





EURASIA

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I. Introduction

This chapter analyzes the formation, development and recent trends of local self-government in the states of the Eurasian region that were formerly member states of the Soviet Union: Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

Until the fall of the Soviet Union in 1991, all these countries shared a unified system of local government. The main characteristics of that system were that 1) local soviets (councils) were part of the state, 2) soviets at each level were subordinate to soviets at all higher levels, and 3) the executive at each level of government was nominally accountable to a representative council but in practice both representative and executive powers at each level were subordinated to the ruling party organization at that level.

Taken together these attributes of the Soviet system of sub-national government form a legacy that continues to influence the evolution of sub-national government in the successor states. In the early years of post-soviet transition this legacy was evident in terms of the practical difficulties caused by the collapse of the previous system. After 1991 there were difficulties due to overlapping functions and shared competencies, as well as the lack of a clear relationship between functions, responsibilities and resources, whether generated locally or transferred from higher levels. The removal of party control over the executive and representative powers opened a power struggle between the two branches in those countries in the region where genuine democratic elections were applied at sub-national levels.

However, it is at the level of ideas –the ideas that have informed the debate around local government reform in Eurasian countries– that the Soviet legacy can be seen to have enduring influence. The legacy is

most clearly evident in regard to the relationship between local government and the state. On one hand, Soviet-era centralist ideas continue to color the ruling elite's view of local autonomy. On the other, the advocates of local autonomy and decentralization often adopt excessively idealistic views of local government in their zeal to break with the institutional legacy of the Soviet period. The first group sees local government as an integral part of the state and entirely subordinate to higher-standing state bodies. The second group typically regards local government as a social institution created by the people of the local community and entirely separate from the state.

The 'social' or 'society' view has provided a basis for defending municipalities against excessive intervention from above. It was this view that inspired Article 12 of the Russian Federal Constitution, which declares that local self-government is not part of the state; this has been a central reference point in all debates on local government in the Russian Federation. At the same time it can be argued that the social view itself limits the role of local government by emphasizing its role in community representation at the expense of delivering services. The social view can encourage fragmentation into small municipal units that are powerful on paper, but not in practice (as occurred in several of the countries of Central and Eastern Europe after 1989).

However, as long as the 'state' view of local government remains influential in governmental circles, the social view is necessary as a countervailing force. The debate between these opposing views of local government tends to coalesce around the key issue of whether mayors are appointed or elected –or, in a non-mayoral system, whether the elected council has power over the executive. This matter is effectively the working litmus test of local autonomy. This can be seen in the recurrent debate within the Russian Federation regarding appointment of mayors. On several occasions in

After the removal of party control over local government bodies, local government reforms have been driven by the struggle between Soviet era centralist ideas and advocates of decentralization based on the principle that local self-government is not part of the state

Three groups of countries can be distinguished:

- 1) where local government has been established as separate from the state power;*
- 2) where the reform process is still not concluded;*
- 3) where local issues are still in the hands of local state bodies, whereas local self-government exists only at the very lowest level*

recent years, draft legislation that would have introduced appointment rather than election of mayors has come close to adoption, only to be withdrawn at the final stage. This reflects the fact that proponents of both views of local government can be found at the highest levels of government. In the post-Soviet context the principle of local autonomy has often come into collision with that of regional autonomy. Nowhere more than in the Russian Federation from the early 1990s onwards has conflict between regional governors and mayors of regional capital cities shaped local politics and development, sometimes over many years. In this case regional governors have frequently supported the state view of local government, whereby local authorities would be subordinate to regional state bodies. Advocates of the social or non-state view of local government may, paradoxically, be found at the higher national or federal levels.

Most Eurasian countries have inherited in some form the Soviet territorial unit, the raion, consisting of a number of different settlements over a particular territory (much like a UK district). In most countries in the region this is where most local functions and services are performed. Initially much criticized as a legacy of the previous regime, the raion has proved difficult to replace. In Ukraine perhaps the most important of the reforms designed in 2005 (but not adopted, due to that year's split in the Orange coalition) was that which would have made the raions into genuine local authorities, with the executive reporting to the council; councils currently have no executive reporting to them. In Russia the reform of 1995 emphasized settlements rather than districts. As a consequence, many local functions were exercised by the state. The 2003 reform ended this anomaly, creating a two-tier system with raions as the upper tier to carry out those local functions that required economies of scale (in addition to certain delegated state functions, as in the German/Austrian model) and leaving set-

tlement-based municipalities to do the rest. In Georgia the municipal reform has transformed the districts (raiony) in municipalities and cities without subordination to any raion into self-governing cities. Raiony continue to provide the basis for central Asian local government systems, although local self-government (in the sense of local autonomy) is confined to the sub-raion level where there are few functions. In cases such as the local makhallas in Uzbekistan, services are provided at this level, but genuine autonomy is restricted.

Local self-government in the states of the Eurasian region has attained different levels of institutional development. In several states it exists as an independent institution; in others it is a structure combined with the institutions of state power. In this respect it is possible to distinguish three groups of countries.

In the first group are Russia, Armenia and Azerbaijan. In these countries local self-government is legally autonomous and institutionally separate from the structures of state power, and local government is seen as an institution through which the local community decides on local issues.

In the second group –Georgia, Kyrgyz Republic, Moldova and Ukraine– the process of the formation of local self-government is still not concluded. Reforms have barely been implemented, or simply have not been achieved up to now. The afore-said trend in the development of local self-government has been changed neither in the course of the Ukrainian “orange revolution,” nor in the course of the “revolution of roses” in Georgia.

The third group is composed of the states of Central Asia: Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan. Local self-government there functions only on the lowest level, in small villages. In the main, local issues in this region are vested in local state organs subordinate to central

Table 1 General Information and Territorial Structure

Countries	Territory (1000 sq. km)	Population (m)	Administrative territorial division (intermediate level)	Local units and tiers	Form of government
Armenia	29.74	3.21 (census of 2001)	10 regions City of Erevan	930 municipal units	Unitary state with mixed presidential-parliamentary government
Azerbaijan	86.6	8.4	Nakhichevan Autonomous Republic (Nagorno-Karabakh) <i>de facto</i> secessionist republic	59 districts 11 district cities 2,757 municipalities	Unitary state with presidential government
Belarus	207.6	9.75	6 regions City of Minsk	1,665 municipal units: 1) district (basic) 2) primary	Unitary state with presidential government
Georgia	69.7	4,661	9 districts, 9 cities, Abkhaz and Adjar Autonomous republics	1,017 municipal units	Unitary state with presidential government
Kazakhstan	2,724	15,074	14 regions 3 cities	1) 159 districts and 36 district cities 2) 45 cities, 241 boroughs, 2,042 rural circuits	Unitary state with presidential government
Kyrgyz Rep.	198.5	4,823 (census of 1999)	7 regions City of Bishkek	1) 40 districts and 10 district cities 2) 11 cities and 465 rural municipalities	Unitary state with presidential government
Moldova	33.8	4,466	1 autonomous territorial entity – Gagauz Eri 1 territorial unit – Stînga Nistrului “Prednestrovye Moldavian” <i>de facto</i> Republic struggling for secession	1) 32 districts and 3 cities 2) 907 municipalities and communities	Unitary state with parliamentary government
Russia	17,075.2	142,893	84 Federation subjects. Russia is a federation comprised of 86 “subjects”. These subjects have equal federal rights and an equal representation (two delegates each) in the council of the Federation, but with varying degrees of autonomy. For the composition of legal units see Table 1 (p 97) (member states at 01/03/2008) 21 republics, 47 oblast, 8 kraj 1 autonomous oblast 6 autonomous okrugs	22,972 municipal units (at 01/01/2007) 1) 1,802 municipal districts, and 522 district cities 2) 19,892 rural municipalities and 1,756 urban municipalities	Federative state with presidential government
Tajikistan	143.1	7.32	2 regions 1 autonomous region Nagorno-Badakhshan	1) 58 districts and 23 cities 2) 47 towns, 256 settlements and 2,803 villages	Unitary state with presidential government
Turkmenistan	491.2	5.37 (census of 2001)	5 regions	1) 50 districts 2) Several hundred cities, settlements and villages	Unitary state with presidential government
Ukraine	603.7	48	24 regions Autonomous Republic of Crimea 2 cities with the status of Regions (Kiev and Sevastopol)	1) 490 districts and 176 cities with district status 2) 279 cities of district subordination, 884 urban municipalities and 28,573 rural settlements (however 10,227 councils)	Unitary state with mixed presidential-parliamentary government
Uzbekistan	448.9	26	12 regions, City of Tashkent Autonomous Republic of Karakalpakstan	233 urban municipalities 164 rural municipalities About 10,000 local communities (makhalyas)	Unitary state with presidential government

Sources: UCLG Country Profiles (2007).

Several constitutions prohibit the dissolution of representative bodies of local self-government (municipal councils)

government. Nevertheless, first steps of reform are in progress, aiming to increase the role of local self-government and to enlarge its functions.

Another model of local self-government has developed in Belarus with a peculiar combination of different elements of central state government, local state government and local self-government.

Table 1 describes the territorial structures of the countries of the region in relation with geographic and demographic data. It distinguishes the intermediate level of government (meso level) from the separate local (municipal) level; the latter may be organized with a single tier or two tiers (see below, section 1).

II. Evolution of structures

Territorial and institutional structures reflect both the introduction of new political and legal principles, and the legacy of the past.

II.1. The Renaissance of Local Self-Government and its Constitutional Basis

The first time the term 'local self-government' was used in the law of the USSR was in the "General Fundamentals of Local Self-Government and Local Economies," enacted on the wave of democratization at the end of the 1980s and the beginning of the 1990s.

After the collapse of the Soviet Union, each of the states has been independently developing its own model of local government. Nevertheless, the common heritage of the past is manifest in many current legal notions including: local self-government, local state government, local state administration, own and delegated powers, municipal budgets, municipal property, programs of economic and social development of municipal entities, local public service, premature termination of powers of represen-

tative bodies of local self-government and dismissal of heads of municipalities.

The constitutions of all states of the region contain separate articles, sections or norms devoted to local self-government and to guarantees of its realization. They proclaim that the rights of citizens to local self-government may not be restricted. The constitutions of several states, including Russia and Ukraine, stipulate that the rights of citizens to local self-government may be suspended only in the time of war or emergency. Constitutions regulate relationships between central and local governing bodies on such principles as: separation of state powers and powers of local self-government, organizational and functional independence of local self-government in the sphere of its competence, unity and integrity of state territory, combination of centralization and decentralization in the execution of state power, balanced social and economic development of territories, and responsibility of bodies and employees of local self-government to the state. Some constitutions, including that of Uzbekistan, prescribe that relations between central and local governments shall be built on the basis of subordination and mutual cooperation.

With the exception of Kazakhstan, all constitutions prescribe the principal powers of local authorities. Transfer of such powers to other entities and persons is not permitted. The constitutions of Russia and Kazakhstan proclaim the principle of separation of state and local governments.

Several constitutions, including Armenia's, prohibit the dissolution of representative bodies of local self-government (municipal councils). This serves as an important guarantee of their independence. In a number of states there are procedures for revocation and suspension of acts of local state entities and local self-government, and for the right of citizens to lodge complaints in courts against their decisions. Belarus and Uzbekistan provide examples of this system.

The constitutions of several states proclaim guarantees for the integrity of the boundaries of local territories; in particular a local referendum is required to change the boundaries of municipal units (Armenia). Although virtually all constitutions have detailed norms providing for the development of local self-government, in practice they have been implemented at different degrees.

Stages of development

Local self-government in the states of Eurasia has achieved different stages of development. In several states it is functioning as an independent institution, in others as a structure combined with, or subordinated to state power. Again, the countries fall into three groups.

In the first group of countries, including Russia, Armenia and Azerbaijan, local self-government is independent: it is separate from the system of state-level government bodies; local representative bodies independently decide local issues.

In Russia the system of local self-government was launched in 1991 by the law "On Local Self-government in the RSFSR." Later the Constitution of the Russian Federation of 1993 guaranteed local self-government by providing that local self-government bodies shall be separated from the system of state power (article 12). In 1995 the federal law "On General Principles of Organization of Local Self-Government" was enacted. It proclaimed democratic fundamentals of local self-government, though they have not been fully implemented. Therefore in 2003 a new law was enacted "On General Principles of Organization of Local Self-Government" (Federal Law No. 131), which enlarged, in accordance with the requirements of the European Charter of Local Self-Government, the functions of municipal entities, and transferred some functions from member states to federal state bodies.

In Armenia, the present system of local self-government was formed on the basis of the Constitution of 1995. Between 1995 and 1997 the Parliament enacted laws "On Elections of Organs of Local Self-government," "On Local Self-Government," "Transitional Provisions for Regulating Relationships of Organs of Local Self-Government," "Organs of Territorial Government" and some other acts. This was the period of formation of the legal and institutional basis of the systems of state territorial government and local self-government. Local self-government was defined as the right and ability of communities to decide upon and take responsibility for local issues deemed to be in the interests of local populations.

In Azerbaijan the Constitution of 1995 contained a separate section devoted to local self-government. The constitutional requirements were implemented in 1999 in the laws "On the Status of Municipalities" and "On Elections to Municipalities," which laid down the basis of the system of local self-government in the republic. Later about 20 other laws were enacted, including "On Transfer of Property to Municipal Property," "On Municipal Service," "On the Status of Members of Municipalities," "On Fundamentals of Municipal Finances," "On Management of Municipal Lands" and "On Administrative Supervision Over Activities of Municipalities." All of these laws reinforced the organizational, legal and economic basis of local self-government.

In the second group of states – Georgia, Kyrgyz Republic, Moldova and Ukraine– the process of the formation of local self-government is still in progress.

The Constitution of Georgia of 1995 proclaimed the general principle that local issues have to be the responsibility of local self-governments, subject to an obligation to respect the sovereignty of the state. The procedure of formation and the powers of local self-governments and their relationships with state entities were regulated by the "Organic Law" of 1997. During the

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municipal reform of 2000–2001, the powers of local self-government were significantly enlarged, but were not adequately supported by necessary material resources. This divergence was one of the main themes of debates in the last local elections held on October 5th, 2006.

In Kyrgyz Republic the basis for local self-government was established by the Constitution and laws "On Local Self-Government and Local State Administration," "On the Financial and Economic Basis of Local Self-Government," "On Municipal Property" and "On Municipal Service." The new stage of the reforms has been initiated by the "National Strategy On Decentralization of State Government and the Development of Local Self-Government in the Kyrgyz Republic for the Period till 2010." Nevertheless, local issues are still under the control of the state's local administrative entity.

In Moldova the democratic fundamentals of local self-government were laid down by the Constitution of 1994. In fact, the process was launched four years later with the adoption of the laws "On Local Public Administration" and "On Territorial-Administrative Organization." The division of the territory at the intermediate level has been changed twice: from districts (raion) to provinces (judete), and back to districts. The next stage of municipal reform started in 2003, when the Parliament amended the legislation by significantly enlarging the powers of local self-government. Nevertheless, many problems were not resolved. The material basis of local self-government is still not sufficient and its independence from state powers is not duly ensured.

In Ukraine the fundamentals of local self-government were shaped by the Constitution of 1996 and by the law "On Local Self-Government in Ukraine" (May the 21st. 1997). They proclaimed the principles of decentralization of public powers and the priority of territorial units or communities known as gromada. But these principles

have not been fully realized. Currently a mixed system exists, combining local state government and local self-government on the levels of districts (raion) and regions (oblast). On one side are provincial and district councils as elements of local self-government, representing the interests of territorial gromadas. On the other are state administrations of provinces and districts –local organs of state executive power vested with the executive functions of these councils. Such a combination of municipal and state structures actually derogates principles of local self-government, leaving it in the domain of state rule. Reform projects have faltered because of political divisions and are still pending.

The third group is composed of the countries of Central Asia –Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan. In these nations local self-government functions only on the lowest level, in small villages variously called jamoaty, shakhrak and dekhhot in Tajikistan, and makhalya in Uzbekistan. It is nevertheless necessary to note that these states are in the process of implementing reforms to increase the role of local self-governments and to enlarge their functions. In Kazakhstan, for example, recently approved legislation will introduce elections for municipal heads (mayors).

The constitutions of the states of Central Asia acknowledge and guarantee local self-government. Some laws of these republics contain original definitions of the notion of local self-government. Thus, the "Law of Uzbekistan On Organs of Self-Government of Citizens" defines local self-government as an independent activity of citizens in the solution of local issues in accord with their interests, historical development, national and spiritual values, local customs and traditions.

But on the whole, local matters in these countries are not the business of local self-government, an autonomous or quasi-independent body elected by local popular

vote. Rather, control of local matters more often falls to what is termed “local state government” (Kazakhstan), “state power on local level” (Tajikistan and Uzbekistan) and “local state executive power” (Turkmenistan).

Another model of local self-government has been developed in Belarus. The “Law On Local Government and Self-Government in the Republic of Belarus” established a peculiar combination of different elements of central state government, local state government and local self-government. Local self-government—as opposed to the notion of a state-controlled local body—is defined as the organization and activities of citizens for independent solution of local issues, directly or through elected entities. This definition takes in to account the interests of the population, the development of administrative territorial units and the basis of own material and financial resources local government can generate or attract. But at each of the three levels (province, district or city with district rights, rural or urban municipality) executive powers are integrated in the system of the state executive power, even though they are, at the same time, bodies of local government. Local councils therefore do not have their own executive powers.

II.2. Territorial organization and territorial reforms

The countries of the region have different forms of territorial organization of public power. As a rule, these forms are highly diversified, but not all countries have a clear hierarchy of territorial units with local self-government organs, as reflected above in Table 1.

Most countries have introduced or allowed autonomous territorial units in recognition of ethnic or regional peculiarities, sometimes with a dimension of conflict: Azerbaijan (Nakhichevan and Nagorno-Karabakh), Georgia (Abkhaz and Adjar republics),

Moldova (Gagauz Eri, “Predniestrovye Republic”), Ukraine (Crimea), Tajikistan (Nagorno-Badakhstan) and Uzbekistan (Karakalpakstan).

Russia is the only federal country in this region. However, several countries have an intermediate level of government on a rather broad scale, distinct from the local or municipal level of government. It is generally called oblast, here translated as “region” and it is found in Armenia, Belarus, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. Georgia also has such a territorial level (mkhare). The capital city and other main cities may have the status of province; that is, they are directly subject to the central government.

Usually the local government level (municipal level) is organized on two tiers, as reflected in Table 1. The most important is the district level, which is a rather small constituency, embracing a lot of villages but also some cities. Many municipal functions for small and mid-size cities are the realm of district-level powers; large cities are independent of the district-level authorities. Usually, the lower municipal level is much less significant with respect to its functions. This pattern can be compared with the German municipal organization (Kreis-district, and cities independent from a district) or to English districts; it was also used in the Soviet era. Now, such a two-level municipal organization can be seen in Azerbaijan, Belarus, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan and Ukraine. Only one municipal level, although it may be differentiated, exists in Armenia, Georgia and Uzbekistan. In Turkmenistan, local government institutions exist only at the district level. The level of local government autonomy varies considerably, even among similar countries.

In further detail, Russia, as a federative state, is composed of such member states (called “subjects”) as republics, lands (krai), regions (oblast), federal cities, auto-

Most countries have introduced or allowed autonomous territorial units in recognition of ethnic or regional peculiarities, sometimes with a dimension of conflict

nomous regions and autonomous circuits (okrug). All member states of the Russian Federation have equal status. Local self-government in the Russian Federation is exercised in urban settlements and rural settlements formed as municipalities (poselenie), municipal districts (municipal'nyj rayon), district cities (gorodskoï okrug) and the territories of federal cities (Moscow and St. Petersburg).

In Ukraine the administrative-territorial organization has a three-tier structure: the highest level includes the Autonomous Republic of Crimea, regions (oblast) and two cities, Kiev and Sevastopol that have a special status. The next level, the upper municipal level, embraces districts and district cities. The lowest level includes city districts, cities of district subordination, towns, settlements and villages.

The territory of Tajikistan is divided in a descending hierarchy into provinces (veloyats), districts (nohiyas), towns of republican significance, towns of provincial significance, towns of district significance, settlements and villages (qyshloqs).

In the countries of Central Asia (Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan), local self-government plays a limited role. Organs of local state government exercise the principal functions. In Russia, Azerbaijan, Armenia, Georgia, Kyrgyz Republic and Moldova, local self-government has greater autonomy and is separated from state government.

In the majority of countries of the region the majority of the population resides in cities and towns. Statistics show that, on January 1, 2006, 73% of the population of the Russian Federation resided in urban settlements and 27% resided in rural regions. Urban population slightly exceeds 70% of the population in Belarus, 68% in Ukraine and nearly 60% in Kazakhstan. By contrast, in Uzbekistan, at the beginning of 2006, 36% of the population resided in cities and 64% in rural regions. Rural

population prevails also in other states of Central Asia. The legislation of Kazakhstan (law of December 8th, 1993) distinguishes the administration of territories and of populated areas. Territories are provinces, districts and rural circuits; populated areas are cities, settlements and villages. This means that the municipal area is usually limited to the settlements, whereas areas between populated areas are administered by the upper level of government. The new law on local government of the Russian Federation is backing away from this conception, and the territory of each subject of the Federation is divided into municipalities; only in areas of low density may the territory between municipalities be administered by the district government (law 131: article 11, paragraph 1).

A number of countries have implemented territorial reforms after the political change, aimed, inter alia, at improving state government (Belarus, Georgia, Kazakhstan, Moldova, Russia, Ukraine and Uzbekistan). Major goals and trends of territorial reforms were different. In a number of states they resulted in the enlargement of regional territorial units (Kazakhstan, Ukraine). In other states territorial reform was called upon to move the processes of public power closer to the general population (Azerbaijan, Armenia, Russia, Uzbekistan).

In the Russian Federation, territorial reform has been in the process of implementation since 2003. According to the Law of 2003, the subjects of the Federation have fixed boundaries of municipal entities, and have defined the status of appropriate local entities as urban or rural settlements, municipal districts (municipal'nyj rayon) and district cities (gorodskoï okrug). The year 2005 was decisive in the establishment of the two-tier model of local self-government in Russia. The member states of the Russian Federation have fixed the boundaries of 23,972 local entities, including 19,892 rural municipalities, 1,756 urban municipalities, 1,802 municipal districts and 522 district cities (January 1st 2007).

Usually the local level is two tier, with the raion being still the key

Capitals and Metropolitan Areas

In the majority of countries, capital cities have separate legal status as provided by constitutions and laws (Belarus, Kazakhstan, Russia and Ukraine –see Table 1). In the Russian Federation the separate regime of Moscow is laid down by the Constitution and the law “On the Status of the Capital City of the Russian Federation.” In Uzbekistan the separate legal regime of the capital city is provided only by the Constitution. By contrast, Baku, the capital of Azerbaijan, does not have any special regime.

Several states have metropolitan areas with special governance status. Under the Constitution of the Russian Federation two metropolitan areas –Moscow and St. Petersburg– have the status of the member states of the federation. Law provides for specific legal regulation of their local self-government forms. According to the charters of Moscow and St. Petersburg, local self-government is exercised by institutions of local self-government formed in appropriate city territories. The enumeration of local issues and sources of revenues of the local budgets of the municipal units are determined by the laws of Moscow and St. Petersburg, taking into account the necessity of preserving the unity of the cities’ economic systems.

In Georgia, similar special forms of governance are applied to Tbilisi and Poti, in Belarus for Minsk, and in Kazakhstan for the cities of Astana and Alma-Ata. Expenditures of the capital cities are singled out in each republic’s budget; the cities receive grants and subventions, transfers of property and state guarantees for investments. In Kazakhstan, separate governance rules are provided for Alma-Ata to support the development of the city as the region’s international financial center. In Georgia, specific status is accorded Poti with the aim to create a free economic zone.

The following table lists the capitals and main cities of the countries of the region (2006).

Table 2 Capital Cities and Main Cities

Countries	Capitals and metropolitan cities	Population (thousand)
Armenia	Erevan	1,104
Azerbaijan	Baku	1,874
Belarus	Minsk	1,781
Georgia	Tbilisi	1,103
Kazakhstan	Astana	550
Kazakhstan	Almaaty	1,248
Kyrgyz Republic	Bishkek	799
Moldova	Chisinau	660
Russia	Moscow	10,425
Russia	St. Petersburg	4,581
Russia	Novosibirsk	1,397
Russia	Nizhni Novgorod	1,284
Russia	Ekaterinburg	1,308
Russia	Samara	1,143
Russia	Omsk	1,139
Russia	Kazan	1,113
Russia	Chelyabinsk	1,093
Russia	Rostov-on-Don	1,055
Russia	Ufa	1,030
Tajikistan	Dushanbe	647
Turkmenistan	Ashkhabad	828
Ukraine	Kiev	2,693
Ukraine	Kharkov	1,463
Ukraine	Dnepropetrovsk	1,047
Ukraine	Donetsk	994
Ukraine	Odessa	1,002
Uzbekistan	Tashkent	2,141

Source: *Inter-State Committee of Statistics of the Commonwealth of Independent States.*

In theory, resources have to be sufficient for functions (connexity principle); in practice functions are adjusted to resources, and adequacy depends on the financial capacity of the public budgets

II.3. Evolution of Relationships Between Central and Local Governments

Relationships between central government and local self-government are complex. As a rule, they cooperate closely. For instance, in Russia federal state institutions and those of local self-government have agreements of cooperation, and jointly participate in the realization of special programs.

Different state structures are responsible for local government matters. In the Russian Federation, a decree of the President established a specialized ministry –the Ministry of Regional Development of the Russian Federation– which is vested, inter alia, with the powers to determine and implement the policy of the state in the sphere of local self-government. In Moldova, the Agency of Regional Development performs such functions.

In other states, matters of local government lie mainly in the province of sectoral departments of appropriate state bodies. Thus, in Azerbaijan the Administration of the President has a division responsible for work with municipalities; the Ministry of Justice has formed a specialized center on matters of local self-government; in the Parliament there is a standing committee on regional issues.

III. Functions, management and finances

In theory, resources have to be sufficient for functions (connexity principle); in practice functions are adjusted to resources, and adequacy depends on the financial capacity of the public budgets. However, much has still to be done to improve the financial system and the management in order to use scarce resources more effectively.

III.1. Financial Management

The most acute problem of local government is the shortage of financial resources. This lack

of funds inevitably impedes the execution of local-government functions.

Local taxes. The principal indicator of financial power of local self-government is the right to impose taxes. In most countries of the region, the share of local taxes in the total revenue of local government is extremely low. Azerbaijan is an exception, with the share of local taxes and duties in municipal budgets reaching 24.5% (of this, 22.6% is attributed to local taxes).

In Armenia, local communities may levy only local fees and payments. Rates of local fees, within the frameworks prescribed by law, are set by municipal councils at the initiatives of heads of municipalities prior to the adoption of annual budgets. Rates of local duties are defined by municipal councils on the proposals of heads of municipalities in the sums necessary for exercising appropriate actions. On November 27, 2005, constitutional amendments were adopted permitting the imposition of local taxes.

The Constitution of Belarus (article 121) and annual laws on the republic's budget enumerate local taxes and duties that may be established by local councils of deputies. For instance, the law "On the Budget of the Republic of Belarus for 2006" prescribes the following local taxes and duties for the 2006 financial year: tax on retail sale, tax on services, special purpose duties, duties from users, duties from purveyors, and health-resort duties. The share of local taxes and duties in state revenues is about 2.1%.

The Russian Federation has only two local taxes: the land tax and the tax on physical personal property. Representative bodies of local self-government define, within the framework provided by the Tax Code of the Russian Federation, tax rates and the procedure and terms for paying taxes. Other elements of local taxation are prescribed by the Tax Code. According to preliminary data for 2005, local taxes comprise only 4.29% of revenues of local budgets. Local self-governments in the Russian Federation have been constantly



losing their local, own sources of revenues. The Law of December 21, 1991 "On Fundamentals of the Tax System" provided for 23 kinds of local taxes and duties. Even so, in 1998 they yielded on average 12% of the total municipal revenues. Furthermore, local authorities could vary the rates within narrow limits for only eight of the 23. The same number of local taxes and payments was preserved by the initial version of the Tax Code of the Russian Federation enacted on July 31, 1998. Later this list was reduced to five in 2000. With the amendments of 2004 to the budget code, proposals to transfer the tax on vehicles to municipal budgets and to establish a local tax on retail sales were rejected, and two local taxes remain –the land tax and the tax on personal property.

In Ukraine, bodies of local self-government may establish, in accordance with law, local taxes and duties, which are allocated to appropriate budgets. Meetings of citizens may introduce local duties on the principles of voluntary self-taxation. In 2005, local taxes and duties comprised 2.4% of the general revenues of local budgets.

Local bodies in the states of Central Asia are not permitted independence in the tax and budget spheres. They are not able to define tax rates or other elements of local taxation. Tax rates and other elements of taxation are prescribed by central bodies for all taxes, including local levies. In Uzbekistan, the Cabinet of Ministers establishes local taxes and their rates. In Kyrgyz Republic, local taxes and duties may be introduced only by the Parliament. On the whole, local taxes account for an insignificant share in the revenues of local budgets.

Tax shares. In all countries of the region, tax shares accrued to local government on the revenue from national taxes are the main source of revenue for local budgets. This is generally a share of the local yield of the national taxes.

In Kazakhstan, law does not provide for a division of taxes between the republic and local

governments. Local budgets receive 50% of the income tax on corporate entities, and 50% of the excises levied on certain specified goods. Income tax on personal property, social, land and transport taxes, and payments for the use of water and forest resources are wholly directed to local budgets. Certain kinds of duties are also considered tax revenues.

Reinforcement of the revenue base of local budgets is exercised by increasing the share of taxes left to local budgets at the expense of state taxes; such is the case in Uzbekistan and Kazakhstan, for instance. In Belarus, the share of state taxes and duties makes up more than 14% of local budget revenue. In Ukraine, since the adoptions of a new budget code in 2001, the personal income tax is fully devoted to local budgets of the respective levels (province, district, municipality) in proportions fixed by the law.

Since Russia is a federal country, the bulk of local budgets depends on the budget and the policy choices of the subjects of the Federation, within the framework designed by the Budget Code. The tax base of the subjects of the Federation has been strengthened in 2004 and 2005 with the transfer of the transportation tax and of the tax on assets of legal persons. Part of the current revenues of the subject has to be reallocated to local budgets. Laws of the subjects of the Federation grant additional assignments of tax revenues from regional budgets. As a rule, such assignments are to be made at uniform rates, except that differential assignments may be established in cases provided by law for the period from 2006 to 2008. In 2005, assignments of taxes comprised 36.7% of local budget revenues. The share of local budget revenues of the total budgetary funds of the Russian Federation (including regional and local) comprises 10%.

Budgetary transfer. Transfers have two main functions:

- bring revenues in line with spending requirements to accommodate disparities in the revenue base and in needs,
- compensate the costs of duties assigned to

Local bodies in the states of Central Asia are not permitted independence in the tax and budget spheres

To provide subsidies for shared financing of investment programs and development of the public infrastructure of municipal units, the subjects of the Russian Federation may establish funds for municipal development

2. *Editor's note: according to definitions given by the Budgetary Code of the Russian Federation (art.6), grants are budgetary transfers to cover current expenditures; subventions are budgetary transfers aimed at financing specific expenditures (delegated functions), and subsidies are budgetary transfers as participation in the financing of specific expenditures.*

local government by central or regional governments. Subsidies are specifically used for the latter purpose. Efficiency and equity require transparency and objectivity in resource allocation. Budgetary reforms in Russia, Ukraine and several other major countries in the region are oriented in that direction. However, in a number of countries, the grant allocation formula does not exist, or is too complicated and cannot be supported by appropriated data.

In Ukraine, the equalization grant for some 700 main local budgets is calculated by the difference between spending needs established from a formula devised by the central government, and the revenues from tax sharing. This also includes a coefficient determining the level of equalization. The only needs that are taken into account are those listed in the budget code, such as education, social care, and primary health care. Other functions (housing, basic service delivery, infrastructure, public transport) have to be funded on the basis of own resources; that is, local taxes and fees. Although the system is sound in its basic principles, it has been biased by modifications by the government and by multiple decisions affecting the resources and tasks of local governments. Nevertheless, a similar equalization scheme has been introduced at the district level for municipalities. In brief, the insufficiency of own resources leads to under-financing of functions not taken into account in the distribution of resources between different local governments.

In Russia, more discretion is left to the subjects of the Federation than is permitted for Ukrainian regions in the matter of resource allocation to the local budgets. Basic resources are tax shares from personal income tax and shares of regional taxes as determined by laws of the subjects of the Federation. But the principle of equalization is similar: there is an estimate of needs based on expenditure standards, and an equalization grant to cover the gap between the revenues and the level of equalization required by the law. Part of the income tax is also involved in equalization. Grants are paid by the subjects of the Federa-

tion through district funds for the support of municipalities, and through regional funds for the support of municipal districts and city districts. There is also a regional support fund for municipalities receiving contributions from the district funds. Grants are distributed among municipal units in accordance with the methods approved by laws of the subjects of the Federation, and in conformity with the requirements of the Budget Code of the Russian Federation. The provisions of the Budget Code exclude arbitrary distribution of grants. They have to be distributed among municipal units in an "automatic way." The situation varies considerably from one subject to another, and not only for geographic reasons, but also due to the mechanisms and levels of redistribution of resources between local governments, and whether the transfers are based on spending or needs estimates. On one hand the spending power is centralized, leaving only the management to local authorities (e.g. the regions of Novosibirsk and Tiumen), or on the other hand the expenditure responsibility is delegated (e.g. in the region of Lipetsk). However, the consequences of the reduction of social privileges by federal law 122 of 2004, and continuous shifts in the allocation of tasks since 2004 make any evaluation of the transfer and equalization system prohibitively complex.

To provide subsidies for shared financing of investment programs and development of the public infrastructure of municipal units, the subjects of the Russian Federation may establish funds for municipal development. Funds for mutual financing of high priority social expenditures may also be included in subject budgets. Municipal units may receive other forms of financial aid from the federal budget and from budgets of the subjects. The main requirement is the transparency of distribution of financial resources.

According to data from the Ministry of Finances, in 2005 budgetary transfers to local budgets totaled 52.5% of local budget expenditures. In the total volume of transfers 54% were subventions, 32% grants and 14% subsidies².

Table 3 Local Finance Indicators (Various Years)

Country	Total public expenditure (% GDP)	Local public expenditure (% GDP)	Ratio of local on general public expenditures	Tax shares and budgetary transfers as % of the total income	Local tax revenues as % of total income
Armenia (2003)	20.6%	1.3%	N/A	N/A	N/A
Azerbaijan (2003)	17.8%	0.2%	27.5% (1999)	Subsidies: 10.4%	22.6%
Belarus (2004)	48%	19.3%	40.1 %	Basic level budget transfers: 45.6%	Local taxes and payments: 2,1%
Georgia	13.9% (2003)	4.6% (2005)	N/A	N/A	N/A
Kazakhstan (2004)	22.1%	10.8%	48%	Transfers: 37.1%	Local gvt bodies may not establish taxes
Kyrgyz Rep. (2005)	28.7%	3.4%	12%	N/A	N/A
Moldova (2003)	25%	7.2%	29%	N/A	N/A
Russia (2005)	18%	5.3 %	18%	Transfers to local budgets: 52.5%	4.29 %
Ukraine (2005)	45.2%	11%	N/A	N/A	2.4 %
Uzbekistan (2005) (estimations)	32.5%	23%	55%	Subsidies covering budget deficits: 16.2%	N/A

Sources: Domestic sources, UNDP, World Bank as compiled by authors; data on Tajikistan and Turkmenistan are insufficient or not available. It could not be verified whether all data are calculated on the same basis, in particular due to extra-budgetary funds.

The study of the dynamics of the correlation of expenditures of local budgets to GDP shows a downward trend. Thus, in the Russian Federation the share of GDP allocated to local budget expenditures was 6.5% in 2003, 6.2% in 2004, and 5.3% in 2005.

On January 1, 2006, the share of local expenditures in the general volume of public services consumed 18% of the consolidated budget of the Russian Federation, and 40% of the consolidated budgets of member states of the Russian Federation.

In other countries, too, transfers are an important part of local budgets. For instance, in Belarus the share of transfers in the general volume of revenues reaches 58%, depending on the kind of territorial units and the relationships between state local government and local self-government. In Uzbekistan, where law proclaims the principle of balanced local budgets, grants are

used to cover deficits. In Kazakhstan, the share of grants is high and has a tendency to grow: in 2004 by 19.81%, in 2005 by 25.28% and in 2006 by 37.1%. A similar tendency can be observed in several countries, such as Ukraine and Georgia. This reflects the low buoyancy of tax shares compared to expenditure needs that are growing faster.

Financial provisions for certain state functions delegated to local self-government are made with the help of subventions transferred to local budgets from federal or regional budgets. Bodies of local self-government are responsible for the use of material and financial resources received by them for the execution of certain state powers.

Aggregate data on the local finances of the states of Eurasia is provided in Table 3. But such data have to be used with care. Due to the unstable economic situation of many of

In Russia and most of the European part of the region, main local government functions are education, public health, social security, culture, local economy, sport and physical training and youth policy. In most of Central Asia, such functions are exercised by state executive entities integrated in a hierarchically centralized system

the countries of the region, economic indicators are volatile; important differences in terms of GDP, and percentage of GDP may occur from one year to the next. Furthermore, changes in proportions may have different meanings, depending on other characteristics of the situation. For example, a diminution of the share of local government expenditure may be due to the centralization of expenditure, or to a sharp increase of GDP caused, for example, by an increase in oil prices.

Functions. The functions of local authorities are not clearly defined by law. Such ambiguity is explained primarily by an ongoing process of redistribution of powers among different levels of government. Nevertheless, it is possible to distinguish several models of function allocation.

Main functions. The main functions of local self-government in Russia and Armenia are to: provide participation of the population in local matters, ensure effective development of territories, provide public services, represent and protect the rights and interests of local self-government, manage municipal property and finances, protect public order and organize public transportation.

In Russia, in the course of the reform of local self-government, the functions of municipal units were enlarged, thus limiting regulation by subjects of the Federation. The law has reshaped the functions of municipal units, taking into account their nature and status. Law has also prescribed more clearly the economic basis of local self-government and specified the responsibilities of bodies and officials. Further, the law has introduced new schemes of economic inter-municipal cooperation and regulated more precisely the procedures for transferring certain state functions to local self-government. Today, the main responsibilities of local self-government are education, public health, social security, culture, local economy, sport and physical training and youth policy.

The same functions are transferred to the local level in several other states of the region. For instance, in Ukraine, health services, education and social protection represent more than 80% of local public expenditures. Furthermore, Ukrainian local authorities manage communal property and local finances, ensure development of appropriate territories, provide services to the population, ensure participation of the population in civic life, and protect public order.

In the majority of the states of Central Asia, such functions are exercised by state executive entities integrated in a hierarchically centralized system. Accordingly, state functions are distributed between different levels of the vertical structure. Regulatory functions belong to central administrations. The execution of laws is reserved for local authorities. As an example, in Kazakhstan the role of local government in health care and social aid remains significant. Kazakhstan local government expenditures in 2004 were: administrative functions 4%, defense 2%, police 4%, education 31%, health care 20%, social aid 7%, local economy 12%, transportation 6% and 14% for other lesser functions. In Uzbekistan, regional and city budgets represent 64.4% of all social spending, including 69.6% of all spending on education and 61.4% of all healthcare spending.

III.2. Main trends in selected competences

Planning. Planning is an important endeavor in all the states of the region. In Russia, it serves as a basis for federal, regional and municipal programs aimed at the development of municipal units. Instead of the former strictly centralized methods of governance that were characteristic of the Soviet period, Armenia and Russia apply new approaches to planning that exclude administrative mandates. The states of Central Asia retain, as a rule, centralized systems of planning for economic and social development.

Education. In the majority of states, responsibility for public education is divided between local state government and local self-government. The latter, as a rule, is entitled to deal with pre-school and basic education. Nevertheless, central state government establishes general legal norms in this sphere, and local self-governments put these norms into practice.

In Uzbekistan, education is centralized. For pre-school and basic education, central state organs approve standards, provide resources and supervise the execution of laws, while other levels are engaged in providing services and deploying resources.

In Tajikistan, local self-government is responsible for pre-school and elementary school institutions, while cities and districts handle secondary schools and colleges. In Ukraine, there is no strict separation of functions in education, which results in a confusion of powers between local state government and local self-government.

In Armenia, according to the law "On State Non-Commercial Organizations," the state reserves the role of founder of educational institutions. At the same time, as provided by the law "On Local Self-Government," all facilities of pre-school education were given to municipalities and became municipal property.

Provision of social services. In the majority of the states of Eurasia local self-government has fairly broad functions in the provision of social services. For instance, Russian law prescribes that local self-government is responsible for organizing social protection of the population, providing social assistance, establishing different social services and assisting institutions that provide social services.

In Armenia, social services administration is assigned to the state. But even there, local self-government has been empowered to provide social services through their own social programs. The same situation

prevails in Tajikistan, where providing social services is handled on three levels: that of the republic, the region and the locale. Regional and local authorities are entitled to maintain the institutions that provide assistance at home.

In Kazakhstan, local state organs pay allowances and benefits to the unemployed, large families, orphans and single mothers. They also subsidize childbirth, housing and funeral expenses. Ukraine has made a clear separation of responsibilities in the sphere of social services. The law "On Social Services" (2003) establishes two spheres of state and community services financed by different budgets.

Provision of public health services.

Nearly all states of the region have divided the responsibility for public health between state (national and provincial) government and local self-government. The exception is Ukraine where powers of local self-government are not clearly defined. In Russia and a number of other states, local authorities are responsible for providing medical first-aid, organizing medical aid in the "zone of first contact" with patients in hospitals, ambulances and medical posts, and organizing preventive medical services.

According to laws of Armenia, heads of municipalities are responsible for organizing and managing municipal health-care institutions. They promote improvement of sanitation and implement sanitary, hygienic, anti-epidemic and quarantine measures. In Kazakhstan, local state authorities administer public health. They assist local hospitals and general polyclinics, specialized clinics, tuberculosis hospitals, diagnostic centers and rural medical posts. They are also responsible for the prevention and treatment of dangerous infections. In Uzbekistan, public health is handled mainly by the state. Local self-government is responsible for organizing and maintaining medical posts.

The majority of states have a multi-level system for financing social services. As a

rule, local state authorities and local self-governments do not have adequate financial resources for maintaining public services in the fields of education, public health and social aid, though total budgets grow constantly.

In Tajikistan, public health and social services are not handled by local governments. However, local budgets finance 7% and 8% of expenditure on social aid and education. Another model exists in Uzbekistan: 100% of expenditure on social insurance is covered by local budgets. Meanwhile, social aid, public health and education costs are financed as follows: about 20% by the state, approximately 50% by regional budgets, and 20% to 30% by district budgets. In 2005, Russian Federation local budgets financed 22% of expenditure on public health, 16% on social policy and 43% on education.

Water, energy and public transportation. In Russia, responsibility for public transportation, and for providing water, energy, gas and heat falls to local self-government. Organs of self-government have received broad powers and may have appropriate objects in municipal property, which permit them to implement these functions. In Armenia, infrastructures of gas, energy and water supplies used for municipal needs may be transferred, according to the Law "On Local Self-government," to municipal property.

In Belarus, Ukraine and in the states of Central Asia, the functions of water and energy supplies and public transport are within the province of local state administrations. They are obligated to provide for the management and maintenance of local services, and to grant subsidies to users. Nevertheless, it is necessary to note that local budgets are not always able to provide adequately for the management and maintenance of these functions due to shabby condition and a shortage of financial means.

Business development support. In Azerbaijan, Armenia, Russia and Ukraine, support to business development may be provided at all levels: by central, regional and local state bodies, as well as by local self-government. Several countries, including Russia, not only affirm the right of local self-government to support business development, they also provide necessary financial resources.

In the states of Central Asia, support for business development comes primarily from central state entities. Nevertheless, the role of local state authorities is also considerable. Local governing bodies are responsible for licensing economic activities at the local level, granting permission for construction of community nets and buildings, organizing tenders for the provision of social services, and managing the sale of community property.

A summary table on functions of local authorities is presented below (see table 4).

III.3. Administrative capacity

Efficient execution of powers by local authorities is determined not only by adequate financing, but also by a well-organized professional municipal or state local service.

Municipal service. The notion of municipal service in the nations of Eurasia is applied to the level of local self-government. Unlike many other countries, the Eurasian countries generally do not include employees engaged in the sphere of education. Municipal service is regarded as a professional activity that has to be exercised independently of state bodies, regardless of political forces and results of local elections.

In all countries of the region, the executive bodies of city municipalities function on a more professional level. Rural territorial communities have far fewer municipal employees, and their knowledge of municipi-

Table 4 Functions of Local Government (Intermediate and Local Levels)

Country	Planning	Education	Social services	Public health	Water supply	Energy supply	Public transport	Support of business
Armenia	Yes	No (with the exception of pre-school institutions)	No (with the exception of voluntary implementation of own municipal social programs)	Yes	Yes	Yes	Yes	Yes
Azerbaijan	Yes	No	Yes (in the spheres not occupied by the state).	Yes	Yes.	No	Yes	Yes
Belarus	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Georgia	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kazakhstan	Yes	Yes (elementary, secondary and professional secondary education)	Yes	Yes	Yes	Yes	Yes	Yes
Kyrgyz Republic	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Moldova	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Russia	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Tajikistan	Yes	Yes (pre-school and basic educational institutions)	No	No (though local budgets finance public health - 8%)	Yes	Yes	Yes	Yes
Turkmenistan	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes
Ukraine	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Uzbekistan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: UCLG Country Profiles (2007).

pal management and marketing is low. The improvement of the professional level of municipal employees is still an acute problem in the development of local self-government.

In Russia, there were in 2006 about 280,000 employees (on average, one municipal employee for every 500 citizens) (see table 5). According to Russian law, the municipal service is exclusively comprised of persons working in local self-government. Municipal institutions, such as schools and healthcare facilities

are not regarded as bodies of local self-government and, as a result, their employees are excluded from municipal service. The legal status of municipal employees is established by federal laws, laws of member states of the federation and charters of municipal entities. The status of municipal employees and the guarantees of their employment are based in the main on general principles, applied to the state public service. Evaluation of the work of municipal employees is exercised on the basis of qualification exams and attestations. For non-execution or undue

Table 5 Staff of local government

Countries	Staff	Regime (public or private law, carrier or job positions)	Status (law or contract)	Recruitment procedure especially in higher positions	Training
Armenia	N/A	Public law; carrier and contract professional municipal service	Legal status is defined by the law "On Municipal Service"	Municipal employees are appointed by heads of municipalities	The law provides for organization of training courses
Azerbaijan	25,000 (average 1 municipal employee for 300 citizens)	Public law; carrier and contract professional municipal service.	Legal status is regulated by the law "On Municipal Service" dated November 30, 1999	Chairmen of municipalities appoint heads of branch departments on the basis of the decisions of municipalities; other municipal employees are appointed directly by heads of municipalities	N/A
Belarus	22,000 at the end of 2005	Public law; contract state service	Legal status is defined by the law "On State Public Service in the Republic of Belarus"	Municipal employees are appointed by heads of local government bodies on the basis of exams	Training courses
Kazakhstan	46,546	Public law; contract service	Activity of local bodies is regulated by legislation of state public service	Akims and heads of staff of regions, capital and city of Almaty are political, appointed state employees. The majority of employees of representative and executive bodies are carrier employees (according to results of contests and attestations).	N/A
Kyrgyz Republic	N/A	Public law; contract and carrier service	Legal status is defined by the law "On Municipal Service"	Municipal employees are engaged according to results of contests and attestations	N/A
Moldova	N/A	Public law; contract	Application of the law on the state civil service	Appointment and dismissal by the mayor or district head	N/A
Russia	Approximately 280,000 (average 1 municipal employee for 500 residents)	Public law; contract service	Legal status is defined by federal laws, laws of member states of the Russian Federation and by charters of municipal units	Heads of municipal units may be elected directly by population or appointed by representative bodies of municipalities. Other employees are appointed by heads of municipal units	Training courses
Tajikistan	N/A	Public law; contract service	Legislation regulating state public service	Employees of local bodies are appointed by heads of local administrations	N/A
Turkmenistan	N/A	Public law; contract service	Legislation regulating state public service	Employees of local bodies are appointed by heads of local administrations	N/A
Ukraine	91,925 municipal employees as on September 1, 2006	Public law; contract service	Legislation regulating state public service	Election and appointment of municipal employees	Staff reserves for appointment and promotion of municipal employees
Uzbekistan	N/A	Public law; contract service	Legislation regulating state public service	Appointment by higher bodies and heads of local gvt bodies	N/A

Sources: UCLG Country Profiles (2007).

execution of their duties municipal employees may be subjected to disciplinary punishments. The new federal framework law number 25 of March 2, 2007, establishes a new unified legal basis for the municipal public service. It is linked to the state public service, but clearly differentiated from the elected officials; it is aimed at professionalizing and stabilizing the corps of municipal public servants. The new law took effect on June 1, 2007, and has to be developed by laws of the subjects of the Federation.

Presently in Azerbaijan there are about 25,000 municipal employees: on average, one for every 300 citizens. In Belarus, state employees function on the local level. Their numbers comprise approximately 22,000 persons: on average, one for every 450 citizens.

Integrity of elected officials and employees; prevention of corruption. Municipal authorities face the same danger of corruption as authorities do at other levels of public power. Mass media inform the public about criminal prosecution of municipal employees for bribes, thefts and other misuses of public functions.

Sociological inquiries conducted in one of the regions (oblasts) of Ukraine show that annually 60% of respondents witness at least one incident of corruption (15.69 % reported 'numerous,' 28.55% 'several' incidents of corruption).

A number of countries have adopted legal remedies to aid the struggle with corruption. For instance, the government of Armenia enacted the decree "On Anti-Corruption Strategy and Program of Implementation." It provides measures strengthening public control over bodies of local self-government, creating transparent procedures for forming local budgets and spending local funds. It emphasizes the necessity of holding local self-government officials personally liable for misdeeds.

Several states of Eurasia have ratified the UN "Convention against Corruption" and the European "Criminal Law Convention on Corruption."

Management reforms. A number of countries, including Russia and Ukraine, have launched administrative reforms to improve the functioning of all chains of public management. The emphasis for local self-government is recruiting professional administrators with sufficient knowledge and experience to resolve most local issues. In recent years, the percentage of such employees in the system of local self-government has visibly increased. These changes were directly caused by replenishment and intensive education of municipal employees. The states of the region also adopted measures for the introduction of modern management technologies. Emphasis is placed on the importance of strict registration procedures and rapid responses to the requests of citizens.

The improvement of the quality of local services is also connected with further privatization of municipal property, in particular in the sphere of residential community economy.

IV. Local democracy

A certain indicator of progress for local democracy is the increasing competitiveness of local elections at the levels where they are organized, even though this occurs only at the lowest level of governance in some countries. Electoral participation remains low in some countries, but is comparable to European countries in others. It is useful at this point to précis the legal status of local government bodies because this factor can have an impact on the relationships between elected bodies and the local administration.

The following table summarizes the basic institutional features of local democracy in the countries of the region.

Mass media inform the public about criminal prosecution of municipal employees for bribes, thefts and other misuses of public functions

Table 6:

Local democracy

State	Formation of local representative bodies	Local executive bodies	General features of electoral systems	Number of deputies (minimum and maximum)	Term of powers
Armenia	Elections of councils of municipalities	Big administrative territorial units are governed by bodies of local state government. Municipalities (villages, settlements, cities and quarter communities of Yerevan) are managed exclusively by organs of local self-government. Heads of municipalities are elected.	In elections of bodies of local self-government, candidates are appointed exclusively at their own initiative, but most candidates are affiliated with different parties providing them appropriate support. In the elections of heads and councils of municipalities, majority electoral system applies. In 2005 elections, bodies of local self-government were formed in 829 out of 930 communities of Armenia.	Depending on the quantity of population, 5 to 15 members of municipal councils (5 members for municipalities not exceeding 1,000 residents and 15 members for municipalities totaling more than 20,000 residents)	Local self-government bodies are elected for a 4-year term.
Azerbaijan	Elections of members of municipalities	Heads of executive power of cities and districts (state local government) are appointed by the President and are responsible to him. Chairmen of municipalities (local self-government bodies) are elected; they direct activities of executive staff of municipalities.	Majority electoral system. In the 2004 elections 2,731 municipal bodies were elected composed of 21,613 members of municipalities. On October 6, 2006, by-elections were held with the aim to fill 1,941 vacancies in 604 municipalities	The number of members of municipalities is determined by law, depending on the quantity of population of municipalities	Members of municipalities are elected for a term of 5 years
Belarus	Elections of local councils. There are 3 territorial levels of local councils; primary, basic and regional	Chairmen of regional executive committees are appointed by the President of the Republic with consent of regional councils (by majority of votes of elected deputies). Appointment of chairmen of district (city) executive committees is by chairmen of regional executive committees with consent of appropriate district (city) councils. Chairmen of district (city) committees may be appointed directly by chairmen of regional committees when his candidates have been twice rejected by appropriate district (city) councils	Majority electoral system. In the elections held on January 14, 2007, 1,581 local councils were elected comprising 22,639 deputies. Absolute majority of deputies were not affiliated with any party		Local council members are elected for terms of 4 years.

State	Formation of local representative bodies	Local executive bodies	General features of electoral systems	Number of deputies (minimum and maximum)	Term of powers
Georgia	1,017 local councils (sakrebulo) are elected	Local councils elect mayors. Local council of the city of Tbilisi elects the mayor from amongst its members for a term of 4 years.	In Georgia at the local elections of 2006, 69 local councils were elected in 4 self-governing cities, 60 municipalities, 4 communities in zones of conflict and one in the capital city, Tbilisi. A proportional electoral system was used in Tbilisi and a mixed electoral system in other constituencies. 1,733 councilors were elected under the new mixed electoral system	The council of city of Tbilisi is composed of 37 members. 25 members are elected in 10 multi-member majority election districts. Remaining 12 seats are distributed proportionally among the parties that gained 4% of the votes in all 10 of Tbilisi's 10 districts	Local councils are elected for a term of four years.
Kazakhstan	Local self-government bodies are provided only at the lowest level, but they are still not formed. Elections to state local representative bodies of provinces, districts and cities of republican and district significance	Executive bodies of state local government (akims) have been until now appointed by the President of the upper akim. But they may be elected according to the procedure determined by the President. In 2005–2007, elections of akims have been gradually introduced in rural circuits, villages and settlements and as an experiment in several districts and city districts of Astana and Almaty	Majority electoral system is used for elections of state local representative bodies. Second round of elections is held when no candidate has received 50% of votes. Elections of lower akims in administrative units with population less than 5,000 are held directly, with population exceeding 5,000, indirectly through electors.	The number of deputies of local state representative bodies is determined with account of population of appropriate units in the procedure as specified by the Law On Local State Government. Representative bodies of Astana and Alima-Ata are composed of not more than 50 (city, 30, district, 25) deputies.	Local representative bodies and akims are elected for a term of 4 years.
Kyrgyz Rep.	Local self-government functions only at the lower level in small settlements. Bodies of representative and executive power are headed by hokims.	Executive bodies of local self-government are elected. Hokims (heads of state administrations) of districts are appointed and removed by the President with consent of appropriate local council, and after consultations with the Prime Minister	Proportional electoral system is used for elections of local councils. 6,737 members of local councils were elected at the elections of 2004. Majority electoral system is used for elections of heads of administrations of administrative circuits. In 2006, elections were held in 34 circuits with populations not exceeding 9,000 residents.	Hokims of state administrations of districts are appointed for terms of 4 years.	
Moldova	Local councils and mayors of local communities are elected.	In the elections held on June 3, 2007, 899 mayors of municipalities, towns, communes and villages.	11,967 members of local councils were elected in 2007. A proportional electoral system was used for the elections of councilors, and a majority electoral system with a run off between the two top-scoring candidates for the elections of mayors. Second round of elections of 473 mayors was held on June 17, 2007.	The number of councilors depends on the size of the population.	Councilors and mayors are elected for 4-year terms.

Table 6:

Local democracy (Cont.)

State	Formation of local representative bodies	Local executive bodies	General features of electoral systems	Number of deputies (minimum and maximum)	Term of powers
Russia	Representative bodies of local self-government are formed in units with populations exceeding 100 voters. When there are fewer than 100 voters, the powers of representative bodies are exercised directly by meetings of citizens. However the rights of a municipal authority can be exercised only for a unit of 1,000 inhabitants as a whole (3,000 in areas of higher density).	Heads of municipal units are elected by voters or appropriate representative bodies. Local administrations are headed by heads of municipal units or by persons employed on a contractual basis and with account of the results of contests for filling the aforesaid positions	Law provides for the use of both majority and proportional electoral systems. In fact, majority electoral system prevails.	The number of members of representative bodies of settlements, including urban circuits, is determined by charters of municipal units and may not be less than: 7 for populations less than 1,000; 10 for populations over 1,000 and less than 10,000; 15 for populations of more than 10,000 and less than 30,000; 20 for populations more than 30,000 and less than 100,000; 25 for populations over 100,000 and less than 500,000; 35 for populations exceeding 500,000. The number of deputies of district representative bodies is determined by charters of municipal units, and may not be less than 15 The number of deputies of representative bodies of inner-city territories that are of federal significance are defined by charters of municipal units and may not be less than 10.	The terms of powers of local self-government bodies are defined by charters of municipalities
Tajikistan	Local self-government functions only at the lower level in small settlements. Local state representative bodies (councils of peoples deputies) are formed in provinces and districts.	Heads of local state executive power are appointed by the President with consent of appropriate local councils of peoples deputies. They also act as chairmen of these councils.	Majority electoral system is used.		
Turkmenistan	System of local self-government is formed by directly elected local councils (Gengeshi) of settlements and territorial public self-government bodies.	Local state executive power is exercised by hakims appointed and removed from their posts by, and responsible to, the President. Local councils (Gengeshi) elect from their members chairmen (archyns).			Local councils (Gengeshi) are elected for 5-year terms.

State	Formation of local representative bodies	Local executive bodies	General features of electoral systems	Number of deputies (minimum and maximum)	Term of powers
Ukraine	There are two models of organization of local self-government. The first model at the level of villages, settlements and towns does not provide for local state administrations. The second model in Regions and districts provides for the mixed model, including establishment of district and Regional councils as organs of local self-government and Regional state administrations as local state organs.	The law provides for the election of heads of settlements, villages and towns (heads of territorial gromadas). Local councils form local executive bodies upon proposal of heads of settlements, villages and towns. Districts and provinces, Kiev and Sevastopol have local state administrations functioning as agents of the state and excluded from the system of local self-government. Heads of local state administrations are appointed and removed from their posts by the President upon proposal of the Cabinet of Ministers of Ukraine.	Majority electoral system is used for the elections of rural and settlement councils and heads of settlements, villages and towns. In other elections (city, district, Regional councils, Parliament of the Autonomous Republic of Crimea) proportional electoral system is applied	4 years	
Uzbekistan	Councils (Kengeshi) of peoples deputies are representative bodies of local state government elected at the level of provinces, districts and cities. Local self-government bodies are formed at the level of settlements, villages, auls and in makhalaya of cities.	Bodies of representative and executive power in provinces, districts and cities are headed by hokims of appropriate territorial units	Majority electoral system on multi-party basis is used in the elections of provincial, district and city councils of peoples deputies		The term of powers of councils of peoples deputies and hokims is 5 years. Chairmen (aksakaks) of councils and members of councils of local self-government are elected for term of 2 or 5 years.

Sources: UCLG Country Profiles (2007).

In the countries where many elements of local self-government exist only at the lowest level of governance, the participation of political parties is less significant

IV.1. Local government bodies

All states of Eurasia have diversified models of local self-government organization. At the lowest (grass root) territorial level there are no permanent bodies. Local matters are resolved, as a rule, by means of direct democracy. Appropriate organs appear at higher levels of local self-government.

The organizational structure of higher municipal units in the Russian Federation, Armenia, Azerbaijan, Georgia and Moldova is composed of representative bodies, heads of municipal units, local administrations and other organs and elected officials of local self-government as stipulated by laws and charters of municipal units. The structure of local administrations is established by the representative bodies upon proposals of heads of local administrations.

As a rule, municipal units in the states of Eurasia do not have the rights of corporate persons. Nevertheless, they take part in civil law relations on an equal basis with other participants both physical and corporate (in particular, in Russia, Belarus, Kazakhstan, Tajikistan). The rights of corporate persons are granted to organs of municipal units acting on their behalf. They may obtain and exercise property and non-property rights and obligations and represent municipal units in courts. On the whole the status of corporate persons is held by local representative bodies and local administrations. In a number of municipal units (for instance, in Vologod oblast of the Russian Federation) this status is also granted to certain executive bodies or structural divisions of local administrations. Organs of local self-government as corporate persons are subject to obligatory state registration in the form of institutions.

Another model exists in Azerbaijan and Moldova. According to the Law of the Republic of Moldova "On Local Public Administration," administrative-territorial units have the rights of corporate persons in

public law. They may obtain and dispose of property and enter contractual obligations through their own organs, acting within the powers as provided by normative acts and charters of municipal units.

The same powers are exercised by respective bodies of municipal units of Azerbaijan. Unlike similar bodies in other countries, such as Kyrgyz Republic, Ukraine and Uzbekistan, those in Azerbaijan do not have the rights of corporate persons.

IV.2. Local political systems

The role of political parties varies considerably according to the level of development and the extent of self-government.

Role of political parties. Local representative bodies exist in all states of Eurasia. For instance, in Georgia there are 1,017 local councils (sakrebulo).

In Russia there are 252,000 elected members of local representative bodies; most members serve on a voluntary basis. Local councils are composed of not less than seven members for municipal units with populations above 1,000, and not less than 35 members for municipal units with population exceeding 500,000 persons.

Political parties in the countries in the region participate in local elections in different ways and to different degrees. In the countries with developed forms of local self-government, including Azerbaijan, Armenia, Georgia, Kyrgyz Republic, Russia and Ukraine, major political parties take part in all elections. In most of these countries, the creation of independent local parties is prohibited by law.

The main function of political parties is to support their own candidates (Belarus, Russia, Ukraine), or candidates who have proposed themselves (Armenia). For instance, in Russia 9% to 17% of candidates in municipal elections are put forward by political parties.

On the whole, local elections in these countries take place in a highly competitive atmosphere. Thus, in Azerbaijan candidates of 26 political parties took part in the municipal elections of 1999. In Georgia, 21 political parties and blocks took part in the elections of the Tbilisi municipal government held in 2002. In local elections in 2006, seven political parties participated; two of them presented joint lists of candidates. In Moldova, 22 political parties took part in the local elections of 2007.

In many municipalities in Russia, Armenia, Azerbaijan and Georgia, more than ten candidates compete for each vacant position.

In the countries where many elements of local self-government exist only at the lowest level of governance (Uzbekistan, Kyrgyz Republic and Tajikistan), the participation of political parties is less significant, though such participation is provided for by law. As a rule, elections for local government offices are non-partisan. Uzbekistan is an exception: five political parties recently participated in the elections of local representatives. Legislation in Kyrgyz Republic stipulates that candidates for elected municipal posts may be proposed by voters at their place of work, service or residence or education; by groups of voters at conferences of political parties; or by the candidates themselves.

In the states providing for separation of representative and executive branches (Armenia, Kyrgyz Republic, Moldova, Uzbekistan and Ukraine in district cities), candidates to the executive are directly elected by the population.

In Russia there are two procedures for electing local-level executive officials. Under the first procedure, the heads of the executive branch, who are also the heads of municipal administration, are chosen by direct popular election. Under the other procedure, they are appointed by council through a contract on the basis of a com-

petitive examination. In the municipal elections of 2005, more than 30% of the heads of municipal entities were directly elected.

In Azerbaijan, each municipality has its own executive branch and executive staff, including the chairman of the municipality, heads of agencies and departments, specialists and other employees.

Representation of women is increasing in local governments in Russia, Belarus, Moldova, Ukraine and some other states. In the Russian Federation, women comprise about 30% of municipal leaders and 47% of local council members. In the local elections of 2007 in Belarus, women took 45.7% of the posts in representative bodies. In Ukraine, 40.2% of local council members are women. In Georgia's 2006 elections, women managed to take only 11.4% of local council seats, and in Kyrgyz Republic after the elections of 2004, representation of women in local councils was only 19.1%.

IV.3. Electoral systems

Election by majority vote is the rule for most local governments. In Ukraine, a proportional electoral system has been used broadly since 2004. In particular, this system is used for the election of deputies of city councils. At times it has caused excessive politicization of local government and inappropriate transfers to the local level of debates on regional, linguistic and foreign policy. It has also increased the number of inter-party clashes in some regions.

In Russia the law permits the use of both proportional and majority electoral systems for local elections. The system of choice is established by the charter of a municipal entity; most use the voter-majority system.

In Georgia's local elections of 2002 and 2006, a proportional electoral system was applied in Tbilisi. In other regions of that

Representation of women is increasing in local governments in Russia, Belarus, Moldova, Ukraine and some other states

country, a majority electoral system was used in 2002, and a mixed electoral system in 2006.

In Uzbekistan and Tajikistan, the majority electoral system is used for local elections.

IV.4. Citizen participation

Citizens demonstrate different attitudes toward local political life. As a rule, they still prefer to turn to the central state for resolution of their problems, although this is changing. In communities where local governments have sufficient resources, can decide local issues efficiently, and defend the interests of the local population, the authority and status of local government is high, sometimes rivaling state authorities. For instance, in Russia mayors of several cities are more popular than governors of the subjects of the Federation. In countries such as Armenia, Georgia and Moldova, where local resources are limited, the population typically regards local government as simply the lowest level of state power.

Overall, throughout the Eurasian region, voter participation in local elections is lower than the turnout for national elections.

In Russia, voter participation in elections for rural representative bodies and executive leaders was 56.43% and 54.81% respectively. In municipal districts, voter turnout for comparable elections was 50.46% for the representative body and again 54.81% for executive posts.

According to official data for the 2004 elections in Azerbaijan, 46% of registered voters took part in municipal elections there. In Belarus, local elections in 2003 saw 73% voter participation, and in Georgia the turnout for elections in 2005 was more than 40%.

In all countries of the region, legislation provides for different forms of direct democracy. In practice, these forms are employed with different levels of energy and consistency.

In Russia, law establishes such procedures as local referendum, recall of local elected officials, voting on changes of the boundaries of municipal entities and on their reform, rulemaking initiatives, public hearings, meetings and conferences of citizens, and other civic activities. In 2004–2005, some 400 local referendums were held in 22 of the 89 subjects –districts– that comprise the Russian Federation; most of the referendums concerned the establishment or structure of local governments.

Belarus' Constitution and Electoral Code provides for local referendums and recalls of deputies of local soviets (councils) of deputies. However, there were no local referendums, and recalls of deputies were rare. At the same time, local meetings are broadly used in accordance with the Law of 2000.

In Ukraine, the law provides for elections, referendums, general meetings at the place of residence, local initiatives, public hearings, and recall of deputies and local elected officials. Forms most often used in practice include general meetings at the place of residence, local initiatives and public hearings on different issues, including taxation. Referendums are held only rarely.

Legislation of the countries of Central Asia does provide for elections and referendums. But in the main, only state-wide referendums are held. In Uzbekistan, local government takes the form of assemblies of citizens convened in settlements, villages, kishlaks, auls and makhalyas. Managing bodies of local government structures are elected by, and are responsible to voters residing in the respective territories.

The Constitution of Armenia establishes two main forms of direct democracy: elections and referendums. No referendum has yet been held.

In several countries, there are forms of democratic participation below the municipal level, including groups representing a

Local referendums are only practised in Russia on the establishment or structure of local governments, although they are provided for all legislations. Forms of citizen participation at the sub-municipal level are still most popular

neighborhood, part of a residential area or a common interest.

In Russia, this sub-municipal level may include groups speaking for an apartment building, part of an apartment building, a residential unit or a rural settlement. Public sentiments may be expressed in meetings and conferences of citizens, as well as by means of local elections. This civic sub-level is responsible for such issues as maintenance of residential buildings and adjacent territories and the resolution of local problems.

Azerbaijan enacted in 2001 the law "On the Model Rules of Block Committees of Municipalities," which serves as a basis for establishing new organizations to assist municipalities with governance at the sub-municipal level of apartment buildings and city blocks. Block committees composed of from five to 11 people are elected at civic meetings.

In Belarus, territorial government functions not only at the level of residential units – apartment complexes and city blocks – but also in settlements as well. In all, Belarus counts 43,758 such micro-units of governance.

In Uzbekistan, there are more than 10,000 local communities (makhalyas). Members of these communities are united by place of residence, traditions and customs, forms of communication, legal, economic and family relations. For centuries they served as a means for elaborating and regulating principles and rules of community life, for shaping ideological and philosophical views, forming morals, honoring traditions and expressing public opinion.

In Ukraine, citizens may on their own initiative create committees to represent apartment buildings, the residents on one street, block committees and other groups with the consent of appropriate local councils. Such self-organizing groups are more popular in some parts of the country than

in others. For instance, in Faustov (population: 50,000) about 200 self-organized committees were created, yet in Kiev (population: 2,660,000) there are only 80.

Typically, citizens receive information about the activities of local committees and governments through traditional forms, such as mass media, posted announcements and word of mouth. But increasingly, electronic means of civic participation are being developed, especially in Russia and Ukraine. Electronic communication networks of local governments disseminate information to the public, albeit mostly official information and announcements. Information pertaining to citizen participation in local governmental affairs is still something of a rarity.

IV.5. Central-local relationships

In all countries of the region, there is a system of state supervision over local agencies of state government as well as local self-governments. Such central supervision is exercised through executive powers, prosecution offices and courts. In several countries, these controlling agencies cooperate with each other; in other countries they function without noticeable coordination.

The President and the government of Russia and heads of subjects of the Federation may consider citizen grievances concerning the actions or inaction of municipal employees and officials. Federal ministries may also assist citizens seeking redress of grievances.

In Azerbaijan, supervision of local self-government is exercised by the Ministry of Justice. This ministry is not only responsible for ensuring that local governments act in a lawful manner, but also for controlling expenditure of public means and supervising observance of human rights. The Ministry of Justice provides an annual report on these issues. In 2005, some 240 local government actions were revoked and 70 acts of municipalities were amended.

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In all countries of the region, there is a system of state supervision over local agencies of state government as well as local self-governments. Such central supervision is exercised through executive powers, prosecution offices and courts

In the Russian Federation, the Ministry of Justice does not have such functions. Supervision of local self-government is exercised by prosecution units (prokuratura).

In Ukraine, control over local self-government is exercised by committees of the Parliament and by local offices of state administrations, and the prosecution office (prokuratura). Financial control is exercised by agencies such as the Accounting Chamber, State Control and Revision Service, or Fund of State Property.

Financial control, as a rule, is held by ministries of finance in Armenia, Belarus, Russia and Ukraine, and by the Ministries of Internal Revenue in Belarus. Branch oversight is carried out by appropriate departments of ministries and state agencies. Prosecution units (prokuratura) in all countries exercise control over strict and uniform execution of laws.

There are also forms of popular control over local self-government. In Russia, charters of municipal entities may provide for recall of local elected officials.

In Armenia, Russia and Ukraine, acts of local self-government entities may be quashed by courts or by the entity that issued the acts.

In other Eurasian countries, local acts may be revoked or suspended by the head of the state (Belarus), the supreme legislative body (Council of the Republic in Belarus, Parliament in Uzbekistan), or by offices of state power, which is the way in the countries of Central Asia.

The functions of bodies of local self-government may be terminated ahead of time on their own initiative (self-dissolution), by court decision (Armenia, Russia), or by decision of the Parliament (Kazakhstan, Kyrgyz Republic). In Azerbaijan, the dissolution of local self-government bodies is not provided for in law.

In the countries of Central Asia, the Russian Federation and Armenia appointed employees of local governing bodies may be dismissed by the higher officials who appointed them. Grounds for dismissal of municipal employees in Russia and Armenia often include: court decisions prohibiting the occupation of a particular position in municipal government bodies, expiration of contracts or reaching a specified age limit.

In the majority of the countries of Central Asia, there are systems of central-government executive branches that ensure the conduct of uniform state policy in appropriate spheres of activities. These central-government authorities cooperate with local governments on matters pertaining to execution of the functions of a local government, adopt within their competence normative legal acts and give instructions and recommendations on due exercise of powers on the local level. Ministries may exercise functions of coordination and control, with the exception of local organs of internal affairs (police), which have dual subordination, similar to the former soviet system of government.

In Armenia, Belarus, Russia and Ukraine, the impact of branch offices of executive power (central and regional) on the activities of local government and local self-government is demonstrated in the control over the execution of delegated state functions. In the event of violations, appropriate state officials may give in written form mandatory instructions for eliminating violations. In Russia, such instructions may be appealed in the courts.

In all countries of Eurasia, bodies of local self-government may sue a state authority or state officials for actions or decisions infringing local rights. Citizens also have the right to file a suit if they believe government at any level has violated their right to self-government. In several countries, conflicts between local self-government bodies and private (individual and

corporate) persons may be resolved only in the courts, unless by mutual consent the dispute is relegated for resolution to some other body or procedure. In a number of countries as well, acts, local self-government bodies and officials can also be revoked by courts, as is the case in Armenia, Kazakhstan and Russia. According to legislation in Ukraine, implementation of local self-government actions may be suspended as provided by law with a simultaneous filing of a judicial suit. Disputes concerning local self-government in Ukraine are heard by administrative courts. At present, only the Supreme Administrative Court has been established. The functions of local administrative courts are still performed by courts of general jurisdiction. In several countries, including Russia and Ukraine, matters of local self-government are heard in economic courts ("arbitration courts"). These primarily consider disputes between local self-government bodies and citizens or corporate entities.

IV.6. National associations of local self-government

In the countries of Eurasia with more developed forms of local self-government, there are national institutions representing interests of local self-government. In the countries of Central Asia there are as yet only plans to establish such institutions.

In a majority of countries, there are unions of municipal units. For example, the Russian Federation has the Congress of Municipal Units established by 46 associations and unions of municipal units, the Union of Russian Cities, and the Union of Small Cities of Russia, to name but a few. In Kyrgyz Repu-

blic, local self-government is represented by the Association of Cities and Association of Local Self-government of Villages and Settlements. In Ukraine, there is a Congress of Local and Regional Governments. In Armenia, there are about 20 municipal associations and unions. Azerbaijan establishes regional associations of municipalities on the basis of the Law of May 3, 2005: "On Model Charter of Regional Associations of Municipalities." Several countries have associations of different groups of municipal units, such as rural and urban units. Many countries, including Kazakhstan and Russia, also have associations of different divisions or departments of local self-government.

Associations and unions of municipal units pursue the following goals: establishing and developing local self-government as a political institution and a basis for civil society, creating favorable conditions for complex social and economic development of municipal entities, coordinating cooperation of municipal entities and their associations with state authorities in the interests of local self-government and the development of inter-municipal cooperation.

Associations of councilors of representative bodies of local self-government are directed to increase the authority of the representative branches of local self-government, develop civic activity in the population, take part in campaigns before elections, and discuss with the central government draft laws on matters of local state government and local self-government, as well as any policy issue regarding local government. Their opinion is usually requested formally on the drafting of laws.

In several countries, including Russia and Ukraine, matters of local self-government are heard in economic courts ("arbitration courts"). These primarily consider disputes between local self-government bodies and citizens or corporate entities

V. Conclusion

The countries of Eurasia have achieved different stages in the development of local self-government. But despite all differences, they share several general tendencies and features.

First, the legal framework of local self-government has been established in all the countries in this region. The constitutions of all states contain articles, sections and norms devoted to local self-government and guarantees of its realization. The constitutions proclaim that the rights of citizens to have local self-government may not be restricted. The constitutions of all countries except Kazakhstan, enshrine important powers of local authorities. Transfer of such powers to other persons or governing bodies is not permitted.

Beyond this fundamental and ubiquitous acceptance of the importance of local self-governance, broad themes of a common heritage give rise to a similarity in the problems that are being addressed throughout the region.

In all of these countries, there is an increasing aspiration among local communities to decide social issues locally and independently through their own representative bodies. This movement is, however, constrained by long-standing traditions; in some countries decentralization is prevented by unstable political

and economic conditions. The general process of decentralization and reinforcement of local self-government is also hindered by the chronic shortage of resources, including those needed to exercise real power by local governments. In Kazakhstan and some other states, local self-government is only proclaimed by the Constitution. In practice, it is rare; in some states citizens are still wary of local power structures. It is possible to speak only of the gradual rapprochement of local communities and public institutions. In this regard, in all countries of the region a special role must be attributed to elections of representative bodies, provided their democratic fundamentals are constantly strengthened.

In all of these countries, the development of local self-government is undermined by a weak financial base. To remedy this it is necessary to reinforce local taxes, develop inter-budgetary relations and provide fair and objective procedures for raising and allocating local revenues and expenditures.

The development and strengthening of local self-government as a rule takes place within the framework of the larger, general administrative reform aiming to separate and distinguish clearly the powers of all levels of government, as well as workable principles of subsidiarity. Progress, however, is slow and some reforms are quite



fragile, in part due to complicated economic conditions in several countries and frequent political changes.

All Eurasian countries are strongly influenced in matters of local self-government and general democratic principles by the

standards of the Council of Europe, especially those that are members of the Commonwealth of Independent States and the Eurasian Economic Community. Such shared influences permit the prediction of a high degree of accord in future legal regulation of local self-government.