

Municipal management and foreign institutional forms of local government

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Abstract. Soviet scientists and government officials over a hundred years ago proved that the development of *local self-government* in many ways is determined by laws development of state and society. It is interesting to analyze in this context the situation and form of local government in other countries, which differ in "approximate" or in the remoteness from government, institutional and territorial organization of power, financial security, authority, volume, etc.

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Local self-government, being a general concept, which is reflected the process of formation and development of democracy can be based on different models and embodied in various organizational and legal forms. Some of them are recognized by modern scholars discuss about the other reforms to the present day [1].

In the *modern foreign countries* the local government represents usually a) a system of decentralized organization created by the prolonged, evolutionary development. b) The division of public authority on state and municipal. Based on the interaction of these parts of the public authorities are designed to provide to achieve efficient management of public affairs. We should admit that in some countries, such as Vietnam, China, Cuba, Laos, and others, the local authorities included in the system of public administration. For Australia, the UK, Italy, Canada, the United States is characterized by its separation from the state, which is rather arbitrary because in Germany, Austria, Italy, Czech Republic, Hungary, and other countries legislation permits to pass and to delegate the local authorities the part of the state functions. Characteristically, regardless of the degree of "closeness" of the local government to the state, there are many effective forms of control as effective management of the state of local governments. In turn, subject to the *effective management means the goals achieving at a predetermined time with minimal costs of public resources* [2].

We can allocate a *number of ways to fix the powers of local self-government in the foreign countries*. The widest scope of powers, functions and tasks possess local governments of Sweden, Denmark, Switzerland and Norway. It is also noteworthy that the share of their spending accounts for more than 20% of gross. In comparison, in Italy and in the Netherlands

this indicator does not exceed 10%, but in Cyprus, Malta and Greece it is 5%

In most parts of such states as Asia, Africa, and Latin America the legislation regulates in detail the objectives, functions, rights, and responsibilities of local authorities. In the States of Anglo-Saxon legal tradition (UK, Australia, New Zealand, United States), it is considered as the primordial right of the population, where the law may limit, expand or change. Mainly in Europe the legislation provides a common framework of functioning of local government. This approach, based on the requirements of the European Charter of local self-government, which essentially boils down to this: "Local authorities within the limits established by law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence and not assigned to any other authority "(part 2, Article 4) [3].

The organization forms of local self-government in the foreign practice are different. Thus, the U.S.A., Germany and the United Kingdom do not have a unified system of local self-government, while in France, Spain and Portugal, the system is built on the principles common to all municipal authorities. Local governments granted the status of a legal entity, in some states - these include the Netherlands, Australia, Poland, Britain, France - get the status of a legal entity and the local community.

Compete for attention the fact that the *international historical experience of the implementation of the idea of democracy* represents the result of a constant search for optimal solutions, the balance between regional, local self-government and statehood.

Depending on the interaction of state and local government are allocate 1) *Continental* (French), 2) *Anglo-Saxon* and 3) *mixed* (German) model of local

self-government. The classical form of local self-government is considered the Anglo-Saxon model, which common in the UK, Australia, USA, and Canada. It is characterized by the following features:

- A high degree of autonomy;
- Lack of subordination between municipal authorities of different levels;
- Election of the population not only representative authorities but also municipal officials;
- A combination of administrative and judicial review of the legality of the municipal authorities.

Continental model – it has to do with continental Europe, French-speaking Africa, the Middle East, and Latin America - is characterized by:

- combination of direct government management represented by the State administration at the local level and local government;
- bureaucratic subordination between the different levels of government;
- rigid system of administrative controls and administrative influence of the central government, including the preliminary control the decisions made, the ability to revoke the decisions already taken their revise and stopping, and also review, the resignation, the dissolution of local governments.

Mixed model, the distribution of which is typical for Germany, Austria, and Japan, of course, has both independent features as well as draws the necessary experience in the models mentioned above. Thus, the interaction of local government with management of public relations provided by the system of government heads of districts with the Heads of district administrations – members of a provincial court of justice (or district directors, who are also government officials) and with the Heads of the executive authorities of communal governments (cities with a rank of districts). There is a subordination of higher and lower municipal authorities; certain governmental districts have the limited right to local self-government. [4].

We shall notice that the European Charter of local self-government, signed and adopted in October 1985, indicates the absence of principal differences between the existing models and their rapprochement [5].

As for the America, the local government is not mentioned in the Constitution of the United States, although the U.S. federal system is a set of federal, state, local levels of government, since the a constitutional point of view is formed part of local governance of the states. The local governments collect taxes, regulate the life of the population, provide other services, they are perform the functions of the state which has delegated these functions [6].

In the system of local government in the modern world we can observe the active changes and contradictory tendencies. There are several institutional forms of local government:

- 1) *municipal formations* which have got significant, financial security authority;
- 2) *inter-municipal formations* (for example, 85% of the French population was covered by various forms of inter-municipal government, which allowed to solve many problems through territorial association of local resources of several municipalities in 2005);
- 3) *informal institutions*, which include forms such as conferences, forums, in their part of the local authorities, together with the public to discuss and put solve the problems of local development.

Compete for attention the fact that the spatial boundaries are ceased to be the sole criterion for distinguishing subjects of local government. Territories become a crossroads of the legal, physical, human, formal and informal interdependencies and strategies for interconnected socio-economic actors.

The local government, for example, in modern Western democracies has the following key features:

- Is based on a representative basis;
- In addressing issues of local character does not depend on government authorities;
- Acting within the law and its regulations is limited;
- Has its own sources of income.
- Has an independent property, etc.

In recent years, in Europe there is a tendency to enlargement of municipalities. For example, in Denmark since the beginning of 2007, the number of local councils was reduced from 271 to 98. More enlarged municipal communities exist in the UK and Germany. Due to the territorial reorganization and enlargement by the central government is trying to improve governance. Thus, the territorial reform in Germany has significantly reduced the number of districts (and communities) from 425 to 250 (with more than 24 thousand to 11 thousand.). In recent years, *in Europe there is a tendency towards consolidation of municipalities*. For example, the number of local councils was reduced from 271 to 98 in Denmark since the beginning of 2007. More enlarged municipal communities exist in the UK and Germany. Due to the territorial reorganization and enlargement by the central government is trying to improve governance. Thus, the territorial reform in Germany has significantly reduced the number of districts (and communities) from 425 to 250 (with more than 24 thousand to 11 thousand.). [7].

In contrast, the processes of crushing of local communities observed in North America (Canada, USA), Asia (Turkey, Libya). These trends are most

intense in Latin America; for example, in Brazil in the decade from 1990 to 2000 was formed about 1.5 thousand new municipalities. In Mexico, the number increased to two and a half thousand, Colombia - more than 1 thousand. So the *improvement of local governments system in different countries is not completed.*

The existence of outdated administrative-territorial forms more and more difficult to solve socio-economic problems and efficient operation of local authorities. Can't help noticing the fact that the spatial boundaries are cease to be the sole criterion of selection and operation of local government of subjects. Territories become a crossroads of the legal, physical, human, formal and informal interdependencies and strategies for interconnected socio-economic subjects [8].

The most important condition implemented the transformations in the foreign countries is not only the empowerment of local governments to create the optimal conditions for the use of the full potential of the territory, ensuring effective interaction interests of all stakeholders wishing to participate in local development: small and medium business, information sphere and the sphere of communications .. Thus, in France the special *intercommunal connection* acquired the wide development: syndicates, city districts and extended urban communes. Such resources as human, infrastructure, natural, cognitive, and etc, are becoming an important condition, determining the degree of attractiveness of local government subjects.

As we mentioned above, the system of municipal authorities most foreign countries is determined by the *administrative-territorial division*. The most common is two-three-tier administrative-territorial structure. More complex four-five-administrative-territorial structure although found, but effect on the complexity of the electoral system in the local government [9].

Grassroots level system is represented urban and rural communities. The main characteristics which necessary for the obtaining the statuses of the municipality connections are:

- Historical significance,
- Population,
- Availability-economic prerequisites

- The overall level of development, a number of others. Major cities, such as in Europe - Paris, Brussels, etc. - have a two-tier system of local government: a metropolitan and circumferential (district). Cities such as Berlin, Vienna, etc., are entitled to have dual status - subject of the federation and the municipality.

The limits of municipal sphere of activity largely depend not on the territorial or local nature of cases, and are determined by the possibility of

municipality's participation in the economic and social areas of government activity. This kind of authority is fixed by special laws or laws on separate branches of government - health, education, etc. [10].

In the countries of the Anglo-Saxon model of local government powers are listed in the normative acts of their objects of reference, rights, duties, because of this activity is permitted only as provided by the law - *positive regulation principle*.

In countries of continental and mixed models of local self-governments may take any actions that are not prohibited by law - the *principle of* the so-called *negative regulation* (at the same time, a large number of existing prohibitions in reality very difficult to self-employment communities [11].

In the direct jurisdiction of local governments are

- 1) Municipal property
- 2) Finance,
- 3) All spheres of communal services of municipality connection,
- 4) Health,
- 5) Domestic service,
- 6) Charitable organizations, etc.

Into account the specificity of all socio-economic space, which is surrounded by borders and functioning local governments of foreign countries, can qualitatively change the role of innovation and the financial component, etc. factors in economic growth.

Let us note that the great diversity is characterized for the financial basis of local government of foreign countries. However, the financial base of local government is a relatively independent system, which is provided by the presence of their own budgets, sources of income, the right to establish and levy local taxes and fees.

Dualistic character of financial base, when condition of municipal revenues generated from its own revenue sources, and the other - by grants received from higher budgets, is one way of redistributing national income and financial equalization between municipalities - on the one hand, and provides a regulating effect on the municipal government - on the other. In the U.S., this kind of government revenues account for about 23%, France - 33.8%, Japan - 40%, in Germany - 45.3%. The term "revenues" refers both to the subsidies, which are transferred to the budget of municipalities and non-refundable amount, and *subventions*, so the funds transmitted by means of pre-defined objectives for the use of which must be strictly accountable, as well as participation in the implementation, the implementation of national programs [12].

In the world there are virtually no states in which local government has a financial self-sufficiency. As the strongest financial base can be

described in those local authorities whose budgets are formed mainly from its own tax revenues. High dimensions have their own tax revenues, local authorities of such countries as Sweden (70%), United States - 65%, England - 50.4%, Belgium, Denmark, Finland, France (this figure exceeds 40%), Germany - 21%. In other countries of the European continent dimensions tax revenues reach 30% of the total budget. The highest property tax revenues are provided by taxes on real estate (U.S., UK), industry and underground.

We emphasize that the financial self-sufficiency indices reflect only the overall picture. In every country of the world there are good and disadvantaged local communities. For example, more than half of the municipalities of Venezuela with a population of 50,000 people replenish their budgets at 80% at the expense of funds transferred by the State in the form of assistance.

Despite the significant differences in the development of local government in different countries, it should be noted the existing general patterns, such as: development of democratic tendencies, desire to limit the administrative centralization; establishment a balance between the centralism and decentralist trends in the development of local authorities; transition from the *decentralization*, which means the expanding of functions and competences of local governments and the limiting the powers of government bodies to the *deconcentration*, which means the transfer of authority to the lower management levels in the centralized systems of government bodies. At the same time a powerful mechanism to impact on the local communities is forming, prompting them refers "more favorably" to the public interest: it is the legal regulation, and the certain financial dependence, and controlling activities, and delegation of authority, and nationwide programs, etc.

So, the local government is one of the most important institutions of modern society. For many years in developed countries in the framework of the decentralization system of territorial control is being expanded economic and administrative autonomy of regional and local governments. The appeal to the experience of different states of the world allows us more balanced, taking into account the specific historical features of individual countries to consider, integrate and practice of local government in Russia, the most acceptable and necessary conversions.

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