

PROBLEMATIC ASPECTS OF THE PROCESSES OF DECENTRALISATION AND DECONCENTRATION IN LOCAL SELF-GOVERNMENT IN BULGARIA

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ABSTRACT. This article will attempt to outline the problematic aspects of the processes of decentralisation and deconcentration in the field of local self-government in Bulgaria. Decentralisation should definitely be seen as a prolonged, multidimensional and complex process that requires both strong and committed management by the central executive and local authorities and all other key stakeholders. When analysing the stakeholders in the process of decentralisation and deconcentration, account should be taken of the multifaceted and often contradictory interests of each of the parties. The unifying and fundamental challenge in the Bulgarian context is the lack of a clear and widely shared vision of the future development of the regions and settlements in implementing reforms aimed at decentralisation and deconcentration. In identifying the problems in the field of decentralisation and deconcentration in Bulgaria, additional attention should be paid to the analysis of the development of e-Government in order to facilitate the services for the business and the population in the regions of the country, as well as to stimulate their socioeconomic development.

Keywords: local self-government, decentralisation, deconcentration, regional development, e-government

ПРОБЛЕМНИ АСПЕКТИ ПРИ ПРОЦЕСИТЕ НА ДЕЦЕНТРАЛИЗАЦИЯ И ДЕКОНЦЕНТРАЦИЯ В МЕСТНОТО САМОУПРАВЛЕНИЕ В БЪЛГАРИЯ

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РЕЗЮМЕ. В настоящата статия ще бъде направен опит да се очертаят проблемните аспекти при процесите на децентрализация и деконцентрация в областта на местното самоуправление в България. Определено децентрализацията трябва да се възприема като продължителен, многоизмерен и комплексен процес, който едновременно изисква силно и ангажирано управление, както от страна на централната изпълнителна власт, така и от страна на органите на местното самоуправление и всички останали ключови заинтересовани страни. При изготвянето на анализ на заинтересованите от процеса на децентрализация и деконцентрация трябва да се отчете наличието на многостранни и често противоречиви интереси на всяка една от страните, където обединяващо и основно предизвикателство в българските условия е липсата на ясна и широко споделена визия за бъдещото развитие на регионите и населените места при осъществяването на реформи насочени към процесите на децентрализация деконцентрация. Допълнително внимание при идентифицирането на проблемите в областта на децентрализацията и деконцентрацията в България трябва да се обърне и върху анализа на развитието на електронното управление с цел облекчаване на обслужването на бизнеса и населението в регионите в страната, както и да се стимулира социално-икономическото им развитие.

Ключови думи: местно самоуправление, децентрализация, деконцентрация, регионално развитие, електронно управление

Introduction

Looking at the processes of decentralisation and deconcentration in local self-government, the direct dependence between the number and size of the main administrative-territorial units should be highlighted, as well as the type and volume of competences, competencies and functions they perform. Indeed, the decentralisation of the functions is more extensive and, in general, the municipalities with a larger territorial scope have a stronger autonomy, but this autonomy is also determined by the structures built at the regional level. Decentralised government structures in individual countries often use governmental acts to create them. There are three models for organising and managing deconcentrated state structures on a local level. In the first model, the deconcentrated state structures are under the authority of the regional authorities, while in the second model the deconcentrated structures are subordinated to the central executive power and are managed directly by them and the

third model is associated with the creation of special administrative units through a normative act. One of the practices used in European countries is the division of executive and representative functions into local self-government, which is subject to a common legal framework regulating this division. The transfer of responsibility into the competences of local authorities is the result of a decentralisation process that relatively weakens the vertical link and creates links on the horizontal, there is an opportunity to develop connections between municipalities. The process of decentralisation can be seen as representing the state interest in building a solidarity society and implementing a fair social policy, as decentralisation is a corrective of the administration's classical behaviour linked to centralisation and an increase in the level of bureaucracy. The responsibility of the local administration in the current conditions for the management of the administrative-territorial units is also related to the tracking, preparation and implementation of a number of projects that can be financed by the Structural Funds, as well as to the

agenda of the local community, and the bodies of the central executive of a number of economic and social issues directly affecting the interests of the population of the administrative-territorial unit. Enhancing the process of harmonisation, pooling in the context of the development of the European Union puts the agenda on the issue of the degree of local autonomy of the territorial units in the development of the integration process and the tendencies towards centralised management at European Union level. On the one hand, increasing the degree of coordination in decision-making through the use of complex and comprehensive procedures leads to an increase in the level of programming justified by efficiency gains. Therefore, it is important to question the preservation of local autonomy in the development of a highly integrated system in the provision of services, regulation of the economy as well as social and environmental issues and as a result the fulfilment of the natural and recognised rights and powers of the administrative-territorial units (i.e. municipalities) can remain practically "emptied of content," as local government bodies that are part of the public administration are "reflection of the institutional foundations of the way in which states are governed" (Holmberg, Rothstein, 2012) and not only, but also the way in which the European Union is managed.

Creating levels of local self-government

The levels of local self-government in Europe are mainly created as a result of significant territorial and structural changes that result from socio-economic development and the slow growing process of territorial concentration, resulting in some municipalities being so small that they are no longer able to solve the whole spectrum of issues related to the problems and lives of the population inhabiting the territory. In addition, there is a general tendency for the liberalisation of government, which leads to the territorial decentralisation of certain state functions. Often, municipalities voluntarily transfer to their upper territorial self-government those functions that they are unable to perform on their own due to objectively changed circumstances, which is perceived as a process of preserving decentralisation at the municipal level. The proclaimed idea of building a Europe of Regions further enriches the regional self-government, where a key issue is related to the definition of the territorial scope of these regional units, resulting in Europe's regionalisation burdening regional self-government and new pan-European content. An attempt to restructure the European area on a regional basis is the draft European Charter on Regional Self-Government proposed by the Committee of the Regions to the European Union (Shishmanova, 2010), where the principle of decentralisation of the powers of the central state authority and the introduction of local self-government, as local self-government allows citizens and their elected authorities in municipalities to solve their own problems themselves. Consequently, the term local self-government means the right and the real ability of local authorities to effectively regulate and manage the territory and human activity within the framework of the law, and to define the framework of a substantial part of public affairs on their own responsibility and in favour of their own population.

Problems in planning and implementation of local self-government in Bulgaria

Very often, an error is made in mixing and/or replacing concepts such as "local authority", "local self-government", "local autonomy", "deconcentration" and "decentralisation" concepts, therefore it is necessary to observe and correctly use different terminology concepts. A key position in the definition of local government is allocated to the territory as it is a key element in defining the main features describing the specificity and self-identity of the local administrative unit, which requires the use of geographic features to describe the territorial unit. Moreover, when defining the concept of local government, it is essential to define the institutional and functional significance in the territorial unit. At the local level in terms of functional significance in the distribution of tasks and functions, management differences are observed compared to those at the central level. Mixing self-government with autonomy is common, but one should not overlook the fact that the "autonomy of local government" itself refers to the degree of autonomy with regard to central and regional government. In terms of terminology, there is also a conflict in the shifting of the concepts of decentralisation and deconcentration, but it must be borne in mind that decentralisation is a process of transferring powers and resources to exercise them from higher to lower levels of public governance, which is linked to the release of the state to a certain extent in accountability to citizens for the quality and efficiency of the public services offered, as well as to the resolution of local problems in an area in the daily life of the population. Of course, it should not be overlooked that the competence of the state is the creation of common standards and legal guarantees in defining justice and equality between different municipalities in the fulfilment of their functional responsibilities related to the service of the population. While the deconcentration process is based on the creation by the state of authorities and divisions of the state administration whose purpose is the more efficient performance of the state functions on the ground, the deconcentrated subdivisions of the state power act in a strictly subordinated administrative-management hierarchy and obey the decisions and the instructions of the central government. Practically, in deconcentration there is a transfer of functions from the central state bodies to the local authorities, which are centrally subordinated, where the activity of the deconcentrated administration is in full compliance with the principle of hierarchical coexistence. The administrative and territorial reforms carried out in the country are in search of opportunities for consolidation of the modern functional structure and in the search for opportunities for strengthening the processes of decentralisation in the formation of viable territorial communities on the territory of the country. In this respect, the implementation of the decentralisation process is entirely in the public interest because, through the creation of laws and regulations, the state pursues the implementation of the principles of justice and solidarity, whereby the decentralisation by the state can become an advantage in the construction of a solidarity society and the realisation of a fair social policy on the territory of the country.

Regional policy in striving to create mechanisms for generating financial resources

Under the current conditions, the resources allocated to the country from the European Union should be used, and therefore, substantial attention should be paid to the implementation of effective regional policy in the creation of reliable mechanisms for local financial resource generation. Successful use of financial resources by local authorities passes through fiscal decentralisation in order to reduce the role of the executive power in determining the financial resources to municipalities in solving the problems of the population. One of the main reasons for individual municipalities to compete with each other instead of co-operating to carry out joint projects lies in the not yet implemented fiscal decentralisation as the system for budget transfers is currently focused only on the individual municipality. The municipalities' own revenues are in most cases insufficient, so the implementation of joint projects by neighbouring municipalities implies medium- and long-term planning as well as financing, especially with regard to long-term infrastructure projects or stimulating the business initiative of local businesses. In implementing the long-term planning process, it is necessary for municipalities to anticipate and manage their budgets in the medium term, which are based in their main part on own revenues, as it will be able to predict the behaviour of the local business and determine its role in the regional economy of the territorial unit. The fact that the regional economy is always strictly specific for a given territory, both as scope, specialisation, sectoral structure as well as opportunities and potential for development of the economy in the region, determines the regional economy to be considered as a factor for the solution of numerous and diverse in their content tasks that have uninterrupted dynamics, although they may conditionally be distinguished as specific, resource, methodical and interdisciplinary for the local territory and space. Regional (local) business needs to create conditions for development, which conditions can also be fulfilled by implementing a reform in the field of strategic spatial planning and strategic planning of regional development. In making such a reform, its focus should be on linking strategic planning and programming of regional development, and at the same time covering the strategic spatial planning of the country. It is essential that the local business is also involved in the process of spatial development planning, both by participating in the system for the updating of spatial development documents at national, regional and municipal level and by taking into account the territorial potential and the principles of balanced sustainable development of municipalities that reflect current challenges. In the next programming period, the development of the new regional development parameters should be based on its own policy based not only on the implementation of specific, purely urban development policies, but also on the discussion and practical implementation of local self-government reform.

Currently, the public sector management system in Bulgaria can be described as too centralised and remote from the best European and world practices of local self-government, which is also evident at the level of national regulation. For example, what must be done, is that the national regulation should be a result of a mandatory consultation process with municipalities,

or that the regulatory framework at national level should only comprise the basic parameters of the socio-economic activity on the territory of the municipalities and at the same time the municipalities themselves should limit the regulations and licenses on their territory. However, this process should not be implemented at the expense of increasing the total volume of regulations and licenses, which would further hamper the economic activity in the municipality. By the way, with in-depth analysis of the relative number of licensing and regulatory regimes on the territory of the country, it can be seen that they do not decrease, but on the contrary, even increase or there is a transfer of procedures from licensing to regulatory regime and vice versa. A major problem in the management of the municipalities in Bulgaria is the lack of the necessary financial resources, which is why municipal governments are forced to postpone indefinitely in the future the necessary investments in the improvement of the infrastructure and as a result there is a deterioration of the quality of the provided services to the population for satisfying people's everyday needs. A significant shortcoming regarding the development of local self-government on the territory of Bulgaria is also due to the not well-developed structures of active civil society and the participation of non-governmental and civic organisations in solving the problems of the inhabited settlement. Improving the local administration's potential to tackle the problems of small settlements can be linked to the development of volunteering activities of the local community, which are a consequence of the socio-demographic characteristics of the territorial community and reflect the directions of development of the civil sector in the administrative-territorial unit.

Undoubtedly, in the programming period 2021-2027 attention should be focused on increasing the role of the municipalities as a generator and catalyst of economic policy in two main directions. The first is to create the conditions for real stimulation of the local business, i.e. of small and medium-sized enterprises, which must go hand in hand with the second main direction, which must be related to improving the public services provided by the municipal administration. The possibilities for setting up business centres and industrial zones in the municipalities, provided that existing buildings and infrastructure can be used, are also not at a sufficiently high level. Significant efforts should be directed towards relieving all administrative procedures related to doing business in the respective municipalities, as well as stimulating the business and the joint participation of businesses and municipalities in projects funded by the European Union. Current state investment policy challenges are directly linked to the fundamental challenges of national and regional investment policies, which definitely need to improve mechanisms to reconcile interests, both at national and regional level, where the tools used are in line with the development of the investment potential on the territory of the country. In the present circumstances, our country faces the necessity, on one hand, to seek a compromise between the classical objective of state regional policy, which is aimed at reducing interregional disparities, and on the other hand, the pursuit of the objectives related to the increase of the economic growth is being realised faster in the highly developed and rapidly adapting to the new socio-economic conditions regions and the formed economic centres on the territory of the country. In the Member States of the European Union, the change of the territory and the boundaries of the respective administrative territorial units

is done by a normative act, in most of the countries this process is regulated by a separate law or by independent legislation, but regardless of the normative regulation, the procedure for the adoption of changes to the territorial boundaries result from consultations and coordination with stakeholders and the local population inhabiting the territorial unit. It is more and more common that this process is accompanied by respect for the wishes of the population, which affects the proposed reforms for the development of local government and especially the more frequent use of the referendum as a form of consultation with the local population. While the principles of building deconcentrated state administrative structures in the individual member states of the European Union differ and usually the creation of these administrative structures is done with governmental acts but with different models of organisation and management. For instance, in some cases deconcentrated administrative structures are under the authority of regional or local authorities, in other cases they are subdivisions of the central executive power and are directly managed by it, and there is a variant which creates special administrative units with a statutory act and regulated independent annual budget. When defining the governance and organisation of local and regional authorities, an important place in the process should also be the definition of the system of constitution of representative decision-making bodies, the formation of executive bodies, and the designation of the political and administrative heads of the respective local and regional authorities. Regardless of the different modifications in the different countries, the representative decision-making body of the municipality, which manages its overall activity, namely the municipal council, is placed at the basis of the municipal self-government and its democratic legitimacy. There are differences in the system of election and allocation of mandates, as well as in the way in which constituencies are formed, the length of the mandate and the number of municipalities, which is determined by the law, and which is in most cases dependent on the number of the local population. There is a distinction between executive bodies in municipalities that can be both collective and sole, but in most countries the executive power is entrusted to collective bodies that differ in the name, mode of formation and leadership of the collective executive body. A major problem in the development of local self-government is that decentralisation of self-government must not be confused with the territorial deconcentration of the state executive power. Because of the openness, the question about seeking the most appropriate way to combine, on one hand, the special competence of the central executive and the deconcentrated administration and, on the other hand, the local interests in the formation of the financial burden on the municipalities, remains. A possible solution here is to seek the reconciliation of the interests of state and local authorities, expanding the powers of local authorities and increasing the degree of financial decentralisation. On the other hand, our "country continues to lag severely in both public and private research and innovation funding. Other serious problems include the relatively low-skilled labour force, and the economic exclusion of people with low educational attainment and some minority groups. Three main challenges in this area remain, namely reform of the education sector to produce a more adequate skills base; negative demographic trends which, given the existing health care and pension systems, continue to squeeze

the labour market; and the need to further increase labour-market flexibility" (SGI, 2018). The provision of sound policies by individual governments in the European Union can be analysed analytically by examining individual indicators for sustainable governance (SGI, 2018), which also includes the social partners' involvement and oversight competences. It is definitely noteworthy that there are major disparities within the European Union in terms of performance and accountability resulting from the fact that a significant number of countries still practically do not apply their formal regulations to produce better quality policies, and this undoubtedly also affects the processes of decentralisation and deconcentration in the area of local self-government, especially given that "the public sector is the largest" sector in the European Union, occupying it and around 75 million people, accounting for about 25% of the workforce, and public spending totalled nearly 50% of gross domestic product (Report – European Semester – Thematic Information Document, Quality of Public Administration, 2016). The implementation of European policies and instruments for spatial planning and regional sustainable development help regions and local communities to tackle the socio-economic problems that exist in them. In addition, spatial planning provides the opportunity to achieve regional economic growth, thus fulfilling the tasks set to achieve the objectives of the European Resource Efficiency Initiative set out in Europe. Additionally, Public awareness on the protection and management of spatial development should be further enhanced by working in a coordinated and joint European Union context. The results show that there are countries in the various regions of the world which demonstrate good practices with regard to the use of information and communication technologies to provide services and to create citizens' ownership of the decision-making processes. An important trend in recent years has been the development of people-driven services, which simultaneously reflect the needs of people and have been suggested by them.

On the other hand, disparities between countries also lie in the lack of access to technology, the high poverty and disadvantages of significant population groups in individual countries that we can relate to preventing people from benefiting from the benefits of information and communication technologies and management (Naydenov, 2017). In our country, attempts have been made to curb the demographic decline of the nation, as the main strategic objective is to slow the pace of reduction in the number of the population with a view to achieving a trend of stabilisation in the long term and of ensuring high quality of human capital (Naydenov, 2017) Particular attention should be paid to the demographic factor in the shaping of social and economic development programmes and the implementation of regional economic and social policies.(Naydenov, 2017). Naturally, one of the most important elements is investment in people, which is why significant efforts should be made by state institutions to provide opportunities for qualifications and re-qualification of the population, especially in backward areas, where "unfortunately, the collaboration between the educational institutions and the private sector is far from satisfactory. The appropriate link between theory and practice has not been established yet. Many employers are not satisfied with the practical skills that the graduates have. It is especially important to increase investment in human capital with the state employers, local authorities and regional communities sharing the burden

without ruling out individual responsibility. Concrete tools for implementing the policy of continuing vocational training and life-long learning could be: the establishment of sectoral funds for improving the qualification of the employed and setting up individual training accounts (Naydenov, 2017)".

Conclusion

A priority issue for both Bulgaria and some EU Member States is to increase the participation of young people in the labour market and employment, given the high levels of youth unemployment and the high proportion of inactive young people. The determination of the causes of this phenomenon, namely the high levels of youth unemployment and the desire to be timely overcome provokes in individual countries as well as at European Union level high-level actions involving the implementation of policies to reduce youth unemployment and increase the inclusion of young people in the labour market and in employment through student/student internships for four months after graduation with a guarantee that they are being offered safe conditions and high-quality work experience, finding work through the European Job Mobility Portal (Eures), and supporting actions to promote employment, especially for young people, but to prevent inequality in the labour market, stimulate quality employment, and so on. The labour market must be seen as one of the most regulated and at the same time politically sensitive markets in the economy of every single country, which implies that the main priorities pursued through the implementation of specific employment policies are to reduce unemployment and the process also involves the creation of subsidised employment. But undoubtedly, one of the main problems in the individual regions of the country that there is long-term unemployment, which is a structural factor on the labour market and therefore, its elimination implies the implementation of a reform programme aimed at liberalising the markets and increasing the qualification and mobility of the workforce. It is definitely to be assumed that the creation of high levels of support for the long-term unemployed reduces their incentives to find work, and that an effective policy for the long-term unemployed must be linked to the provision of various forms of retraining and to be accompanied by the

provision of additional services to find a job. In addition, a thorough rethinking of the funding system for employment policies should be followed as the level of funding and the objectively achieved results of individual labour market interventions must be linked, which also implies the rationalisation of new indicators reflecting the relationship between financing and effectiveness in reducing unemployment on a regional level in order to target the resources needed to undertake measures of higher added value, efficiency and performance of the labour market.

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