Modern decentralization of local self-government in Ukraine: sources and perspectives of development (regional aspect)

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Abstract. A complex process of reforming local self-government bodies on decentralization principles is taking place in today’s circumstances of building the Ukrainian State. It will eventually provide real development of the regions; the finances will not be redistributed between the center and periphery, but will be stored in communities for their economic development, education and healthcare purposes. Ukrainian regions had similar experience of decentralization in the past. The present article is dedicated to interpreting the results of it on the terrains of the south-Ukrainian region during the end of the 18th and the beginning of the 19th centuries. The author studies the causes, the development and the decline of decentralization policy as well as the attitude to it from the part of the local elite. The attempt has also been made to answer the question: why the decentralization policy failed in the Russian Empire and what values decentralization policy should be based on.

Keywords: decentralization, municipalities, local government, regions, political system.

Raktiniai žodžiai: decentralizacija, savivaldybės, savivalda, regionai, politinė sistema.

Introduction

The reform of local self-government bodies on decentralization principles under modern circumstances of Ukraine’s state system development has already become the major priority. It implies a lot of changes in relationships between central and regional authorities, changes in rendering municipal services for local population, supporting local business activities, financing local communities as well.
It has been stressed that with regard to the economic aspect territorial communities will have advantages, because redistribution of financial resources from the state budget will be curtailed, whereas local governments will be able, at their discretion, to use money for supporting educational and medical structures, building roads, infrastructural development and modernization of municipal economics. Is modern Ukraine as well as a plenty of self-government communities really ready for these positive changes? Ukraine has gained substantial historical experience in reforming municipal life particularly in decentralizing government, which started at the end of the XVIII century and continued, without principal changes, till the socialistic reformation at the beginning of the 20th century and which was substituted by the Soviet power for organs of “people’s delegates” – Soviets of workers’, peasants’ and soldiers’ deputies.

In historiography the studied period is traditionally divided into two periods: 1) 1785-1870 – the period of the so-called “administrative guardianship” which is regarded negatively; 2) 1870-1917 – the period of self-government communities which is regarded positively on the whole.

Decentralized self-government became a topic for discussion in learned society since the beginning of the XIX century particularly in works of A. Vasiltchikov (Vasiltchikov, 1971), A. Gradovskiy (Gradovskiy, 1974) and others. In these works a lot of thoughts on self-government were expressed taking into consideration both negative and positive features. But on the whole, the educated world is divided into two discussion camps: those who advocate the theory of self-government communities and those who stand for centralization of local government. Discussions on the problem have not completed yet.

In Soviet historiography particularly in a few works of L. Velichov (Velichov, 1928) A. Chernov (Chernov, 1975), A. Dubrovinoy (Dubrovina, 1966), E. Druzhininoy (Druzhinina, 1981) and others the Tsar’s system of local self-government was criticized. The system was not considered as important and useful, because the real power belonged to civil and military administration. Negative attitude to the Tsar’s decentralized system of self-government was enhanced for the reason that it was not a body of really people’s representation, but a group of the rich who inhumanly exploited working masses.

After the declaration of independence of Ukraine in 1991 the interest in the system of local self-government has become actual again and especially in connection with the studied period. In works of Y. Nikitina (Nikitin, 2016), A. Konyka (Konyk, 2013), V. Konstantinovoy (Konstantinova, 2011) and others it became possible to restore self-government activities in detail during a long period of time. In professional historians’ circles the historical experience of civil administration, methodological approaches to study of its results are reviewed critically nowadays and more and more archive documents, especially on regional level, are introduced into scientific turnover.
For a long period of time it has been said and written a lot on activities of the self-government in the Tsar’s Russia and a conclusion was made that a lot of success was achieved in establishing practically ideal self-government units which did their best to heroically arrange an optimal life for local population.

Then, the question, which is absolutely logical, arises: if everything was working well in the Tsar’s system, why the revolutions of the beginning of the 20th century took place, having in regard that they were supported by towns’ population, too? As a result, it had not been clearly concluded yet why a decentralized government, having a lot of positive achievements, was liquidated and substituted with the Soviet system of local people’s democracy.

The above mentioned shows the reason why the present article will deal with historical experience of a decentralized self-government, with its weak and strong sides on the territory of the south of Ukraine during 132 years and will study the question why it did not go deeper in its development, but was liquidated instead, and what lessons should be given to the society of modern Ukraine while giving a second birth to decentralization policy on its own terrains after a hundred years’ break.

Overview of the specifics of the decentralization policy

The beginning of the decentralization policy is connected with the “Decree on the rights and privileges of towns of Russian Empire”, adopted in 1785. In this document it was stated in particular that certain expenses of the state budget should be shifted onto the shoulders of local communities. Local population should establish a self-governing body – “an organ of civil administration”, called Gorodskaja Duma (Municipal Council).

The organization of municipal councils reflected the conception of differentiating power: state and local. It was rather progressive (even revolutionary) for the end of the 17th century, taking into account the fact that in West European countries the similar process of forming municipalities was only starting, thus, on the whole, it was a really revolutionary event for the Russian Empire, where the nobility was still in power, not to mention militarization and policeisation.

Due to the issuing of the “Towns Regulations” by Katherine II the process of forming “municipal legislation” was set up as well, though the process had not been completed and conditionally called “local”. Municipal councils became responsible for financial and economic issues in towns, for taxation at the local level, commerce, industries; they were also obligated to support local administration apparatus.

According to the above, legislation towns were subjects of municipal property, whereas local self-government bodies had rights only to administrate property and finances. In fact, real self-government was not implemented. Municipal councils could not independently adopt and implement budgets. In this respect they were subordinate to provincial heads (gubernators), which led to a plenty of bureaucratic delays. In addition to it, these self-government bodies were obliged to cover the expenses on gu-
bernators’ offices, courts, police, etc., whereas local needs had not become the priority for municipal government (Chechulin, 1906).

Thus, we can draw a conclusion that decentralization policy was not understood as a political mechanism of forming independent local government, but as a means of redistribution of finances from state to local municipal budget(s), to be more precise, onto local population. Municipal councils were strictly recommended to economize incoming finances, not to spend much on “extra items” and deposit the rest in banks.

In conditions of the southern Ukraine the forming of decentralization policy coincided with incorporation of the region into the system of the Russian Empire, building and populating towns and handing-over power from military to civil administration. The lack of historical traditions in self-government and family-protection relationships while forming a new socio-cultural tradition in the region could not but influence a special rhythm of decentralization.

The fast steps of industrial development, urbanization and modernization of the southern Ukraine influenced the forming of self-government as well. Moreover, southern ports were used not only to import goods but also spread new European ideas, including issues concerning the municipal sphere, and the presence of foreigners also had an influence on their election to municipal councils and provincial administration (gubernatorial offices).

From the very beginning of decentralization policy Ukrainian towns faced favorable conditions for broad independence. The main factors were a distance from the center with undeveloped means of communication and weakness of control, which caused a larger extent of self-government in activities of newly established self-governments.

In southern Ukraine they felt themselves really powerful hosts for whom business or trade were the mayor priorities and values. The hunt for material prosperity had an impact on all-imperial values – they became less influential.

It was common that deputies from self-government communities were absent on important state occasions, there were also cases of insubordination to superiors appointed from the Government or for example, during public prayers in honor of the Empress’ birthday (Sandomirskiy, 1894).

Business, trading or smuggling, putting municipal affairs in order, etc. were the most important activities. Very soon self-government turned into high-handedness.

Municipal figures, feeling themselves independent, started to fix their own taxes and duties which surpassed 2-3 times those fixed by the Government and even to sell municipal property.

Under such conditions bribery and corruption became a common means of lifestyle of municipalities. Everyone knew how much one should pay for registering a person to a certain municipal estate or to take land on lease, etc.

Moreover, foreigners were greatly surprised by a high level of bribery and corruption (Gutri et al., 2012), though many of them were involved in smuggling and corruption, too. Townspeople wrote hundreds of complaints to the Government and
to the Gubernator’s office, but with no result. Deputies of municipal councils who had been repeatedly fined did not wish to pay fines, instead they put into force the earlier abolished unlawful taxes and duties before long. Fighters against corruption and bribery were often present at municipal meetings, and they had remained in townspeople’s memory for a long time, even though their public activity did not bring effective results, keeping in mind that honesty and disinterestedness were not much respected at that time (Zelenyi, 1988).

At least 2 questions may arise: who were elected and for what reasons were deputies of self-government elected?

The “Towns Regulations” of 1785 was the most democratic of all that existed during the studied period. Almost a half of townspeople were admitted to election for municipal posts. Anyone possessing 6 estates could nominate oneself as a candidate for elections and render services properly during 3 years. In port towns and provincial centers a majority of the elected were merchants, successful businesspeople, townspeople, artisans and honored townsmen. In provincial and out-of-the-way towns middle class people were in majority. After the municipal reform of 1870, which proclaimed a stateless principle as dominant and which was considered as continuation of decentralization policy, an opportunity to take municipal posts was reduced to approximately 10% of house owners, thus giving a real opportunity only to the richest of industrialists, tradesmen and financiers.

In its turn, the reform of 1892 even more reduced a list of candidates for taking municipal posts to 1% of townspeople owning houses.

The criteria for electing a person were different: personal feelings, professionalism of candidates, luck in business or trade, group solidarity (Michailovskiy, 1908).

Thus a conclusion can be made that decentralized self-government was mostly favorable for well-to-do townspeople, which caused a negative attitude and distrust from the part of poor layers of population. They were indignant about high-handedness of some deputies’ behavior, who being occupied with their own business, derived profits from their municipal posts while schools and hospitals complained about a lack of medicines and a failure in repair works.

The budgets were insufficient and a municipal government used to take credits or loans to spend a lot of money on the construction of water, sewerage and electrical lightning systems, telephone lines, trams, railways, port modernization and building elevators. At the same time it financed educational and medical institutions with the remaining funds. On the whole, the budget sufficed only for doctors’ and teachers’ salaries.

Analysis of the work of municipal councils

Sometimes repair and new construction works took place while municipal deputies with a charitable purpose financed these projects on their own account (Bogdanov, 1910; Chasovnikov, 1915). It is worth noticing that self-government was the least ef-
fective precisely in regard to poor layers of population. Municipal councils did not take much interest either in the well-being of masses or in their social protection, and the result of which was that revolutionary-minded townspeople criticized the Tsar’s decentralized government bearing in mind these very moments.

Nevertheless, it should be mentioned that it took place not only owing to the negligence of municipal councils. The State Legislation having proclaimed decentralization policy on one hand, continued centralization practice, on the other hand. Municipal deputies found themselves in a double situation: they were State servants, restricted by a corresponding oath (which represented them as state servants of lower ranks), and at the same time townspeople’s deputies elected for the purpose of managing municipal economics. As a result, the State removed municipal government from the process of establishing civil society having provided them with minimal opportunities for independence, whereas townspeople rendered them adequate minimal support remaining socially inactive.

From a financial point of view self-government was put into a difficult situation. Notwithstanding the fact that towns of southern Ukraine were among the most prosperous, they spent a plenty of money on financing administration, courts, police, military needs, which deprived them of nearly half of towns’ budgets, whereas local issues did not become obligatory for fulfillment.

To tell the truth, municipal councils assigned a lot financial resources to their own maintenance (up to 10% of total income annually). As a result, it sufficed only to finance 1-2 schools or hospitals, whereas in provincial towns there were no finances at all or financing was shared equally with zemstvo and self-government.

Thus, self-government was weakened financially in solving a lot of economic and social problems. The State was interested in such state of affairs. It was considered that a weakened local government would guarantee the survival of the State during upheavals.

These processes led local self-government bodies to understanding that the State discriminated the south of Ukraine economically, taking the most part of resources for the purpose of maintaining inner Russian territories.

Local self-governments in the region arrived at a conclusion that they themselves, without participation of the State, could solve all necessary problems, retaining all financial resources in provinces.

It was the southern region of Ukraine that struggled in letters and propositions for broad independence and autonomy of self-government bodies. Towns regarded themselves as completely self-sufficient economic complexes, spreading ideas of independent self-government over the whole Empire (Gribovskiy, 1912).

It was inside the circles of deputies from the south of Ukraine that ideas of separating from the rest of the Russia were matured first when an independent Odessa republic was proclaimed in 1905-1907, the president of which was O. Pergament, an influential deputy of the municipal council, who later became a deputy of the State Duma (Turchenko et al., 2011).
Discussion of issues at the all-Russia congress of deputies

Not long before the first all-Russia congress of deputies of self-government was held in Odessa in 1910 to coordinate activities in a struggle for establishing independent municipal councils. An ideal model for self-government in the eyes of municipal deputies was the one which would form completely independent municipalities capable of issuing their own obligatory for fulfillment normative acts with singled out municipal property and landed resources. That would permit retaining finances in provinces for the purpose of spending them on development of educational and healthcare institutions. Municipal councils should be based on democratic values giving prevalence of individual freedom over political system.

It was educational and healthcare spheres that suffered most from such insufficient financial maintenance: local educated population did not surpass 40%, a plenty of people felt frightened of school education prices. A single doctor rendered medical services to some thousand people, there was a shortage in bed places in hospitals for the sick, but sick people were not eager to get into these hospitals, the more so that there was no medical insurance at all, and besides towns suffered from different epidemics.

Notwithstanding numerous problems related to financial and human resources, municipal governments made huge efforts to overcome diseases or increase a number of educated people.

Anyway, new schools, reading-rooms, libraries, lecture halls and hospitals were opened continually. The resources assigned by local governments were regarded as the most substantial in the State (Andrievskiy, 1915). Municipal governments were the first to promote free schools, hospitals and other cultural institutions.

The process of further autonomy development, democratization and more profound decentralization was cherished by leading political parties such as: social-revolutionaries, social-federalists, independent-socialists and others (Golubtsov, 1917).

Parties of the national minorities were also active in the process of political renovations except for they were more interested in autonomy of their own national-cultural development and in the proclaiming of independence for their states (Yadlovskya, 2013).

As a result, the representatives of local self-government and the majority of political forces considered that it was necessary to continue decentralization, as it was a major source of their bright future which was based on democratic values and freedoms with the aim of concentrating all local resources in hands of local self-government, which would guarantee economic, educational and healthcare advancement of local population.

Deputies of self-government of southern Ukraine were the followers of decentralization policy throughout the studied period. The military and civil administration of the region did not share this policy. It was considered that decentralization only set a swing in motion to the State foundations and blew up its basis.
Deputies of self-government were often beaten for their independent position, scorned in public (for example, as “contemptible”), they were also threatened, imprisoned, and their business was closed down etc. (Orlov, 1885).

But the will to continue decentralization did not become less vital; instead it grew stronger. In a wish to deepen decentralization everyone found his own reasons: to correct mistakes of the State power, to make life of townspeople better; to modernize life and rhythm of towns; to become rich themselves, to realize ones plans etc. There were, of course, the opponents of decentralization policy, as it was necessary to think independently, to act effectively, or to take decisions on their own responsibility and be accountable for both personal and material matters. Such personalities did not enjoy prestige with either their colleagues or townsmen.

Features of the positive impact of the decentralization policy on the development of the region

Local people respectively did not remain voiceless masses, but active participants of ongoing political events. From the very beginning of decentralization policy townspeople supported it and stood for deepening independence and autonomy of local power. On a wave of civil upheaval of the early-mid 19th century the formation of towns’ patriotism became complete as the acme of love for their town and wish for its prospering and wellbeing.

Local population together with local self-government bodies regarded their towns or areas as the best, the most developed, the richest etc. The central power received a lot of proposals from inhabitants of the south of Ukraine on the necessity of liquidating administrative guardianship, on democratization and even on the independence for local government.

The following model was regarded as ideal: 1) democratic – the election rights should be enjoyed by all taxpayers irrespectively of their incomes, religious and national identity; 2) financially-independent – the right to form and fulfill budgets, to possess municipal property; 3) municipal – governing municipal property should be the main task of self-government bodies; 4) social – municipalities should fully maintain educational and healthcare institutions; 5) justice – the right to provide equal needs irrespective of economic possibilities (Martov, 1985).

The decentralization policy was regarded as perspective and useful for activity of local communities either by local inhabitants and deputies of local self-government or by political parties. Its further development and successfulness was part and parcel of the bright future.

At the regional, local and municipal levels decentralization brought a plenty of good and benefits. For example, in the southern region of Ukraine the abovementioned model brought the following results: 1) the highest rate of financial increase in municipal budgets; 2) one of the highest level of wellbeing of local population; 3) high rate of modernization of the region; 4) one of the highest levels of education; 5) the
higher level of independence and autonomy; 6) the top level of urbanization; 7) high ratings in trade and industry development; 8) the highest level of municipalization of state property etc.

However, notwithstanding all the successes and high ratings of economic potential of the south of Ukraine, it should be mentioned that lagging behind West European towns was catastrophic. At the end of the 19th and the beginning of the 20th centuries West European municipalities planned futuristic projects: futuristic towns, townsgardens etc. For example, not in all southern Ukrainian towns streets had names, the same was for water supply and canalization, electricity, telephones; trams were a rarity yet and sanitary-hygienic condition left much to be desired.

But notwithstanding the above lagging behind West European countries southern Ukrainian towns were proud of numerous economic achievements and looked more attractive in comparison with Russia towns.

Thus, the decentralization policy had a positive influence on life on the territory of the southern Ukraine. It became a powerful instrument of economic progress; it also stimulated high rates of financial growth as well as modernization of the region, having changed a “wild steppe” of the southern Ukraine into the richest, the most perspective and the most civilized land only within a few decades.

The reasons for the slow development of the Southern region

As a result, the question can be asked: why notwithstanding all the benefits the decentralization policy brought to the southern region of Ukraine it was curtailed and stopped in its development. The author thinks the following reasons led to it:

1. From the very beginning the State power played a leading role in broadening and development of decentralization policy. It was the State that set the pitch and rhythm in self-government and provided legislative basis with the priority of protecting the State foundations. Territorial communities were removed from decentralization development; they did not form municipalities to protect their own interests;

2. The absence of a clearly expressed view of the central power on the role and importance of decentralized government, no existing conceptions prevailed, so clearly expressed relationships between central and regional power hadn’t been worked out;

3. The absence of ideological basis of civil structures having no clearly articulated humanitarian values;

4. The bodies of self-government were the most convenient means for the rich citizens who followed their own economic and business initiatives, that is why they turned into corporations of the locale elite. This argument was popular among revolutionists when they criticized the Tsar’s system of municipalities as bourgeois organs of power being far from real democracy;
5. Low level of education and culture, which led to the incapability of thinking and acting independently under civil initiatives from below;
6. Economic weakness of territorial communities’ development, which led to the same in local self-government;
7. The absence of middle class layers of townspeople with prevalence of petty bourgeois lifestyle;
8. The absence of civil society, which caused an absence of alternative and opposition from the part of self-government deputies, and artificial removal of municipalities from the process of forming civil society. It was explained by the State as a means of protection from separatism and it also reflected political thinking in the Russian Empire that forming strong territorial self-government bodies would eventually lead to destruction of the State;
9. The stupid abolishment of a mayor’s position as a head of local self-government and superintendence was regarded as a legal abnormality as far back as 150 years ago;
10. Appointment of self-government deputies as public servants, which led to their irresponsibility in the face of local population;
11. Red tape, corruption and bribery of local officials who apply the brakes to every system’s development.

All the above mentioned caused a removal of decentralization policy and a transition to a centralized structure of the State government which involved local self-government bodies into it while forming the Soviet system of people’s representation.

Proceeding from historical lessons the attention should be paid to the problem of further existence of decentralization in conditions of modern Ukraine and readiness of local territorial communities for perspectives of municipalities’ development with the aim of protecting local interests.

Conclusions

Similarities between decentralization process of Ukraine at the end of the 18th century and in modern Ukraine:
1. The State, rather than initiatives of local communities, plays the leading role in this process;
2. The fear of separatism from the part of civil organs of power and a possibility of turning self-government bodies into self-sufficient structures;
3. The weakness of local communities’ economic development;
4. There is no clear borderline between central and local power, which doesn’t help form fully independent municipalities, the more so that the decentralized structures are grounded on the old Soviet system of centralized local self-government in which both superintendent and managing functions have been united, which rules out the possibility of independent thinking, decision-making and responsibility in the face of local population;
5. Corruption, bribery and red tape do not contribute to effective work in the sphere of municipal economics;

6. Turning self-government deputies into State officials, which deprive them of responsibility in the face of local communities;

7. The mechanism of discharge or change of incompetent local self-government figures is still not worked out.

We consider it as a correct argument to stress on the possibility of deepening decentralization policy under current circumstances, provided the following conditions are observed:

1. To liquidate the political party principle of electing deputies to local self-government, which will weaken the responsibility of local officials in the face of the central power. Local people irrespective of their party membership, religion, social background or nationality should be elected to self-government bodies for the purpose of concentrating their activity on solving local needs, working out a mechanism of firing or replacement of corrupted or incompetent servants, which will strengthen their responsibility in the face of electors. It is necessary to employ professionals or volunteers in municipalities in order to solve specific problems of local economics;

2. To form independent municipalities, to form municipal power of special kind capable of decision-making of local significance independently of the State power, which will strengthen initiatives of local authorities aiming at economic development of regions;

3. To develop education (especially of humanitarian profiles), which will lead to forming steady liberal and democratic values, widening rights and freedoms of citizens and will complete ideological foundations of municipalities as an alternative to State power. It will promote freethinking and responsibility of local authorities as well;

4. To minimize red tape and corruption by the way of curtailing a staff of local authorities, which will lead to effective and prompt problems solving. Thus, decentralization reforms are rather ambiguous and still not complete. Decentralization reforms should be continued as an integral part of further development of Ukraine that shares democratic values.

References


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Šiuolaikinė vietos savivaldos decentralizacija Ukrainoje: priežastys ir vystymosi perspektyvos (regioniniu aspektu)

Anotacija

Kartu su dabartinėmis Ukrainos valstybės kūrimosi sąlygomis vyksta kompleksinis vietos savivaldos institucijų reformos procesas dėl decentralizacijos principų. Ilgainiui šis procesas užtikrins tikrą regionų plėtrą; finansai, kurių perskirstymas vykdavo tik tarp centro ir periferijos, bus saugomi bendruomenėse jų ekonominio vystymosi, švietimo ir sveikatos priežiūros tikslams. Ukrainos regionai jau turėjo panašią decentralizacijos patirtį praeityje. Šis straipsnis skirtas interpretuoti jos rezultatus pietryčių Ukrainos regiono teritorijose XVIII a. pabaigoje - XIX a. pradžioje. Straipsnio autorius nagrinėja decentralizacijos politikos priežastis, plėtrą ir kliūtis, taip pat analizuoją procesą vietos elito požiūriu. Straipsnyje bandoma atsakyti į klausimą: kodėl Rusijos imperijoje nepavyko įgyvendinti decentralizacijos politikos ir kokia vertybė turėtų būti šios politikos pagrindas.

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