

“New look” in Urban Governance of Ukraine: a Clear Perspective for XXI Century

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Abstract

This paper explores the current situation of urban governance application in Ukraine in order to receive unprecedented political recognition, financial and material improvements. Extreme development of informational and communicational technologies in the world led to great changes in political and social consciousness and self-determination of people as citizens of a social society.

One of the main and global aspects of every legal activity is to prepare effective legislative projects which are ought to define level of implementation of universal standards of human rights and to adopt such well-done acts. All post Soviet countries need to realize such doctrine because of the over-centralized state power and no application of subsidiarity principle in the local self-government in conditions of permanent reforms, especially in communal sphere.

There are more than 100 law projects on administrative and territory, communal reforms, which remain in the Parliament of Ukraine (*Verkhovna Rada*) for few years and wait for their approval and adoption. These laws can effective support and guarantee rights of citizens and communities on the local and regional level in Ukraine, which will be the best example of democracy approach.

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*“A central power, as much civic and wise it could be,
would never embrace all particularities of social life.”*

A. de Tocqueville

This paper examines an ongoing political and economical situation in Ukraine and clarifies the importance of constitutional, administrative and territory, communal reforms in order to improve legislation, industrial development, economic potentiality and investment attractiveness of Ukraine.

Urban governance, mainly inspired by the concept of democratic state governance, goes beyond the urban administration and public management. It takes into account the ever-increasing number of players who can feel an aspiration of more participation in defining and negotiating urban projects. To this end, it consists of adopting action and decision-making procedures that are more partnership-based and more interactive. Its key notes are the followings: integration of all players into this process, sustainable urban planning and cities development where access to essential services, transport and employment contribute to permanent fighting poverty and level off inequalities among the society. The aim of the urban governance is to build social unity in the cities and re-establish consistency between separate defined territories.

We consider urban governance to be a new concept identified in Ukraine. The word governance carries often the connotation of government and state responsibility to make decisions and to implement service-related programs popular among society. Although some local communities have already created new templates of interrelations with the government and some

proactive communities have not achieved the critical mass that would be able to exert significant influence on the policy-making and strategy development in the country. In the case when communities would need to take on more responsibilities for controlling the quality of services related to their housing and communal services or to take on more responsibility for new budgeting solutions, only few bodies of the local self-government would be ready to facilitate such interdependence and to share responsibilities.

Today, Ukraine is inside the discussion process of possible change in the constitutional structure of regional and local self-government. We can define three main motive forces of such process: decentralization, regionalization and subsidiarity. All this is connected with security governance on the local and regional levels of the state, which depends both on rapidly increasing urban space and responsibility of the local administrations for deficits in providing security and law enforcement activity. Such situation for their inhabitants has as a result feeling of public insecurity and a lack of the rule of law on the every tier of administrative and political structure in the state.

My country has a long-going history, but all parts of the state since XIV century and till the end of II World War were separated. They were parts of different countries with different legal and local self-government systems. Except state's efforts to found a new administrative structure according to the administrative and constitutional reforms provided now in Ukraine it is difficult to define and to clarify received heritage in the sphere of local self-government as a result of Soviet Union activity. Even during a turbulent 20th century (we can characterize it by periods of political upheaval, brutal dictatorship, forced famine, war, economic uncertainty and renewal of independence) territory of Ukraine was divided in several parts (Vermenych, 2005), which were included into different European countries (Austria and Hungary, Czech and Slovakia, Poland, Soviet Union) with different ethnicity, language, religion, administrative and political structure, economic and industrial development.

This caused such situation when citizens feel themselves in total insecurity because of the impossibility of the local self-government bodies to protect them and their rights on the lowest tier of the state management. That is why it is very sufficient and important for us, as for young generation of Ukrainians, to learn a lot in order to unite the country, to succeed in political, economic, judicial, administrative and communal reforms on the every tier of the administrative and territory division, to have effective local self-government. Now we try to find out the only possible and suitable system of local self-government (Panejko, 1963) in order to unite all regions for prosperity and success on the international level. That is why it is still very important to continue our searches in Europe, where surely we can find a lot of information on Urban Governance application inside the European Union countries, advantages and disadvantages, its results.

Since its independence in 1991, Ukraine's attempts at reforming process of the public sector and transitioning to democratic governance have been very slow. We can emphasize that lack of good governance at the central and regional levels (Dolishniy and Symonenko, 2001) and a deficit of mechanisms for involving civil society in government affairs, unsuccessful resources management are the key challenges of such situation. Recent reforms in the country have increased public expectations of positive and effective changes in the near future according to the promoted reforms in economic, administrative territory structure and public administration, regional policy and decentralization. The implementation of these reforms is considered to be a key in order to modernize the country and to connect Ukraine deeply with universal values and European standards of human rights.

During recent years, Ukraine has made a series of steps to resolve regional development problems. There were outlined state goals, tasks and priorities regarding regional development and called for civil society involvement in finding solutions to local problems by creating an enabling environment for democratic and sustainable regional development in Ukraine. This situation is not easy to solve, because all regions of Ukraine (southern, east, northern, western and central) are

different not only in the language, ethnicity and religion questions, but also in industrial potentiality, people and technical resources, tourist and transport infrastructure, real estate promotion and communal services, social and health care (see Regions, 2005).

Having analyzed different sociological surveys, provided in Ukraine during last several years, we can obviously stress that the public expresses totally grave and sometimes unexpected concerns about the quality of municipal services. According to their expectations there are two major issues which are supposed urgent to be solved on the local level: housing and communal services. Particularly, heating, water supply, housing management and transportation infrastructure are often named as major and global problems of the society nowadays.

Responding to a survey's question about possible solutions of the problems connected with delivery services on life quality development, some respondents answered that they are not ready to pay increased fees in order to obtain better quality of services because of the unsatisfied financial situation. Some of respondents said that the most effective way to improve the quality of services is to achieve a more transparent management system according to the sufficient life quality development. From the long list of problems are associated with urban services and their management, priority was attached to housing and communal services because of their direct and definite relation to the delivery of life quality services. (see Mission, 2005)

Moreover, estimating influence of a global decrease in the quality of city life in Ukraine, we perfectly observe its results in the following areas: economic situation (55%), standards of life quality protection (52%), public health care (53%), local housing bureaus activity (56%), environment and its pollution (58%). After such estimation were indicated such areas for improvement: medical care services (52%), parks and recreational zones (42%) and public transport infrastructure (40%). Although 52% of respondents said that the local government usually ignores public opinion and protects their own corporate interests in most cases (51%).

A lot of leading specialists of Ukraine in this sphere emphasize that these prior problems, which are particularly related to communal services and housing, are primarily caused by the centralized tariffs and usually they cannot cover totally real costs of housing or communal services. Secondly, such definite over-centralized and ineffective system of management and complicated sometimes not clear legislation with a lot of collisions and gaps create some kind of confusion among society and disable any effective decision-making process at the local level. Local governments complain about their inability to overcome the regulations, requirements and activity conditions created by the central government.

The permanent delivery of the communal services to their potential consumers mainly in energetic sphere (mainly heating, electricity and water) is reported to be absolutely ineffective because of the full over-centralization. Main enterprises in this sphere of communal services are centralized by state (state-owned and remain to be publicly so called "natural monopolists") and provide more than 80% of water and electricity to city dwellers as their potential consumers. Consequently, they dictate tariff's scale for their services to every consumer. From time to time these tariffs are reviewed by central government and can be changed or just amended (usually tariffs base-less increase and very rare decrease).

Because of the modern instable political and economic situation, which usually causes low incomes for citizens, they often are not able to pay for the communal services, or if they do, many of them still pay irregularly. As a result, according to local government officials, the local housing bureaus often are defined as money-losers because they cannot cover direct costs. The existing tariffs and prices for the communal services, however, do not cover real costs, thus they make impossible for the local housing bureaus to provide services of adequate quality and in this way to satisfy needs of their potential consumers.

According to these analyses and professional observations we can stress that activity of the local self-government bodies sometimes is not effective in housing sector management because they usually have lack of technical information regarding housing sector or communal services. Consequently, distribution of energy, technical and industrial resources is uncontrolled, water and other energy usage is complicated to measure, and it is very difficult to estimate where and when actual savings can and are to be made.

Not a long time ago, regional and local governments were given the right to determine all tariffs for communal services. This possibility certainly creates some opportunities to differentiate prices towards the improvement of life quality services. However, regional and local governments are still doing their very first steps to define their responsibilities and the upcoming administrative and territory reform in order to redefine the limits of power and fiscal responsibility among the central, regional and local governments especially with a subsidiarity principle application on the lowest tier of the local self-government. Besides, an increase of tariffs often is a subject for political speculations, especially since the growth of communal prices has been outpacing the growth of incomes.

Subsidiarity is an emphasis on the importance of human incentive, initiative, creativity and wealth production of and is a leading principle towards human dignity and is ought to ensure a citizen as a member of community to feel himself more convenient and comfortable. Comparing subsidiarity application by local self-government bodies in the European Union and in Ukraine, the first are as keen as ever in perfect advocating the strict implementation of this principle for action at so low level as possible. Subsidiarity means such principle that, if it is correctly understood and effectively followed, guarantees the proper uses of power (Carozza, 2003).

Under all circumstances, its necessity may also derive from considerations of economy and institutional design (the requirement for efficiency in exercising competence at higher or more central levels), or from the desire to promote wider participation in the maintenance of a particular order. In fact, subsidiarity insists not only that the state may intervene in such situations, but that it has an inherent right to concern itself with the common good and indeed a duty to exercise that right. (Millon-Delsol, 1993) This tension is fully illustrated by Ch. Millon-Delsol:

“The first aspect of subsidiarity calls for the respect of liberties as far as possible, it calls for non-interference by authority. Conversely, the second assumes interference by authority both to guarantee a sort of social unity and to help organize interdependent bonds. The first demands that variety be recognized as both essence and norm. The second demands that communion be lived as an object, as a goal. The first thrives on distributive justice, the second on social justice....Nevertheless, the principle of subsidiarity reunites these antitheses, and affirms them jointly. Subsidiarity is the locus of a paradox that it takes up in a specific way. It exists only because this paradox exists.”

Chantal Millon-Delsol

During the last few years, central government had made few important attempts in order to tackle a communal services reform. That is a main reason why program documents for housing and communal system reform were created, proceeded and finally they were adopted. However, there were admitted some critical remarks caused by such situation when some of these programs were not properly studied and prepared. The obvious connection between scientific research, policy development and practical implementation is still not found. For example, the program on social housing has been in preparation by central government for more or less 10 years and only now in 2005 it was adopted as a law. This situation contains some other problem – the social housing concept is not well understood by common people.

The total restriction of housing tariffs system remains to be a major corner stone of this reform on the regional and local levels. The government’s equation of service quality with real costs

is certainly justified. However, there were few clear attempts to review the quality of administration and expenditures or other ideas related to restructure of the existing system of housing and communal services management. Besides, the majority of such proposals are given from the point of view of centralized providers and in this case there were very few or even less alternative possibilities proposed to review the whole concept in the light of decentralization and subsidiarity application.

The Parliament of Ukraine (*Verkhovna Rada*) has been trying to improve housing-related laws but in the light of permanent political and economical instability all these efforts are seemed to be not effective. However, we can stress that at the local level such amendments can create a totally more complicated and controversial situation. For example, the housing and communal services legislation is weak and not well developed when it goes about the distribution of roles and responsibilities between individual consumers or their representatives and communal service providers. Often, local self-government bodies are fully responsible for delivery of communal services, while the centralized legislation regulates only finance provision, price foundation and interrelations between the state-owned enterprises with a natural monopoly status on the particular regional and local level with the so called end consumers.

City administrations usually believe that urban administrative issues need to be authorized and managed through some separate local acts and/or legislative regulations. This would allow city's authority to adopt a number of necessary regulations and in such way to improve effectively the housing sector management and to accelerate clearly the differentiation of communal services and prices. However, to improve the urban services the community involvement in the process needs to be promoted and legally supported.

Definitely in such case interrelations and co-operations between communities and community service providers are supposed to be minimal. The local housing bureaus remain an intermediary tier in such relations (between state-owned enterprises with a natural monopoly status on the particular regional and local level on the one hand and so called end consumers on the other). This means that communities (which represent consumers) deal with the housing bureaus and these housing bureaus deal with the service providers. In such situation local communities have little control over the housing bureaus that is why the latter's intermediate function is considered to be sufficient but ineffective.

Some of the analysts believe that such tariff's deregulation should be necessary introduced to differentiate between those who can pay for the service and those who cannot do this. Citizens and residents of Ukraine should be able to choose the local housing bureau in order to establish with it productive and effective, successful relations. However, the effectiveness of management among the local housing bureaus is still very low and we can say that market for provision of communal services practically doesn't exist.

It is a real problem that neither the central, nor the regional and local government subsidizes the housing sector or provides any investments or development funds to municipalities. Local self-governments bodies are on their own to cover all expenses. The relations between municipal governments and regional administrations remain to be still unclear and not sufficient, and although regional administrations are authorized to determine tariffs, it is not clear how competence and responsibilities between these two levels will develop without subsidiarity principle application. (Knemeyer, 2003)

Regarding public awareness about existing urban management and finance problems, we are to say that even public well understands the problem in general but an ordinary citizen (common people) has not adequate income to cover all the necessary expenses. Besides, many citizens are told by officials of local self-government bodies to expect that the state (central government) should

be the main provider of all basic services and that's why it should take care of all expenses. (Hocking, 1985-1986)

According to the level of urban infrastructure and delivery life quality services, many citizens and residents of Ukraine strictly complain on that situation when some basic needs are neglected and very poorly serviced. What seemed obvious to us was that the public evaluates the achievement of the new government by the changes everyone can measure at this basic needs level. By meeting the basic needs of the population, the government can acquire the leverage of public trust, something that has been lacking in the last more or less 18 years.

Certainly, some financial and economic development in Ukraine has been an important meaning of general improvement in the quantity and quality of services. The quality of services, especially in the public sector, is what is becoming a major concern of this problem. Inadequacy of proper structuring of urban services among the three levels of government and a lack of public engagement are the serious causes of many problems that accompany the delivery of life quality services.

The state often justifies the need of privatization to sustain the municipal budget in order to cover the costs of a moral and technical old social infrastructure. With no doubt, Ukrainian cities using privatization acquire more political weight but also take more responsibility for the management of this process. As far as communities understand, such decentralization does not really empower communities since Ukraine still suffers from an absence of the rule of law and subsidiarity principle application. Some critical remarks are made on the need of consultations, transparency and participatory processes, which probably could begin in 2008 if there were no political and economic instability. Participatory planning and better coordination between local self-governments bodies and communities are supposed to be the only management possibility for more transparent and equitable delivery of life quality services.

We can truly say that current engagement of local communities in urban governance is often very symbolic. Under such circumstances it usually turns out that the most active members in the building committees are retired people and definitely they require knowledge about the system, and about the political and legal aspects of the governance.

All communities, as well as other local self-government bodies, search for a new kind of governance, which may include meaningful mechanisms of participation and monitoring. Moreover it proceeded because of a mass turnover of senior personnel in local self-government bodies during the last few years and unprofessional management. This situation is because of the donors were largely focused on educating local communities to deal with the government, but government turns out to be unprepared to work and to act because of suddenly increased demands.

Before, people expected to receive from the new policymakers more responsible governance based on increased public engagement, but occasionally they appear to have fewer skills than would be required to make significant and successful progress towards effective governance. (Griffith, 2005) Such improvement of urban services relies equally on the ability of municipalities and local self-government bodies to create good governance as well as to exert their influence through the use of good governance skills and negotiation with the central government. All of them (municipalities, local self-governments bodies) feel lack of the adequate resources support and skills to be truly and sufficient effective. The number of those, who would be able to share with the other the knowledge and skills, is still very low.

Local authorities at every level have to be involved in any sustainable development policy. Their support of such public policy and their local organization and co-ordination actions are supposed to be the key factors of success of these planned strategies. This means that obviously we need to think about how to promote the optimization of actions at each level through the application

of the subsidiarity principle in a sustainable development context that is properly understood by everybody. It means that in this area we surely provide direct recognition of the strategic role of the regions and their influence on regional governance and development. (Begg, 2008)

That is why, such situation causes a real problem for Ukraine. In recent years there were held a lot of different conferences, seminars, workshops, “round table” discussions on the topic of improvement of communal services on the local level, regionalization, subsidiarity and of the European standards of the local self-government’s implementation. As a result of this activity there were published a lot of books, articles on the development and reforms in local self-government, but there are only few of them, which are dedicated to subsidiarity principle application in the local self-government as a very important feature of the modern local self-government and a clear perspective for Urban Governance in XXI century in Ukraine.

Due to the nowadays political and economical life circumstances, I argue that the improvement of sustainable conditions of the life quality for everybody without any doubt depends on the respect of subsidiarity principle application on the all tiers of the local self-government.

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