficient autonomy to initiate and implement cooperation with partners. Thirdly, the municipality must have the resources that can be used to solve issues relating to cooperation. In general, the prerequisite for the development of inter-municipal cooperation, in its current sense, is the existence of a decentralized system of public administration.

The post-communist states of Central and Eastern Europe, which started decentralization reforms much later than the world's leading democracies, were forced to implement new organizational and management mechanisms in the shortest possible time. On the one hand, they had access to world-class best practices in the field, but on the other they lacked their own experience, and they had a very limited time to coordinate advanced models with local characteristics. Within the management experience of the European Union countries, standards have been formed that have become a model for subsequent implementation in countries with a totalitarian past.

One of the post-communist European countries where decentralization is extremely inconsistent, and problematic is Ukraine. Although the first steps towards decentralization dating back to the time of its entry in the USSR (1990), until recently the local government in Ukraine was mainly just an imitation of European standards. However, the last phase of decentralization reform, which began in 2014, gives hope that European standards will be implemented in Ukraine's territorial governance system. Evidence of this is the emergence in recent years of such phenomena as inter-municipal cooperation, which is

developing dynamically and today can be regarded as an object for comprehensive analysis.

The purpose of this article is to answer the question of whether neighborhood municipal cooperation in Ukraine is part of the European model of inter-municipal cooperation, or just another attempt to imitate it?

In order to achieve this aim, based on the analysis of the theory of inter-municipal cooperation in the modern sciences of administration, we will try to find out what the European model of inter-municipal cooperation. The next step will be to analyze the system of legal regulation of inter-municipal cooperation in Ukraine, and finally to examine its implementation in the subject, evolutionary and spatial planes.

The basis of the study is the work on the general theory of governance, territorial governance, inter-municipal cooperation, which provide a basis for understanding what the European model of neighborhood inter-municipal cooperation is. The study is based on an analysis of the legal framework governing inter-municipal cooperation in Ukraine, as well as official statistics on the practical implementation of the right to inter-municipal cooperation of neighboring territorial communities.

2. The theory of inter-municipal cooperation in the modern sciences of administration

The modern theory of inter-municipal cooperation is developing thanks to the spontaneous and dynamic growth of interest of local authorities in the interaction that takes place in the countries of the European Union, the USA and other developed democratic states of the world with increasing power since the postwar years.

The theory of inter-municipal cooperation implements a rational combination of the principles of local democracy and praxeology, which reflects the nature of decision-making and implementation of administrative decisions. The principle of local democracy ensures maximum involvement of community residents in managerial decision-making, and the principle of praxeology aims to implement these decisions in the most effective way.

Typically, successful combination of local democracy with effective management implemented within the administrative and territorial system. If the necessary administrative efficiency within the existing administrative-territorial structure is impossible to achieve, then there is a need to reform it.

The post-war dynamic socio-economic development, the emergence of new ones and the

complication of existing administrative tasks, pose new challenges to the system of territorial governance of developed democracies. Traditionally, such problems have been solved through lengthy and costly administrative and territorial reforms, but in the current context, there is a need to find other forms of management effectiveness. In order to avoid permanent reformation of the administrative-territorial system, the central government needs to move away from traditional historical ideas about the administrative-territorial structure of society as a stable conservative hierarchical system. However, given the stability and inertia of the units of the administrative-territorial structure on the one hand, and on the other hand, the diversity and atypicality of the administrative problems, an acceptable alternative may be the release of the territorial self-organization resource in the form of cooperation.

The popularity of inter-municipal cooperation in advanced democracies is a kind of response to the transformation of governing philosophy. This is especially true for the development and complication of management units, and the gradual departure from the traditional hierarchical management system towards network management.

The first trend was manifested in the implementation of multi-level governance. Analyzing the establishment and operation of supranational institutions, L. Gruber (2000) came to the conclusion that multilevel governance enhances its effectiveness by creating a harmonized standard for implementation and enforcement of policies. In fact, this conclusion is also confirmed at local and regional levels of government. F. Teles (2016) points out that in today's context, multi-level governance is complicated and needs new tools to ensure efficiency and avoid redundancy.

The second trend does not mean a complete replacement, but only a complement to the management hierarchy of network forms. According to K. Hanf and F.W. Scharpf (1978), a major change in this respect can be summed up by a transformation in social governance from hierarchical control to horizontal coordination. Networking in government means engaging more and more new players in policy making: on the one hand, public and self-governing, and on the other, public or private.

According to P. Kenis and V. Schneider (1991), the concept of policy networks is a complex combination of stable, decentralized, non-hierarchical relationships between actors, by their social nature, that share resources in order to achieve a common goal. Such networks emerge at different territorial levels. B. Marin and R. Mayntz (1991) note that there are international (eg European), nationwide, regional and

even local networks. F. Teles (2016) emphasizes the link between emerging network governance and inter-municipal collaboration. According to him, in such conditions political and administrative hierarchical structures become more open to horizontal networks both an interbranch and intra-industry.

The complication and development of the territorial governance system in the context of multi-leveled and networking leads to the increased interaction of all participants involved. H. Baldersheim (2002) draws attention to the growing interest in the phenomenon of multi-level governance from a scientific and practical point of view. F. Teles (2016) emphasizes the importance of multi-level interaction and develops the concepts of horizontal partnerships and vertical partnerships.

In most European countries a new multi-level space has emerged with a complex interweaving of different functional territories and levels of government, with local and regional institutions operating in both horizontal partnerships and vertical networks. In general, this complication of forms of territorial governance F. Teles (2016) describes as "territorial mess".

Thus, inter-municipal cooperation is a flexible form of territorial governance that allows it to be more effective and efficient without costly administrative-territorial changes, based on the principles of local democracy.

Emphasis on the effectiveness and performance of inter-municipal cooperation can be seen as key to implementing this form of local government interaction (see: Bel, Warner, 2015). Inter-municipal cooperation is not universal and cannot be an alternative to a system of established administrative and territorial structure. Its flexible nature makes it possible to increase the efficiency of management on the one hand, but on the other it can become a problem for municipality. F. Teles (2016) calls inter-municipal cooperation only "one of the alternative strategies".

Inter-municipal cooperation does not deny the administrative-territorial structure but is formed on its basis. According to K. Nowacki (1996), various unions, agreements and associations are secondary territorial groups that arise on the basis of units of administrative and territorial structure. Often, inter-municipal cooperation is seen as an alternative to amalgamation of local-level administrative-territorial units (Tranin, 1984; Kaczmarek, 2005; Hertzog, 2015).

F. Teles (2016) identifies three key elements of inter-municipal cooperation: efficiency, democracy and stability. The positive effect of municipal cooperation is only possible under certain conditions.

First, the political governance system must be democratic, namely aimed at attracting the maximum number of participants to the decision-making process.

Secondly, there must be a climate of mutual trust and strategic vision between the participants in the cooperation, that is, a willingness to yield to narrow, short-term interests in order to achieve a common goal.

Thirdly, the subjects of cooperation must have a sufficient level of managerial autonomy to delegate some of their powers and resources to the operational level.

Fourth, the legal system must be sufficiently flexible, ready to adapt quickly to the changing expectations of participants in the cooperation.

In the absence of these conditions, inter-municipal cooperation becomes limited and sporadic acts of interaction, or it is merely artificial, formal or fictitious. There is a risk of contradiction between ensuring efficiency and democracy in the context of inter-municipal cooperation. In general, the efficiency of public administration is ensured by the delegation of powers in the form of delegation of certain administrative functions to specific bodies, and the phenomenon of delegation is manifested in the chain of power authority (Kuczabski, 2010). At the same time, the formation of additional links in the chain of delegation (which is actually inter-municipal bodies) can be a threat to democratic foundations. F. Teles (2016) draws attention to the fact that inter-municipal organizations may face serious problems of democratic deficit or duplication of costs.

Inter-municipal cooperation is the most common definition for the various forms of cooperation of local communities or their representative or executive bodies. It can be classified into a number of aspects: economic, geographical, organizational, managerial. On the basis of spatial coverage, T. Kaczmarek (2005) notes that cooperation may be local, supra-local, regional, national and foreign. In our study, the object of the analysis is only neighborhood inter-municipal cooperation of the local level, which arises between the municipalities, which are bordering on each other and on the basis of legally established forms and procedures, solve joint management tasks.

As mentioned, the economic aspect of neighborhood inter-municipal cooperation is to address the problem of managerial effectiveness. The configuration of new organizational forms of management, which are inter-municipal associations, is subordinated to the idea of maximizing efficiency. In this context, there is a problem of finding the best point of view of service for the size of structures. This problem has composed an important part of

local government literature (Hirsch, 1959; Oates, 1972; Dixit, 1973). J.L. Gomez-Reino and J. Martinez-Vazquez (2013) draw attention to the problem of suboptimal jurisdiction for a range of management services.

The geographical aspect of neighborhood inter-municipal co-operation is also aimed at improving governance but is broader in nature and integrates problems of geographical scope and structure. According to S.C. Deller (1992), the optimal geographical scale depends on three main parameters: volume of services, population and population displacement. Reconciling these parameters with each other is key to maximizing the effectiveness of governance, including providing services to the general public. Clearly, for each individual service, the optimal configuration of service volume, population, and resettlement can vary significantly. As a result, inter-municipal cooperation is able to offer options that bring territorial systems closer to optimal scale.

The problem of geographical structure is to classify forms of cooperation according to the resource proportionality of its subjects. R.C. Feiock (2007) drew attention to the problem of partner heterogeneity in inter-municipal cooperation. There are inter-municipal structures that represent different in nature and scope of subjects – central municipalities and satellite municipalities, etc. In this context, it is advisable to pay attention to cooperation from the point of view of its place in the center-periphery system. On the one hand, a good ground for interoperability emerges within powerful urban agglomerations, and on the other hand, peripheral rural communities are often forced to cooperate to address current issues.

For rural municipalities, inter-municipal cooperation can be an important alternative to contracting with the private sector, since in rural areas private competition in services can be limited by consumer fragmentation and high costs (Warner, 2006). At the same time, G. Bel and A. Miralles (2003) note that in rural areas there is a certain reluctance to cooperate, because on a small scale, potential efficiency gains are not always commensurate with the additional costs of organizing and maintaining new inter-municipal structures.

The administrative aspect is manifested in the assessment of the place and role of inter-municipal structures in the system of territorial governance. Inter-municipal cooperation requires at least the presence of stakeholders. Lack of specific procedures, lack of institutional staff or incentives make the situation where spontaneous field projects do not occur (Hertzog, 2015). An important characteristic is the level of autonomy of the inter-municipal bodies and

the nature of their relations not only with the municipalities themselves, but also with other administrative entities. In this context, the role of state agencies that indirectly participate in inter-municipal cooperation should not be underestimated. As noted by P. Swianiewicz and M. Herbst (2002), the cooperation of local governments should be not only spontaneous but also stimulated by the state.

One of the key characteristics in this respect is the competence problem that determines the substantive basis of cooperation. It is about what managerial powers can be delegated to inter-municipal bodies. Delegations are traditionally considered to be jointly pursuing public tasks, but in practice, cooperation can cover a broader range of issues.

The managerial aspect of inter-municipal cooperation is also hierarchical. From the point of view of the place of the subjects of cooperation in the system of administrative and territorial structure T. Kaczmarek (2005) proposes to classify inter-municipal cooperation into horizontal (occurs at the same level of management) and vertical (covers different administrative levels). Equally important in terms of improving the effectiveness of territorial governance is the organizational aspect of inter-municipal cooperation. Inter-municipal cooperation is characterized by varying levels of integration, depending on its organizational forms, the amount of delegated powers and financial resources, and the timeframe. Such cooperation may be one-off, sporadic, periodic, or permanent.

In general, inter-municipal cooperative agreements differ in form, scope and integration (Teles, 2016). This opens the possibility for practically unlimited number of organizational forms of cooperation, which depend only on the legal framework, dominant organizational culture, local management traditions, etc. The simplest classification of forms of inter-municipal cooperation from an organizational point of view can be done by the number of delegated functions. According to G. Bel and M.E. Warner (2015), inter-municipal contracts can be single-purpose or multi-purpose. An additional criterion may be the depth (scale) of inter-municipal cooperation, which is measured by the amount of resources delegated to implement community-level cooperation at the inter-municipal level. An important problem of organizational nature is the mechanism of formation of inter-municipal bodies and the cessation of their activities. G. Bel and M.E. Warner (2015) point out that an important feature of cooperation itself is the ability and ease of withdrawal from the cooperation agreement.

To sum up, the European model of inter-municipal cooperation is not simple and straightforward.

In this regard, F. Teles (2016) argues that inter-municipal governance is not unified, stable and has no agreed functions and boundaries. The European model is likely to be a general framework that covers issues of organizing inter-municipal cooperation based on democracy, self-government, efficiency, involvement and more.

3. Legal regulation of neighborhood inter-municipal cooperation in Ukraine

The legal basis of inter-municipal cooperation in Ukraine is similar with the countries of the European Union and is based on democratic principles of the organization of government. In 1997, the Verkhovna Rada of Ukraine fully ratified the European Charter of Local Self-Government. The Charter's provisions, in particular, entitle local governments to cooperate and create consortiums to carry out tasks of common interest (European Charter of Local Self-Government, 1985, Article 10, paragraph 1).

In the national legal system, the right to inter-municipal cooperation has been reflected both at the constitutional level and in separate legislative acts. The Constitution of Ukraine clearly specifies that the condition of such an association should be the implementation of joint projects, the form – is an appropriate contract, and the objects may be communal property, as well as budgetary funds. At the same time, the Ukrainian constitution entitles the territorial communities (community) to create appropriate bodies and services for this purpose (Konstituciá Ukraïni, 1996, Art. 142).

Some examples of inter-municipal cooperation have taken place in Ukraine since the time of joining the USSR (Proshko, 2015). For the first time, the mention of the right of local self-government bodies of Ukraine to voluntary association appeared in 1990 in the relevant law (Pro miscevi..., 1990). Article 34, paragraph 12 of this law gave the executive bodies of local self-government the right to "merge on a contractual basis the funds of the budgets of other local self-government bodies to resolve common issues." However, at the initial stage of decentralization, inter-municipal cooperation in Ukraine was mostly carried out directly, but with the help of representative bodies of local self-government at higher levels of government. Until 2014, the function of solving community cooperation tasks was actually performed by representative bodies of local self-government of other administrative levels – district and regional councils, which by constitution are intended to represent the common interests of

territorial communities of villages, towns and cities (Konstituciâ Ukraïni, 1996, Art. 140).

Ukrainian law in the field of local government does not operate on the concept of public tasks of municipalities, but instead develops the concept of "common interests of territorial communities" (Pro misceve..., 1997, Art. 2, paragraph 2 and so on). The common interests and goals of the territorial communities, as well as the effective implementation by local self-government bodies of the authorities defined by law, determine the basis for the implementation of inter-municipal cooperation in Ukraine. The main tasks of such cooperation are: ensuring the socio-economic, cultural development of the territories, improving the quality of service provided to the population, etc. (Pro spivrobitnictvo..., 2014, Art. 1, paragraph 1, 2). However, it can be argued that both in Poland and in Ukraine it is actually about ensuring the effective implementation of the authorities of municipalities for the benefit of representatives of the relevant territorial communities.

The current Ukrainian legislation distinguishes between "voluntary association of local self-government bodies" and "cooperation of territorial communities". The first case involves the right of local self-government bodies to form associations or other voluntary associations in order to effectively exercise their authority, protect the rights and interests of territorial communities (Pro misceve ..., 1997, Art. 15).

Since 2014, the process of establishing active and efficient local self-government bodies has begun in Ukraine. The creation of new, much more self-sufficient, administrative units at the local level, known as 'capable municipalities', is considered to be a crucial element of this reform (Kuczabski et al., 2017). At the same time, the issue of territorial management of communities, which did not decide to go into administrative association, intensified. In general, the emphasis on improving the effectiveness of territorial governance has been reflected in a special law (Pro spivrobitnictvo..., 2014). This law created legal grounds for cooperation of local self-government units. Critics of the law note that the law has not been properly audited. By some estimates, instead of expanding the legal forms of cooperation, it has been over-regulated. V. Proshko (2015) criticizes the absence of any mention of private-public partnership in the context of inter-municipal cooperation in the text.

At the same time, previous Ukrainian legislation provided only for a general framework of inter-municipal cooperation. The new law classifies the cooperation of territorial communities as relationships

based on appropriate agreements between two or more communities for the purpose of socio-economic, cultural development, improving the quality of public services and the efficient execution of local tasks by local governments (Kuczabski, 2017).

The law provided for the creation of supra-municipal superstructures by delegating certain tasks to them. The text of the law clearly outlines the forms in which cooperation can be implemented, namely:

- delegation to one of the subjects of cooperation by other subjects of cooperation the accomplishment of one or more tasks with the transfer of relevant resources to it;
- implementation of joint projects, which envisages coordination of activities of the subjects of cooperation and their accumulation for a certain period of resources with the purpose of joint implementation of the corresponding measures;
- joint financing (maintenance) by the subjects of cooperation of enterprises, institutions and organizations of communal ownership - infrastructure objects;
- the creation of joint utilities, institutions and organizations by the subjects of cooperation - joint infrastructure objects;
- the formation of joint bodies of cooperation by the subjects of cooperation for the joint fulfillment of the authorities defined by law.

Public authorities monitor the implementation of projects on cooperation of territorial communities. Thus, within the framework of the National Decentralization Project, the monitoring of the process of decentralization of government and reform of local self-government in which the cooperation of territorial communities (state of concluding inter-municipal cooperation agreements) appears as an indicator 5 (Spivrobitnictvo gromad, nd.). However, the total number of cooperation projects is presented not in the context of the five forms of cooperation defined by the relevant Law of Ukraine, but by economic orientation.

4. Development and geography of neighborhood inter-municipal cooperation in Ukraine

Neighborhood inter-municipal cooperation in Ukraine has lagged for a long time far behind the relevant indicators in the countries of the European Union. Back in 2015, V. Proshko (2015) explained this phenomenon with too short list of responsibilities of Ukrainian municipalities for their joint fulfillment and no real need for cooperation.

Instead, in recent years, inter-municipal cooperation in Ukraine has been gaining popularity. In general, by June 2019, 1031 territorial communities have been using the tools of inter-municipal co-operation, having concluded 433 agreements in this area (Monitoring procesu decentralizacii..., nd.). The undisputed leader in the development of inter-municipal cooperation is Poltava. For more than three years, the region has shown an increase in the number of territorial community cooperation projects increasing (as of May each year): 2015 – 5 projects, 2016 – 17, 2017 – 34. As of the end of 2018, the number of projects it has also more than doubled. Since 2010, the Poltava Regional Council has been holding a Regional Competition for the Development of Territorial Communities, to which after 2015 the cooperation of territorial communities has been submitted. The terms of the competition for projects related to the development of inter-municipal cooperation have been doubled (Dzûpin et al., 2017).

Overall in Ukraine in 2018, Vinnytsia and Sumy regions with 55 and 24 agreements respectively take the leading positions in the conclusion of agreements on the total number of cooperation projects, except for Poltava region. Instead, Poltava, Vinnytsia, and Ivano-Frankivsk regions are leading the number of communities that have used inter-municipal cooperation. Kherson (1), Lugansk (0) and Mykolayiv (0) regions occupy the last positions in terms of the total number of cooperation projects, while in the last two ones no agreement was reached on the number of communities that benefited from inter-municipal cooperation. (Mižmunicipal'ne spivrobitnictvo..., nd.; Monitoring procesu decentralizacii..., nd.).

Due to the significant detachment from the rest of the Poltava region and the formation of a significant number of outsider regions, a considerable level of differentiation and asymmetry in the development of inter-municipal cooperation can be established (fig. 1).

As can be seen from fig. 1., on average 12 agreements have been concluded in the regions of Ukraine, but 18 regions are below this indicator and only 6 regions – Poltava, Vinnytsia, Sumy, Kharkiv, Zhytomyr and Cherkasy exceed the average of Ukraine, with the first two one – several times. In the regions of Ukraine, on average, 47 communities have benefited from inter-municipal cooperation, but in 17 regions this figure is lower. And only less than one third of the country's regions is above average. These are Poltava, Vinnytsia, Ivano-Frankivsk, Kharkiv, Cherkasy, Sumy and Zhytomyr regions.

If we consider in the regional context the dynamics of concluding agreements on inter-municipal cooperation, we will see that in two regions they

have increased tenfold (Vinnytsia in 55, Sumy in 24) because in the previous period these regions had only one concluded agreement (fig. 2). The third and fourth places are occupied by Zaporizhzhya and Rivne regions, where the number of transactions increased 6 and 5 times respectively. In the leading region for the development of inter-municipal cooperation – Poltava region, the number of projects has almost doubled. Overall, in December 2018, the number of inter-municipal cooperation projects in Ukraine increased by 2.7 times compared to the same period last year. In 2018, the number of areas in which inter-municipal cooperation was not introduced in 2017 decreased by 3.5 times. Instead, in 2018, the Lugansk and Mykolaiv regions did not have any registered agreements on inter-municipal cooperation in 2018. As of June 2019, no agreement was concluded only by the Mykolaiv region (fig. 2).

The development of IMC is mainly in the housing sector, although there are opportunities in other areas as well. Thus, according to official statistics, the largest number of projects of inter-municipal cooperation in the regions of Ukraine is implemented in the field of housing and communal services (24%), education, health care, social security (19%), as well as fire safety (12%) (Mižmunicipal'ne spivrobitnictvo..., nd.; Monitoring procesu decentralizacii..., nd.).

According to experts on average in Ukraine, the TOP 5 topics of the agreements on inter-municipal cooperation include (Spivrobitnictvo teritorial'nih..., 2017):

- solid waste management (purchase of containers, cars for garbage collection and creation of waste sorting lines);
- repair of local roads;
- repair works in educational establishments (schools, pre-schools);
- creation, joint maintenance of communal enterprises, organizations (local fire protection, enterprise providing housing and communal services, preschool educational institution, work archive, social service institution);
- administrative services (co-financing of the CNAP, provision of administrative services).

The regional section on the forms of development of inter-municipal cooperation for the regions of the Carpathian region was obtained as a result of a sociological study conducted by the staff of the State Institution of Regional Studies named after M. I. Dolishny NAS of Ukraine. The most common form of cooperation for the Carpathian region communities is the implementation of joint projects (table 1).

The use of a problem-oriented approach to the research of IMCs in the regions of Ukraine allows us to highlight the problems of cooperation development

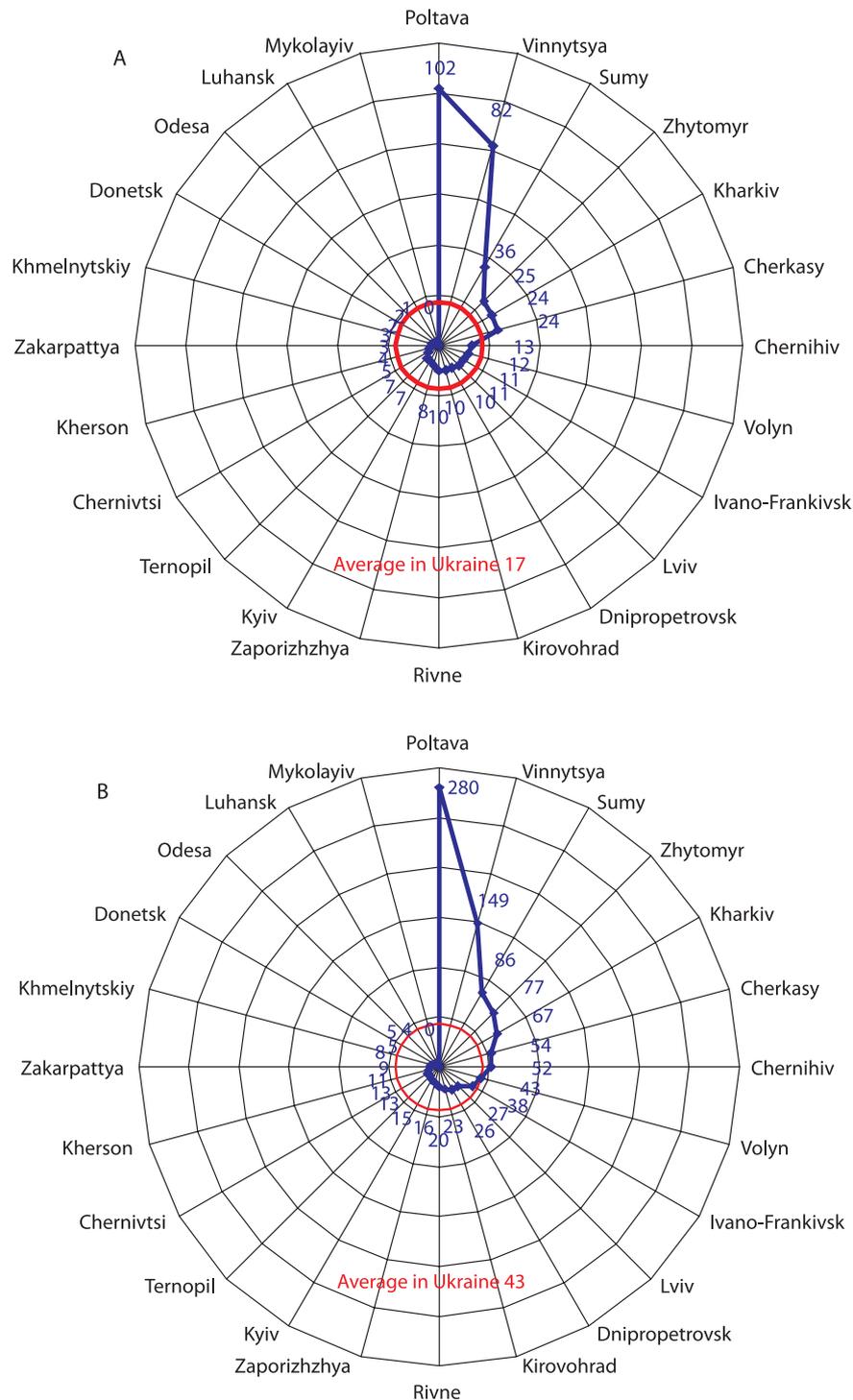


Fig. 1. Inter-regional asymmetry in concluding community cooperation agreements by number of projects (A) and number of communities (B) in 2018, units

Source: own studies based on „Monitoring procesu decentralizacii...”.

and to see the possibilities of their solution. Yes, the problems that slow down the development of IMC in the regions of the state are:

Firstly, there is a lack of consistent and clear regional policy to encourage the development of IMCs. Thus, regional programs of support of the development of cooperation between territorial communities were adopted in only eight regions of Ukraine (table 2).

Secondly, the low efficiency of implementation of the IMC financial mechanisms by local self-government bodies in the regions of the state due to their imperfection, which is related to the limited financial resources for the implementation of cooperation projects, limited capacities of the UTC to carry out obligatory co-financing and underdevelopment of credit instruments inter-municipal projects and the limited access of UTC budgets to the

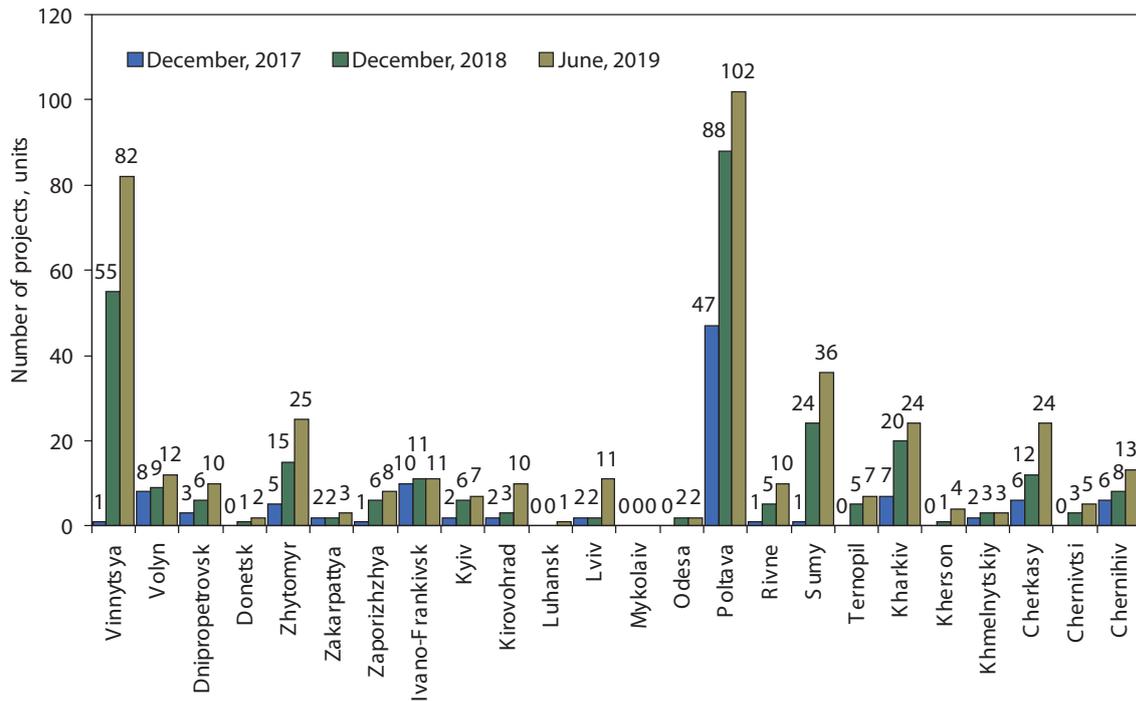


Fig. 2. Dynamics of conclusion of agreements of inter-municipal cooperation in the regions of Ukraine in 2017–2019, units

Source: own studies based on „Monitoring procesu decentralizacii...”

Tab. 1. Answers to the question: «In what form is your UTC collaborative with other UTCs?»

	Frequency of selection	%
Implementation of joint projects	26	38%
Joint venture maintenance	3	4%
Delegation of authority and resources to another community	10	15%
Establishment of new joint communal enterprises, institutions and organizations	1	2%
Establishment of a joint management body for joint exercise of authority	3	4%
We do not cooperate with other UTCs	25	37%
Total	68	100%

* two communities added the following comments to the collaboration: learning from other communities' experience, membership in the PJSC Carpathian Association, sharing experiences, and providing advisory services.

Source: Storonâns'ka, Maksimenko, 2018.

Tab. 2. Regional support for cooperation between territorial communities

No.	The name of the region	The maximum amount of grant of the IÑĚ category, ths. UAH.	Applicant's co-financing rate
1	Kharkiv	1 500	no less 50%
2	Dnipropetrovsk	1 500	no less 10%
3	Lviv	1 500	no less 50%
4	Kherson	1 000	no less 50%
5	Poltava	800	no less 50%
6	Ivano-Frankivsk	600	no less 25%
7	Vinnitsya	400	no less 50%
8	Sumy	200	no less 60%

Source: Mižmunicipal'ne spivrobitnictvo..., nd.; Programa pidtrimki..., nd.

borrowing market as a potential financial source for IMC projects.

Thus, one of the areas of activity of the State Support Fund for Regional Development (SFRD) is the development of cooperation of territorial communities, but it receives a small number of applications (out of 17,059 of all projects, only 235 projects in the field of IMC). The total amount of funding for cooperation between territorial communities and the SFRD during 2015–2018 was only 0.6% of the total project financing, which cannot be considered satisfactory either. In addition, during 2015–2017 no projects were implemented in the area “Cooperation of territorial communities”, and in 2018 out of 60 implemented projects for a total amount of 298 744,5 thousand UAH only one project was implemented with the volume of financing of 1 330.7 thousand UAH.

Also, not all project proposals submitted by communities are backed by co-operation agreements, and the existence of such agreements is a mandatory requirement of the law for communities applying for funding from the SRDF.

Thirdly, there is a lack of awareness among leaders and employees of local self-government bodies about the possibilities of developing IMCs in improving territorial governance and improving the quality of municipal services.

In particular, an expert survey conducted by public organizations working in the field of self-organization support revealed a relatively low level of awareness among community leaders about the opportunities and mechanisms of cooperation. Only 40% of the respondents demonstrated real knowledge of the content of the forms and mechanisms of the IMC in accordance with the legislation (Dzûpin et al., 2017).

Fourthly, there is a low level of activity in implementation of information opportunities for the development of IMCs on the basis of the formation of municipal cooperation networks, inter-municipal associations and associative structures that are already formed in the regions.

Thus, according to experts, about half of the local councils that have concluded the agreement on cooperation of territorial communities do not have an official site, and half of the local councils that have a site do not publish information on inter-municipal cooperation on it. Reports on the implementation of the agreement on cooperation of territorial communities are published by about 15–20% of the sites of local councils (Dzûpinet al., 2017).

Existence of problems in the development of IMC in the regions of Ukraine is confirmed by the data of a sociological survey conducted in four

regions of the Carpathian region. Overall, 39.7% of local government representatives do not consider lack of cooperation with other UTCs a problem.

The reasons for the formation of problems in the field of MMC development are:

- unfavorable social climate in the communities and in society in general, due to the low level of solidarity and involvement in the socio-economic development of the territories;
- low level of cooperation and culture of cooperation at the basic level of the Ukrainian communities, lack of mutual trust when everyone wants to be “his own master”;
- lack of transparency of the activities of local self-government bodies, which are potential participants of the IMC;
- lack of skills and competences due to insufficient staffing, familiar with the legal, organizational and financial capacity to implement IMC projects;
- the absence of clearly defined strategic objectives for the development of UTCs, which can be solved through IMC;
- little use of opportunities for participation of voluntary non-governmental organizations in stimulating the resolution of issues of local importance and control over the activity of local self-government bodies.

5. Conclusion

Neighborhood municipal cooperation in Ukraine is developing in line with European trends in decentralization of power, multi-level governance, diversification of governance structures through a number of network forms. Increasing the effectiveness of territorial governance is a major driver of deepening inter-municipal cooperation. This creates grounds for arguing that in Ukraine, at least since 2014, the European model of inter-municipal cooperation has been deliberately approved.

At the same time, Ukraine has significantly lagged behind the countries of the European Union in the implementation of networked territorial governance. The reasons for this gap are different: from lack of trust to potential partners up to miscalculations of public policy in the field of promoting inter-municipal cooperation.

The implementation of a coherent state policy in the field of inter-municipal cooperation should aim at addressing the following key objectives:

- development and adoption by the regional authorities of all regions of Ukraine of programs of financial support and encouragement of cooperation of territorial communities, as well as

- identification of potential territories in the regions where cooperation could be developed;
- inclusion of mechanisms of inter-municipal cooperation in regional programs of socio-economic and cultural development of regions and introduction at the regional level of monitoring of its use;
- awareness-raising work among representatives of local self-government bodies on the practical application of the provisions of the Law on Cooperation of Territorial Communities through the organization of trainings, seminars, roundtables and study visits of the chairmen and deputy chairmen of the UGF, other events, the dissemination of scientific literature, invitations of leading Ukrainian and foreign students, experts, and analysts;
- dissemination of positive experience of cooperation, public support and promotion of best practices of cooperation, holding public contests of projects to mark the winners and supporting the implementation of their experience in other communities, as well as the formation of networks of exchange of experience on the development of inter-municipal cooperation between local self-government bodies of Ukraine;
- organization of informal effective control by the public on the promotion of projects, implementation of measures and obtaining the results of IMC.

As a result, it should be noted that the cooperation of territorial communities not only creates problems but creates opportunities for solving them by stimulating entrepreneurial activity, expanding self-government and civic creativity at a basic level. In view of this inter-municipal cooperation must become an effective instrument to complete the reform of decentralization of power in Ukraine.

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