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DECENTRALIZATION REFORM IN UKRAINE: ASSESSMENT OF THE CHOSEN TRANSFORMATION MODEL

Abstract: Ukraine has to reform the spatial organization of power, which involves alteration of the administrative-territorial division in very difficult socio-economic and political conditions. Despite a great interest in the Ukrainian decentralization reform in scientific publications and media, the influence of chosen voluntary consolidation mode on the newly formed territorial communities, including their spatial configuration, economic potential and institutional capability, remains uncovered**.** Trying to shed some light on the issue, the authors made an attempt to reveal advantages and disadvantages of the selected model of reform on the example of the Perspective Plan of Territorial Communities Formation in Kyiv Region.

Key words: decentralization reform, administrative-territorial division, territorial community, plan for territorial communities formation.

1. INTRODUCTION

In recent years, Ukraine is gradually implementing an administrative-territorial reform, a key public alteration aimed at creation of a new territorial basis for local powers through the change of the out-of-date administrative-territorial division along with decentralization of power and political devolution. The authors, being experts of the Reform Office in the Kyiv Region, have directly participated in practical realization of the administrative-territorial reform, and, in this paper,

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are trying to highlight the specificity of the Ukrainian reform and point out the advantages and disadvantages of the selected model.

The purpose of the paper is to analyse the direction of the decentralization reform in Ukraine and the effectiveness of its expert support through the detachment of different configurations of territorial communities in the developed perspective plans and to identify gaps in developed and adopted documents. The lack of expert community involvement at the national level has led to the preparation of quite different types of regional perspective plans by experts with varying degrees of professional expertise. There have been a number of different interpretations of government documents in development of perspective plans. In our opinion, these legal and institutional gaps may result in a situation where the aforementioned reform will not be completed and/or will not have the planned positive effect. Therefore, we focused on the following objectives:

1. To consider the ground for reform implementation, particularly the legal, staffing, and institutional readiness for the implementation of the decentralization reform in Ukraine.

2. To analyse the experience of the neighbouring countries having similar historical experience and socio-economic situation (mainly Latvia and Poland).

3. Since development of perspective plans is considered by state institutions as one of the fuses to create fake communities, we needed to analyse the efficiency of selection of prospective consolidated territorial communities, i.e. typical faults, their severity, and associated risks. The functional capability of consolidated territorial communities was assessed using the parameters fixed by government methodology: population size, time and spatial transport accessibility, availability of infrastructure to host state institutions, regional homogeneity of newly formed administrative units, and minimum necessary funding from the state budget in new communities. We also evaluated future administrative capitals of communities in terms of their location and specific spatial conditions necessary for the successful performance of their functions.

4. To offer a vision of the reform progress to make possible further studies aimed at seeking justified solutions for the optimization of the composition and spatial configuration of future administrative-territorial units in Ukraine and to implement these solutions in practice.

2. BACKGROUND OF THE REFORM

There are many examples of successful decentralization reforms over the world. In some countries (France, Denmark, UK, Sweden, Germany, etc.) these reforms were evolutionary, germinating from the historical traditions of local governance. In others countries such reforms have instantaneously and radically changed the

nature of relations between the power and society, state government and local governments; this refers to countries with an authoritarian past.

The diversity of local government systems in the developed world can be reduced to three basic types (Schimanke, 2008): (a) North-Central Type (Scandinavia, Germany, Austria, Switzerland, and the Netherlands); (b) French Type (France, Italy, Belgium, Spain, Portugal, and Greece); (c) English Type (UK, Ireland, Canada, USA, Australia, and New Zealand). The status, independence and scope of local governments successively decrease from the first type to the third. In addition, the French type, especially in France, is characterized by a large number of small-sized grassroots units, unlike, e.g., the Scandinavian countries, where such units have large areas and populations (Boryslavska *et al*., 2012).

The Revolution of Dignity has exacerbated the issue of power decentralization as one of the major reforms on the way to the European model of governance. Even the old composition of Parliament (before elections on Oct. 26, 2014) adopted the Law 'On the Cooperation of Local Communities'. Later, in February 2015, a new parliament adopted the Law 'On Voluntary Consolidation of Territorial Communities', followed by the governmental approval of the 'Methodology for Creation of Capable Territorial Communities'. These acts constitute the current legal basis for the reform.

It should be noted that the principles of ongoing reform were slightly changed compared with the previous attempt undertaken in 2009. The current model envisages the absolutely voluntary consolidation of neighbouring communities. However, according to the aforementioned Methodology, working groups at the regional state administrations should have developed perspective plans of territorial communities that are subject to approval by the appropriate regional council and then by the Government. The amendments to the Budget Code of Ukraine stipulate that financial incentives will be granted only to communities consolidated under the approved perspective plan.

Therefore, there is a kind of dualism, manifested by the presence of parallel processes in the single frame of reform. The communities are free to join according to their own desires or do not participate in the consolidation process at all. But government gives support only to communities consolidated according to the perspective plan, being a state vision of rational territorial organization of society.

The successful implementation of every reform, in particular the reform of power decentralization and administrative-territorial division, requires several conditions to be fulfilled (Lesechko and Chemerys, 2001; Regulski, 2000; Kuchabsky, 2010; Hanushchak, 2013 etc.): presence of ideologues and experts, able to develop the basic principles of the reform and mechanisms of its realization; political will of the country's leadership to carry out the reform; support for reform by the elites (in a broad sense); clear definition/assignment of responsible institutions; adequate information support; wide support for major provisions of the reform in the society. During the years of independence, Ukraine has never seen the concurrence of these conditions.

Moreover, taking advantage of official position and/or public status, some representatives of political elite, local governments and officials make a fierce resistance to the reform by manipulating public opinion, resulting in distortion of facts and propagation of baseless allegations and myths. The worst in these myths is their addressing to negative traits of the nowadays psychology of the average Ukrainian, formed by the negative experience of recent decades: low level of mutual trust between society and government; caution and fear to accept changes; deep-seated paternalism.

As Szczepánsky (1995) rightly exposed, acceptance of changes that has not earlier taken root in the social system, in the individual and collective awareness, often give rise to deformed and pathological effects, and hence a full realization of the inevitability of changes by the principal persons and bodies concerned, the regional communities, local communities and individuals, is a matter of vital importance.

The above indicates that the reform takes place in very difficult conditions. There are many proposals for changing its concept and procedure. All this promotes the need to evaluate the advantages and disadvantages of the chosen model of reform. During the past two years, the question of decentralization has been raised in many publications. However, the majority of these works reveal purely theoretical ideas about the essence of the reform (Gladka, 2015; Seryogin and Goncharuk, 2015), key issues and future prospects (Yermolayev *et al*., 2015; Miskyi and Halushka, 2015). At the same time, almost no publication that analyzes the efficiency and scientific validity of the spatial configuration of the newly formed territorial communities, and the advantages and disadvantages of the current reform process disclosed specific examples. Also, there is a lack of publications in journals outside of Ukraine contributing objective information about the situation in Ukraine to international, especially the European academic community.

3. PERSPECTIVE PLAN OF TERRITORIAL COMMUNITIES IN KYIV REGION: ILLUSTRATION OF THE REFORM COURSE

The development of the Perspective Plan of Territorial Communities in Kyiv Region (hereinafter – Perspective Plan) is quite a good illustration of the real course of the reform, as well as advantages and disadvantages of the reform mode selected by the Ukrainian government. Therefore, the authors investigated consecutive versions of the Perspective Plan comparing reasons for development, basic indicators, and effectiveness. The basic quantitative parameters of the consolidated communities and their spatial configuration, as well as graphic illustrations, were taken from working documents of the Reform Office in Kyiv Region.

Also, we compared the situation in Ukraine with foreign experiences. We especially focused on two countries, Poland and Latvia, similar to Ukraine in respect of geographic position, socio-economic problems and shortcomings of the administrative system. Special aspects of administrative-territorial reform in these countries are highlighted in a number of publications (e.g., Regulski, 2000; Lesechko and Chemerys, 2001; Devey, 2002; Kulesza, 2002; Vanags, 2005; Buchynska, 2010; Bafoil, 2010; Otola, 2008; Kraujutaityte *et al.,* 2014; etc.).

During May – August 2015, the workgroup elaborated 19 successive variants of the Perspective Plan. For the purpose of this paper, there was no need to consider each option: we have analyzed only three base options as a logical outcome of three sequential stages. Each of these stages was marked by one approach: scientific rationale; addressing the proposals; search for consensus.

Table 1. Variants of the Perspective Plan of Territorial Communities Formation in Kyiv Region

Indicators	Variants of Perspective Plan		
	expert	compromise	consensus
Number of consolidated communities	45	77	61
Area, sq. meters (average)	569	333	411
Population (average)	39930	23445	26918
Number of settlements (average)	26	15	19
Subsidized communities (%)	25	40	47
Communities having facilities for state bodies and institutions (%)	89	74	90

Source: authors' calculations.

3.1. 'Expert' Variant of the Perspective Plan

The first variant of the Perspective Plan may be called 'expert' as it was developed by a working group at the Kyiv Regional State Administration with close participation of economists, economic geographers, and specialists of state and municipal management and in full compliance with the Methodology. According to the expert version, new consolidated communities should have been created exclusively through the merging of existing territorial communities, i.e., urban, township, and village councils. The only exception was and remains the city of Slavutych, being an enclave within the territory of Chernihiv Region.

It was assumed that the centres of more than half of the communities (53.3%) would be located in cities, almost a third (28.9%) – in townships, and only 17.8% – in the villages. Thus, the vast majority of new administrative centres would

have been the real development poles linked with adjacent territories by a large array of economic, social, cultural ties etc., revealed, in particular, by the constant circular employment and study migrations, exchange of goods and services between businesses, delivery of agricultural products from the surrounding villages to the cities for consumption or further processing, areas of the local print media circulation, the territorial identity of the local population, the long history of administrative gravitation to the central settlement, etc. The centres of consolidated communities would have clearly dominated other settlements, contributing to the stability of communities.

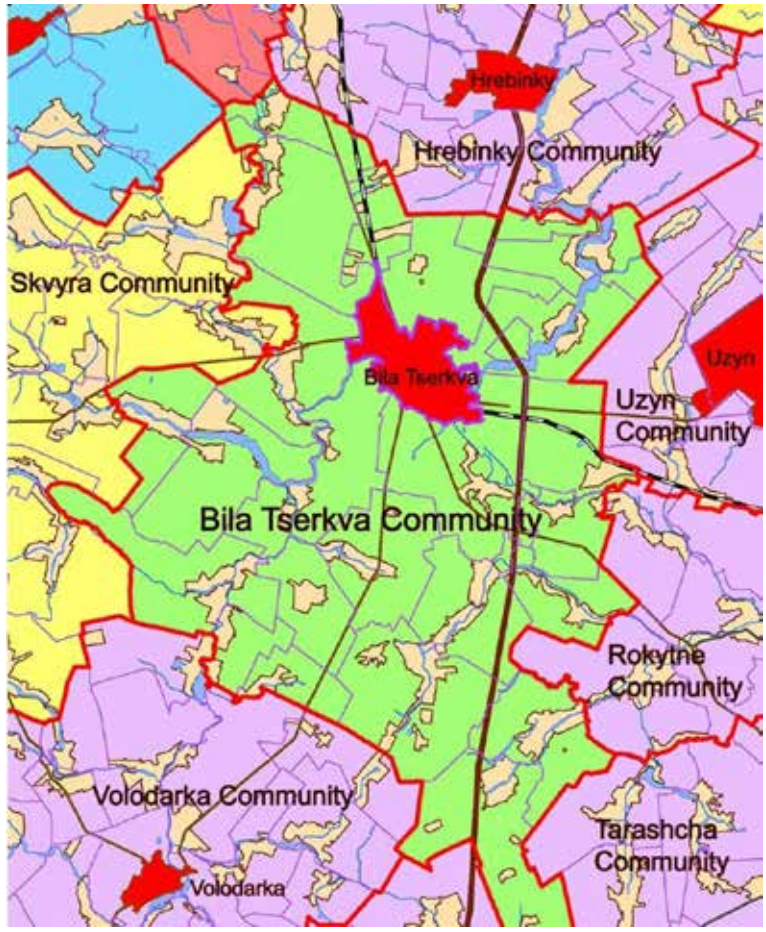

Fig. 1. Bila Tserkva consolidated territorial community according to the 'expert' variant of the Perspective Plan
Source: Reform Office in Kyiv Region

The expert variant of the Perspective Plan completely excluded situations when the city, within its borders, constitutes a separate community completely surrounded by one or more other local communities. Moreover, each city, functioning as community administrative centre, would have had its own suburban area within the community. This is especially important for large and medium-sized cities, where systems of life support (water supply, sewerage, waste incineration plants, airports and ground transport interchanges, suburban trade clusters etc.) are often located outside the city limits (Fig. 1). It should be noted that in this case the cities would have had the potential for further spatial development and would have been relatively stable regarding demographic and economic challenges.

The high uniformity of communities in respect of basic indicators, such as area, population and number of settlements, is hardly achieved in agglomerated region around the capital. However, communities would have had the least possible disparities by all indicators. In particular, the area ratio of largest and smallest community was 85.6, the ratio of population size – 64.3, the ratio of the number of settlements – 81. These values at first glance may seem large; however, in fact they are possibly optimal. Significant disparities by area are explained by the small size of communities in Kyiv suburban zone (Fig. 2).

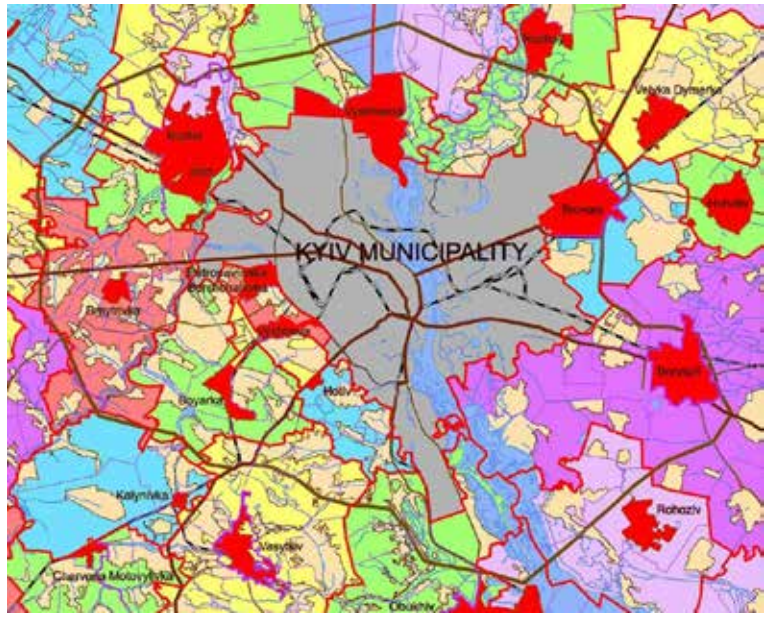

Fig. 2. Kyiv suburban zone according to the 'expert' variant of the Perspective Plan
Source: Reform Office in Kyiv Region

If these communities are excluded from the calculation, the area ratio is only 6.5, and the number of settlements ratio is only 10.1. Excluding from the analysis the community of Bila Tserkva (the largest city with population over 200,000), the calculated population ratio would be only 32.3.

The expert variant of the Perspective Plan envisages three concentric belts of communities with different topological properties, while correlating with the peculiarities of the regional settlement system. Proximal to the capital, in conditions of considerable financial budget resources, high population density and presence of many related competing centres, the communities would have been formed by merging territories of several (2–5) neighbouring local councils. The semi-peripheral zone is marked by communities modelled mainly by disaggregation of existing administrative districts and with centres located in settlements with the largest socio-economic potential far exceeding that of the neighbours. Finally, the periphery outside of Kyiv suburban zone has predominantly rural population and low local budgets, and also lacks powerful settlement centres (excluding district centres); therefore each district would have been merged into one consolidated territorial community.

It is worth noting that the vast majority of all modelled communities would have been fully (88.9%) or at least partially (11.1%) provided with facilities to house state agencies and institutions. This was achieved largely due to the fact that 57.7% of community centres should have been located in the contemporary district centres, and 13.3% – in the former district centres, abolished in the second half of the 20th century. In addition, with few exceptions, the communities would have been financially capable. The ratio of the maximum and minimum profitability indices (to the regional average) would have varied from 5.11 in Boryspil community to 0.41 in Poliske community, which is a pretty decent figure for the region with significant polarization of economic development. Only a quarter of consolidated communities would have had income per person less than official minimum wage.

3.2. 'Compromise' Variant of the Perspective Plan

According to the law of Ukraine 'On voluntary consolidation of territorial communities', the actual process of consolidation may occur simultaneously with the development and approval of the Perspective Plan. Therefore, territorial communities in Kyiv Region have started dialogue on consolidation without waiting for Perspective Plan approval and, consequently, the working group began receiving proposals from the local governments and the public. The proposed boundaries rarely coincided with those on the expert Perspective plan. In addition, state interests and scientific objectivity collided with the interests of local elites and particular interest groups. It became clear that the draft Perspective Plan will not be approved by the Kyiv Regional Council if it does not take into account several proposals of political forces and individual deputies.

The working group, introducing changes, agreed to maximally consider all received proposals. This gave an opportunity, first, to take into account the objective desire of local communities to unite in some way, and secondly, to minimize the risks of disapproval of the Perspective Plan by the Kyiv Regional Council. A new variant of the Perspective plan can be called a 'compromise' since it was created as a compromise between the expert opinion, the vision of communities, and political wish list. Some model communities did not meet the requirements of the Methodology regarding socio-economic integrity, financial capability, cultural and historical territorial integrity etc. The working group deliberately chose to take this step because of the understanding that communities that do not meet the Methodology requirements will be rejected at the time of Perspective Plan approval by the Cabinet of Ministers. The development of a compromise Perspective Plan had the aim to provide those territorial communities which started a real path to consolidation with the opportunity to exercise their rights under the Law and get financial preferences from the state.

The influence of the political factor in some places led to the appearance of such spatial configurations that contradict the logic of the reform and even common sense. Below we delineate three most striking examples of ignoring the requirements of the Methodology and common sense in deference to the desire of the local 'princelings'.

'Baryshivka Sausage'

Baryshivka township council and Baryshivka District State Administration have made every effort to prevent the formation of a separate Berezan urban community within Baryshivka district. Through pressure and outright blackmail they achieved failure to provide the consent from the part of the rural councils to join the consolidated community of neighbouring Berezan. As a result, a long narrow exclave of about 20 km encircles Berezan urban community from the south and south-east (Fig. 3). Communication routes between Baryshivka and the settlements within the exclave pass through the territory of the Berezan community, particularly through Berezan. The distance from these villages to the centre of the community (Baryshivka) is 2–3 times more than to Berezan. It is worth noting that Berezan is more populous than Baryshivka, has already the status of the city of regional subordinance and much greater economic potential. This configuration of local communities would lead to additional load on the infrastructure of Berezan: first, the transit transport flows to Baryshivka from the settlements within the exclave would be directed through Berezan, second, residents of these settlements work and make shopping primarily in Berezan, third, a significant portion of the people would receive medical and educational services in close Berezan instead of the distant Baryshivka. A paradoxical situation may occur when an ambulance car, for example, starting from the village of Yablunivka, would go 30–40 minutes to Baryshivka driving by the medical institutions in Berezan with travel time approximately 15–20 minutes, i.e. twice less.

'Pereiaslav-Khmelnytskyi Raisin Cake'

Being under political pressure, heads of villages in Pereiaslav-Khmelnytskyi district have rejected the proposal of the Pereiaslav-Khmelnitsky City Council to establish an integrated community with a centre in Pereiaslav-Khmelnytskyi. As a result, 'compromise' Perspective Plan envisages the formation of two separate local communities, one including solely the city of Pereiaslav-Khmelnytskyi, the second uniting the other settlements of the district with the centre in the village of Tsybli (Fig. 3). Due to this decision, Pereiaslav-Khmelnytskyi would have lost spatial resources for further development, while Tsybli community would have been unable to enforce its proper authorities and deeply subsidized. Since all spatial communications in the district are locked at Pereiaslav-Khmelnytskyi, the community of Tsybli would have been parasitizing on the urban infrastructure, as the village of Tsybli would not have been deprived in terms of infrastructure, but also characterized by very low transport accessibility for community residents.

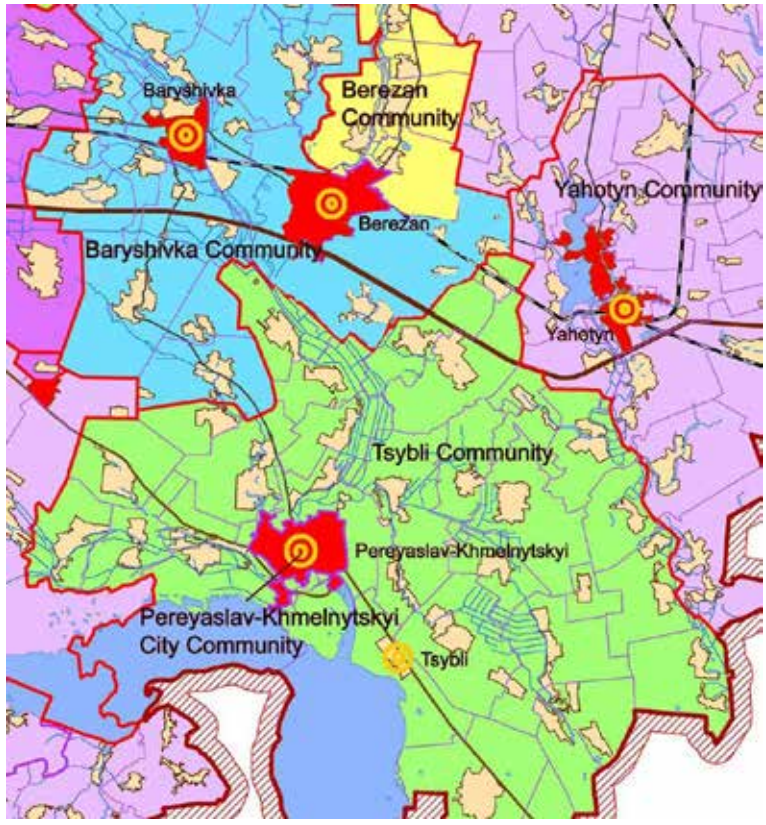

Fig. 3. 'Baryshivka Sausage' and 'Pereiaslav-Khmelnytskyi Raisin Cake'
Source: Reform Office in Kyiv Region

'Bila Tserkva Flower'

The village councils, located around Bila Tserkva, have rejected the proposals to join the Bila Tserkva urban community. Instead, they decided to create three territorial communities around the city (with centres in Terezyne, Fursy and Shkarivka). The very same Bila Tserkva, as a city of regional subordinance, formed a separate urban territorial community. Thus, the surrounding rural territorial communities may be compared to petals of a Bila Tserkva flower (Fig. 4). Undoubtedly, this option is better than the 'Raisin Cake'. Three administrative centres of adjacent communities are located at the opposite sides of Bila Tserkva, and therefore there is no physical need for transit traffic through the city. This works in theory. However, in view of the huge difference in socio-economic potentials, as well as sustainable social, economic and cultural ties, most of the people from the three neighbouring communities would still receive public services in Bila Tserkva, as well as perform their everyday activities. Moreover, Bila Tserkva, as well as Pereiaslav-Khmelnytskyi, would have been deprived of the spatial development opportunities and the possibilities of effective management of the life support urban systems. For example, Bila Tserkva water intake from the Ros river would be located within Fursy community, while wastewater treatment facilities – in Shkarivka community. Coincidently, a significant number of communities refuse to unite with the adjacent territorial communities. Predominantly these are suburban communities located in Kyiv suburban zone. A detailed examination of this phenomenon revealed two possible cases. The first group includes the rural communities where local authorities oppose any consolidation as a matter of principle, considering themselves to be quite capable. The second group embraces communities ready to consolidate with adjacent settlements, provided, however, that the administrative centre of the new community will be located just in given community. As a result, the consensus is not achieved, and each locality continues to exist by itself. However, intense competition between suburb towns leads to vulnerable and imperfect configurations of territorial communities, even when the process of voluntary consolidation does occur.

The general review of communities formed according to the compromise version of the Perspective Plan reveals significant increase in the topological and socio-economic imbalances, decreasing the homogeneity of communities, which in turn complicates the implementation of the unified state regional policy. The planned number of 77 communities was 58% more than provided by the 'expert' option. Significant dwarfing of communities was mostly obvious in the suburban belt around Kyiv. Slightly less this process manifested itself within the semi-periphery, while periphery was hardly affected. The compromise version of the Perspective Plan decreased in half the proportion of urban communities (to 31.2%), but increased the share of township and village communities (to 32.5% and 36.4%, respectively). The absolute majority of the modelled township and village communities had no

facilities to house state agencies and institutions. Also, consolidated territorial communities, modelled by compromise version of the Perspective Plan, would have had a much worse financial viability: 40.3% of communities would have been subsidized, which is twice more compared to the expert option.

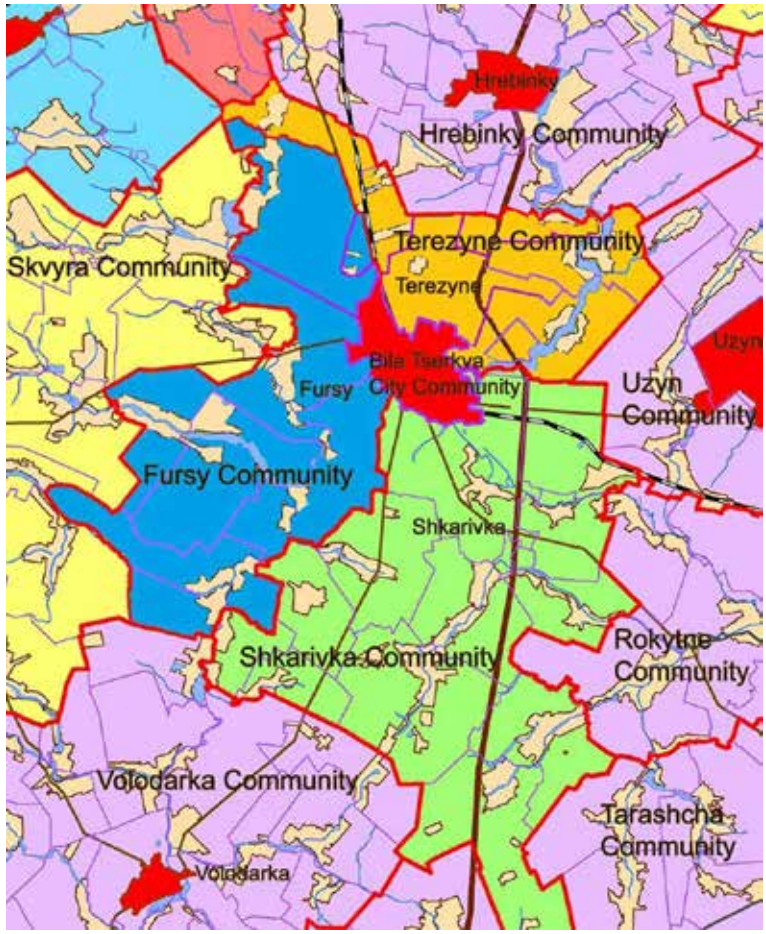

Fig. 4. 'Bila Tserkva Flower'
Source: Reform Office in Kyiv Region

In June 2015 one of the modifications of the 'compromise' version of the Perspective Plan was submitted for approval to the Kyiv Regional Council, but the deputies did not regard it as an issue for political considerations. Thus, territorial communities in the region lost the opportunity to fully exercise their rights according to the Law; however, the working group was given the opportunity to continue work on the Perspective Plan.

3.3. 'Consensus' Variant of the Perspective Plan

During further work on the draft Perspective Plan, the working group came to the conclusion that the Law provides for the mandatory consolidation of at least two adjacent territorial communities. Therefore, the isolated cities (except the cities of regional subordinance), as well as township and village councils, not involved in the consolidation process, should not obtain the status of consolidated territorial community.

Accordingly, it was decided that the next version of the Perspective Plan must give green light only for those consolidated territorial communities, the subjects of which have reached mutual agreement on spatial configuration of the future community or, at least, provided no objection to the option proposed in the previous Perspective Plan. The territories of local councils that refused to join any other territorial community, or initiated consolidation process, but have not received a positive decision simultaneously denying the fundamental possibility of other consolidation option, must be included in the so-called 'grey zone' of unconsolidated local communities (Fig. 5).

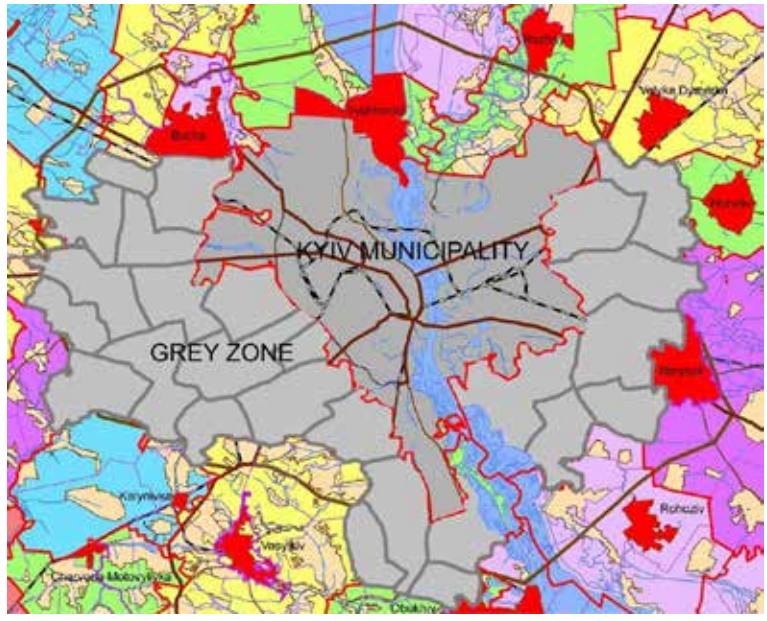

Fig. 5. 'Grey zone' (unconsolidated communities) on the 'consensus version' of the Perspective Plan
Source: Reform Office in Kyiv Region

A new variant of the Perspective Plan, developed in accordance with the above principles, may be called 'consensus' because it implies an absolute consensus of

all stakeholders on the proposed community configuration. This variant implies that consolidated territorial communities are created on the basis of mutual agreement of all the subjects as if crystallized from the grey mass of city, township and village councils.

Finally, this version of the Perspective Plan was adopted by the Kyiv Regional Council on August 13, 2015 and envisages the formation of 61 consolidated territorial communities, while 24 local councils, of which 2 cities (Vyshneve and Boyarka), 4 townships and 16 villages, appeared out of the consolidation process.

Excluding the 'grey zone' from the analysis, the quality of 'consensus' variant should be evaluated as intermediate between the 'expert' and 'compromise' variants. The average community will have an area of 411 km^2, 19 municipalities and population of 27,000 inhabitants. About half of the modelled communities are subsidized. More than one third of the communities (36.1%) will be urban, 34.4% will have centres in townships, and the rest of 29.5% – in villages. Thus we can achieve rough parity between city, township and village communities. Nearly 90% of model communities have premises to accommodate state agencies and institutions. Unfortunately, the 'consensus' version has inherited the majority of the above described failings of the 'compromise' version.

4. DISCUSSION

The vast majority of communities, created according to the expert Perspective Plan, would be able to function as a coherent and stable territorial social system having a sufficient balance between different social and geographical subsystems and a high level of geographic diversity that indicates the principal possibility to ensure long term sustainable development. Thus, the 'expert' Perspective Plan was not perfect, but the best possible, scientifically sound option. However, it was not destined to become a reality.

Two main reasons that led to the formation of notoriously unsound topology of local communities were political ambitions of local elites and their unwillingness to lose control over the resources distribution.

The political ambitions of local elites are manifested in the desire to create territorial base for political career and further the goodwill of the voters, as lobbyists of their interests: 'now, you now have your own community thanks to my efforts, so please support me in the elections'. In addition, in view of the local elections, representatives of several political forces, who consider themselves opponents of decentralization reform, are trying by all means to hinder the process of reform solely on the basis of political expediency and adherence to the general line of respective political party. If the village council head belongs to such

a political force and carries such an adherence to principle, the consolidation process comes to a standstill, as the rational arguments here just do not work.

Regarding the control over local resources, we can distinguish several aspects: (a) The greed of local self-government representatives: in settlements with a high yield of local budgets they desire to uncontrollably 'skim the cream' from the current situation, demonstrating a pathological unwillingness to share resources with poorer neighbouring settlements, to invest in the development of joint infrastructure; (b) In general, rural communities feel threatened by possible consolidation with urban communities, fearing to lose control over land resources. Peasants believe that the cities will use rural areas for residential, commercial, or industrial development; (c) The reluctance of local administrations to lose control over the distribution of financial resources between local budgets. This weakness of the modern budget system allows local state administrations to keep city, township, and village heads on a tight leash and to lobby their own commercial or political interests.

In general, communities that do not evolve into consolidation possess one important resource providing significant financial revenues: e.g., land for residential, agricultural or industrial use, or single major functioning enterprise, or gas filling station providing income from excise duty etc. The main weakness of such communities consists in their instability and susceptibility to demographic, social and economic challenges in the long term. Therefore, we predict gradual consolidation of territorial communities in the 'grey zone'. All of the above points to inevitable and repeated correction of the Perspective Plan in the future.

The ideologists of the Ukrainian reform widely declare the adoption of Polish experience. In fact, however, the reforming in Ukraine is similar to the Latvian practice: the above material suggests a striking similarity of the concepts and process of the reform in Latvia and Ukraine in 2014–2015, as well as similarity of problems. In particular, in both countries:

– legal, fiscal, and administrative aspects of the reform were severed in time;

– reformers bet on cooperation between local authorities of neighbouring administrative-territorial units, but its popularity and effect were miserable;

– consolidation of communities was initially carried out on a voluntary basis, but at the final stage – according to the Perspective Plan;

– the Perspective Plan of the consolidation of administrative-territorial units was corrected to meet some political interests;

– slow rate of consolidation process, disputes between the neighbouring communities, intransigence in the collision of their interests;

– significant part of the newly formed administrative-territorial units, especially in the first stage of the consolidation process, have obvious failings: complicated, stretched, far from ideal configuration; eccentric location of administrative

center; low financial and economic viability; presence of enclaves and exclaves, spatial fragmentation;

– two categories of administrative-territorial units, different by their viability, function during the transition period (rural municipalities and the province in Latvia; city, township, village councils and joint territorial communities in Ukraine).

5. CONCLUSIONS

The strategy of the reform, selected by the authorities, implies voluntary consolidation of territorial communities, therefore has many disadvantages confirmed by domestic and international experience. The reform is stretched in time and has more complicated conditions of implementation. Newly created administrative-territorial units are characterized by low homogeneity and have inadequate spatial configuration etc. Today the opponents of the reform celebrate tactical victory: using the weaknesses of legislative support of the reform they managed to prevent the announcement of first elections in the few communities that intended to do it.

But the reformers win strategically. Generally, the reform is now perceived as irreversible. Even the most furious opponents have entered the consolidation process fearing that their communities may be formed in unwanted configurations. And most importantly, more and more people express the desire, if not to participate in consolidation of territorial communities, to at least get more information about the benefits of the reform.

The process of voluntary consolidation has shifted the polemic in the broad public discussion. People got a real opportunity to influence the spatial organization of the residential territory, and to determine the strategic directions of its development. In public opinion, administrative-territorial reform ceased to be pure theory, needed only by officials and experts-theorists, but gradually becomes a matter of practice, the subject of conscious choice. The voluntary model proved to be quite useful in awakening civic initiatives and people's direct interest in territorial development.

This advantage is particularly clear on the example of Kyiv Region, where local communities began to consolidate not for the sake of implementation of the approved Perspective Plan, but on their own initiative. The consolidation started and continued without clear legal guidelines, without expectations for immediate financial guarantees and preferences from the state, but with the understanding that the reform establishes fundamentally new relationship between government and society, eliminating the total state protection, but providing possibility for

implementation of proper initiatives. Since this consolidation is pained and hard won, the newly created communities will be well aware of its price.

Therefore, the psychological attitude of people is a key to the success of the reform. The task of the government is to use such readiness and actualize the potential of a critical mass of 'friends' of the reform for the widest possible dialogue with society convincing people that the idea of reform pertains not so much to authorities as to themselves.

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